



## HINDUSTAN COMPOSITES LTD.

Peninsula Business Park, Tower "A", 8th Floor,  
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.  
Tel : (91)(22) 6688 0100 • Fax : (91) (22) 6688 0105  
E-mail : hcl@hindcompo.com  
Website : www.hindcompo.com  
CIN No. L29120MH1964PLC012955

5<sup>th</sup> August, 2019

To,  
The Manager - DCS  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001  
Scrip Code - 509635

The Manager - Listing  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051  
Scrip Symbol: HINDCOMPOS

Dear Sir,

**Sub: Submission of copy of the Annual Report 2018-19 along with the Notice of 55<sup>th</sup> Annual General Meeting of Hindustan Composites Limited, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the notice of 55<sup>th</sup> Annual General Meeting along with the copy of Annual Report for the financial year 2018-19.

The 55<sup>th</sup> Annual General Meeting of the Company will be held on Thursday, 29<sup>th</sup> August, 2019 at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 at 11:30 a.m.

The same is being dispatched to the shareholders of the Company by the permitted mode(s).

The same is also available on the website of the Company i.e. at [www.hindcompo.com](http://www.hindcompo.com) and on the website of CDSL i.e. at [www.evotingindia.com](http://www.evotingindia.com).

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Hindustan Composites Limited

  
A  
Vikram Soni  
Company Secretary & Compliance Officer  
Membership No.A36705

Encl.: As above

### Regional Sales Offices

East : 29, Ganesh Chandra Avenue, Bando House, Room No 207, 2nd Floor, Kolkata - 700 013. • Tel.: 91-33-2236078 • Fax : 91-33-22360788
West : B-11, Paragon Condominium, 1st Floor, P. B. Marg, Worli, Mumbai - 400 013. • Tel.: 91-22-2495 1355 • Fax : 91-22-2495 1365
North : 401, Rohit House, 3 - Tolstoy Marg, New Delhi - 110 001 • Tel.: 91-11-2331 3845 • Fax : 91-11-23313846
South : New No. 931, Old No. 478, Ramaniyam Citadel Apartment, 2nd Floor, Poonamallee High Road, Arumbakkam, Chennai - 600 106. • Tel : 91-44-23633722



ANNUAL REPORT 2018-2019



**New manufacturing facility at Bhandara**

### **BOARD OF DIRECTORS**

Raghu Mody  
 P. K. Choudhary  
 A. B. Vaidya  
 Chakrapani B. Misra  
 Deepak Sethi  
 Lt. Gen. (Retd.) K. S. Brar  
 Sakshi Mody

Executive Chairman  
 Managing Director  
 Independent Director  
 Independent Director  
 Independent Director  
 Independent Director  
 Non - Executive Director

Amit Goenka

V. P. Finance and Company Secretary  
 (upto 7<sup>th</sup> May, 2018)

Vikram Soni

Company Secretary & Compliance Officer  
 (w.e.f. 8<sup>th</sup> May, 2018)

Sunil Jindal

Chief Financial Officer

#### **STATUTORY AUDITORS**

M/s. Bagaria & Co. LLP, Chartered Accountants

<b>Contents</b>	<b>Page No.</b>
Notice	1
Directors' Report	13
Management Discussion and Analysis	36
Corporate Governance Report	38
Certificate from Practicing Company Secretary	47
Auditors' Certificate on Corporate Governance	48
Auditors' Report on Standalone Financial Statements	49
Standalone Balance Sheet	55
Standalone Statement of Profit & Loss	56
Standalone Cash Flow Statement	57
Notes on Standalone Financial Statements	59
Auditors' Report on Consolidated Financial Statements	94
Consolidated Balance Sheet	99
Consolidated Statement of Profit & Loss	100
Consolidated Cash Flow Statement	101
Notes on Consolidated Financial Statements	103
<b>55<sup>th</sup> Annual General Meeting</b>	
<b>Day &amp; Date</b> : Thursday 29 <sup>th</sup> August, 2019	
<b>Time</b> : 11.30 a.m.	
<b>Venue</b> : Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	

#### **BANKERS**

Bank of Baroda  
 ICICI Bank

#### **REGISTERED OFFICE**

Peninsula Business Park, 'A' Tower,  
 8<sup>th</sup> Floor, Senapati Bapat Marg,  
 Lower Parel, Mumbai 400-013  
 Phone : (022) 6688 0100  
 Fax : (022) 6688 0105  
 E-mail : investor@hindcompo.com

#### **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private Limited  
 C-101, 247 Park,  
 LBS Marg, Vikhroli (West), Mumbai – 400-083  
 Phone : (022) 49186270  
 Fax : (022) 49186060  
 Email : rnt.helpdesk@linkintime.co.in

#### **WORKS**

Paithan : D-2/1, MIDC Industrial area, Paithan, Dist.  
 Aurangabad - 431107

Bhandara : C-10/1, Bhandara Indl. Area, Gadegaon  
 Dist. Bhandara - 441904



## Hindustan Composites Limited

CIN: L29120MH1964PLC012955

Peninsula Business Park, 'A' Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400013

Tel.:(022) 6688 0100, Fax: (022) 6688 0105, E-mail: hcl@hindcompo.com, Website: www.hindcompo.com

### NOTICE

Notice is hereby given that the Fifty Fifth Annual General Meeting of the Members of Hindustan Composites Limited will be held at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 at 11:30 a.m. on Thursday, 29<sup>th</sup> August, 2019 to transact the following businesses:

#### ORDINARY BUSINESS:

- To receive, consider and adopt (a) the Standalone Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the reports of the Directors' and Auditors' thereon; and (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the report of Auditors' thereon and in this regard, if thought fit, to pass the following resolutions as **ORDINARY RESOLUTIONS:**

(a) **“RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the reports of the Board of Directors' and Auditors' thereon be and are hereby received, considered and adopted.”

(b) **“RESOLVED THAT** the Consolidated Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2019 together with the Auditors' Report thereon be and are hereby received, considered and adopted.”

- To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2019 and in this regard, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the recommendation of the Board of Directors of the Company, dividend @ 40 % i.e. ₹ 2/- ( Rupees Two only) per share on Equity shares of ₹ 5/- each fully paid up for the financial year 2018-19, be and is hereby declared out of the profits of the financial year 2018-19 and that the same be paid to those shareholders whose names appeared on the Company's Register of Members as on 22<sup>nd</sup> August, 2019 and that the dividend warrants be posted or direct credit through NECS be given within 30 days hereof only to those shareholders who are entitled to receive the payment of dividend.”

- To appoint a director in place of Mr. Raghu Mody (DIN: 00053329), who retires by rotation and being eligible, offers himself for re-appointment as a director and in this regard, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Raghu Mody (DIN: 00053329), Director of the Company, who retired by rotation and being eligible, had offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation.”

#### SPECIAL BUSINESS:

- To re-appoint Mr. Deepak Sethi (DIN: 07165462) as an Independent Director of the Company and in this regard, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Deepak Sethi (DIN: 07165462), an Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 23<sup>rd</sup> April, 2020 to 22<sup>nd</sup> April, 2025, who shall not be liable to retire by rotation.

**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 may be necessary to give effect to the above resolution.”

- To approve the revision in remuneration payable to Mr. Raghu Mody (DIN:00053329), Executive Chairman and Whole Time Director of the Company and in this regard, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and provisions of Regulation 17 (6) (e) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the revision in remuneration payable to Mr. Raghu Mody (DIN: 00053329), Executive Chairman and Whole Time Director of the Company w.e.f. 1<sup>st</sup> April, 2019 for the remaining period of his tenure as detailed in the Explanatory Statement attached to this Notice, be and is hereby approved, with the authority to the Board of Directors of the Company to revise the terms on recommendation of Nomination and Remuneration Committee and approval of Audit Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Raghu Mody as Executive Chairman and Whole Time Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**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 may be necessary to give effect to the above resolution.”

6. To approve the revision in remuneration payable to Mr. P. K. Choudhary (DIN: 00535670), Managing Director of the Company and in this regard, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the revision in remuneration payable to Mr. P. K. Choudhary (DIN: 00535670), Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2019 for the remaining period of his tenure as detailed in the Explanatory Statement attached to this Notice, be and is hereby approved with the authority to the Board of Directors of the Company to revise the terms on recommendation of Nomination and Remuneration Committee and approval of Audit Committee with regard to remuneration from time to time

within the limits provided in the said Schedule V or any amendment thereto for the time being in force.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. P. K. Choudhary as Managing Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**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 may be necessary to give effect to the above resolution.”

7. To re-appoint Mr. P. K. Choudhary (DIN: 00535670), as Managing Director of the Company and in this regard, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Article 206 of Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the re-appointment of Mr. P. K. Choudhary as Managing Director of the Company for a further period of 5 years w.e.f 1<sup>st</sup> July, 2019 till 30<sup>th</sup> June, 2024 be and is hereby approved upon the terms and conditions as detailed in explanatory statement annexed to the notice, with the authority to the Board of Directors of the Company to revise the terms on recommendation of Nomination and Remuneration Committee and approval of Audit Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. P. K. Choudhary as Managing Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**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 may be necessary to give effect to the above resolution.”

8. To approve the revision in remuneration payable to Mr. Varunn Mody, President Treasury and Strategy of the

Company and this regard if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 188(1)(f) and all other applicable provisions, if any, of the Companies Act, 2013 and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors of the Company, the revision in remuneration payable to Mr. Varunn Mody, President Treasury and Strategy of the Company, a relative of Mrs. Sakshi Mody, Non-Executive Director of the Company, with effect from 1<sup>st</sup> July, 2019 to a consolidated remuneration of ₹ 7,00,000/- (Rupees Seven Lakhs only) per month be and is hereby approved with the liberty to the Board of Directors to revise terms of remuneration payable to him from time to time.

**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 may be necessary to give effect to the above resolution.”

9. To approve the payment of Commission to Independent Directors of the Company and in this regard if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 197, 198, and all other applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, in addition to the sitting fees paid for attending the meetings of the Board of Directors of the Company and Committees thereof, the consent of the members of the Company be and is hereby accorded for the payment of ₹ 2,00,000/- (Rupees Two Lakhs only) as Commission to each Independent Director of the Company for the financial year 2018-19.”

**By Order of the Board of Directors**

**Vikram Soni**  
**Company Secretary & Compliance Officer**

**Place: Mumbai**

**Date: 6<sup>th</sup> May, 2019**

**Regd. Office:**

Peninsula Business Park, 'A' Tower,  
 8<sup>th</sup> Floor, Senapati Bapat Marg,  
 Lower Parel, Mumbai 400013

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

Further, a person can act as Proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this notice.
3. Members/proxies are requested to bring their Attendance slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to bring their client ID and DP-ID for easier identification of attendance at the meeting
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting (including through e-voting).
7. Route – map of the venue of the 55<sup>th</sup> Annual General Meeting of the Company is provided in the Annual Report for the convenience of the members.
8. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business

hours up to the date of the ensuing Annual General Meeting.

9. Brief resume of directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting in terms of Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 Secretarial Standard on "General Meetings" is annexed to the Notice.
10. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 23<sup>rd</sup> August, 2019 to Thursday, 29<sup>th</sup> August, 2019 (both days inclusive) for determining the name of members eligible for dividend on Equity Shares, if approved by the members at the ensuing 55<sup>th</sup> Annual General Meeting.
11. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. Listing fees for the financial year 2019-20 has been paid to both the stock exchanges.
12. Members holding shares in identical order of names in more than one folio are requested to write to the Company / Registrar and Share Transfer Agents (RTA) enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio for better services.
13. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / RTA quoting their Folio Number. Members holding shares in the Demat form may update such details with their respective Depository Participants.

The Company has transferred the unpaid or unclaimed dividend declared up to financial years 2010-11, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The unclaimed dividend in respect of the financial year ended 31<sup>st</sup> March, 2012 is due for transfer to the IEPF in month of September, 2019. The shareholders whose dividend remained unclaimed for the financial year 2011-12 and for subsequent financial years are requested to claim it immediately from the Company. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 30<sup>th</sup> August, 2018 (date of the previous Annual

General Meeting) under "Investor Relations" section on the website of the Company. Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

In accordance with the aforesaid provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred 22,713 shares in respect of which dividend declared for the financial year 2010-11 or earlier financial years remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more to the Investor Education and Protection fund via corporate action through Central Depository Services Limited.

A member desirous to claim back his shares from IEPF Authority can do so by following prescribed procedure under the said rules. The said details are available on the website of the company at [www.hindcompo.com](http://www.hindcompo.com) and have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: [www.mca.gov.in](http://www.mca.gov.in) and on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in).

Further, the Company has initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2011-12 has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
15. In terms of SEBI Circular No. SEBI / HO/ MIRSD / DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 read with SEBI press release PR No.: 51/2018 dated 3<sup>rd</sup> December, 2018, effective from 1<sup>st</sup> April, 2019, Company's shares can be transferred in dematerialized form only. Hence members, who hold shares in physical form, are requested to dematerialize



their shares, so they can transfer their shares in future, if so desire. However members can continue to hold shares in physical form.

16. Queries on accounts and operations of the Company, if any, may please be sent to the Company, seven days in advance of the meeting so that the answers can be made available at the Meeting.
17. Members are requested to forward all Share Transfers and other communications to the RTA of the Company and are further requested to always quote their Folio Number / DPID-Client ID in all correspondences with the Company.
18. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
19. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available if the Company proposes to avail NECS facility. The members who have not updated their bank account details and wish to avail such facility in future are requested to update their bank account details by submitting the NECS mandate form, available on Company's website viz. [www.hindcompo.com](http://www.hindcompo.com).
20. The dividend on Equity shares as recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2019, if approved by the members at the ensuing Annual General Meeting, will be paid to those members whose names stand registered in the Register of Members as on Thursday, 22<sup>nd</sup> August, 2019 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
21. To comply with the provisions of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating some additional details of its members.

Members are requested to submit their e-mail ID and other details vide the e-mail updation form available on Company's website viz. [www.hindcompo.com](http://www.hindcompo.com). The

same could be done by filling up and signing at the appropriate place in the said form and by sending the same to the RTA.

22. Non Resident Indian members are requested to inform the Company's Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.
23. The Register of Directors' and Key Managerial Personnel's Shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the 55<sup>th</sup> Annual General Meeting and will be open for inspection during the Annual General Meeting also.
24. The Notice of the 55<sup>th</sup> Annual General Meeting along with Annual Report for the Financial year 2018-19 and instructions for e-voting, Attendance Slip and Proxy Form are being sent by electronic mode to all members whose email address are registered with the Company/Depository Participant(s) unless member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent through permitted mode.
25. Members may also note that 55<sup>th</sup> Annual Report for the year 2018-19 is also available on the website of the company at [www.hindcompo.com](http://www.hindcompo.com).
26. Information and other instructions relating to the e-voting:
  - (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and revised Secretarial Standards on General Meetings

- (SS-2) issued by the ICSI, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be passed in the 55<sup>th</sup> Annual General Meeting (AGM) by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').
- (b) The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as agency to provide e-voting facility.
- (c) The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling papers.
- (d) The members who have cast their vote by remote e-voting may also attend the Meeting, but shall not be entitled to cast their vote again.
- (e) The remote e-voting shall commence on Monday, 26<sup>th</sup> August, 2019 (9.00 a.m.) and ends on Wednesday, 28<sup>th</sup> August, 2019 (5.00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 22<sup>nd</sup> August, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (f) The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the company as on the cut-off date i.e. Thursday, 22<sup>nd</sup> August, 2019.
- (g) A person, whose name is recorded in the Register of Members or in the List of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. Thursday, 22<sup>nd</sup> August, 2019 only shall be entitled to avail the facility of remote e-voting and voting at meeting through polling papers and the person who are not member as on the cut-off date should treat this notice for information purpose only.
- (h) The Board of Directors of the Company has appointed CS Manish Baldeva, Proprietor of M/s. M Baldeva Associates, Company Secretaries, Thane (FCS No.: 6180/CP No.: 11062) as Scrutinizer to scrutinize the voting through remote e-voting process and polling papers in a fair and transparent manner.
- (i) Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Thursday, 22<sup>nd</sup> August, 2019 may obtain the User ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). However, if the member is already registered with CDSL for remote e-voting then he can use his exiting user ID and password for casting the vote through e-voting. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com).
- (j) The Scrutinizer, after scrutinizing the votes cast at the meeting through polling papers and through remote e-voting, will, not later than 48 hours of conclusion of the meeting, make a consolidated Scrutinizer's report and submit the same to the Chairman of the meeting or a person authorized by him who shall countersign the same and declare the result of the voting forthwith. The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company [www.hindcompo.com](http://www.hindcompo.com) and on the website of the CDSL [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously be communicated to the stock exchanges.
- (k) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. Thursday, 29<sup>th</sup> August, 2019.

**The procedure/ instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Monday, 26<sup>th</sup> August, 2019 (9.00 a.m.) and ends on Wednesday, 28<sup>th</sup> August, 2019 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical

- form or in dematerialized form, as on the cut-off date (record date) i.e. Thursday, 22<sup>nd</sup> August, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details Date of Birth (DOB)	<ul style="list-style-type: none"> <li>• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</li> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for HINDUSTAN COMPOSITES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xxi) In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at [www.evotingindia.com](http://www.evotingindia.com) under 'HELP'.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 4:**

Mr. Deepak Sethi was appointed as Independent Non-Executive Director of the Company on 23<sup>rd</sup> April, 2015 to hold office for five consecutive years for a term upto 22<sup>nd</sup> April, 2020, by the Members of the Company in the 51<sup>st</sup> AGM held on 18<sup>th</sup> September, 2015.

As per the provisions of Section 149(10) read with Schedule IV of the Companies Act, 2013 ('the Act'), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, however he shall be eligible for re-appointment by passing a special resolution by the company for another term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Act and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Deepak Sethi, it is proposed to re-appoint him for a second term of five years from 23<sup>rd</sup> April, 2020 to 23<sup>rd</sup> April, 2025 as Independent Director of the Company.

Pursuant to the provisions of Section 160(1) of the Companies Act, 2013, the Company has received notice in writing from one of the member of the Company signifying his candidature as director for a second term of five consecutive years.

Mr. Deepak Sethi has given requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the opinion of the Board, he fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as Independent Non-Executive Directors of the Company and is independent of the management and he has not been debarred or disqualified from being appointed or continuing as director of the companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as specified under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Copy of the draft letter for reappointment of Mr. Deepak Sethi as Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturdays, upto and including the date of AGM of the Company.



The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Deepak Sethi as Independent Director. Accordingly, the Board recommends passing of Special Resolution as set out at item no. 4.

Brief resume of Mr. Deepak Sethi as stipulated under the Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 ‘General Meeting’ is given in the annexure to the Notice. Mr. Deepak Sethi does not hold any shares in the Company.

Except Mr. Deepak Sethi, being appointee, none of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolutions set out at item no. 4 of the accompanying Notice of the AGM.

**Item No. 5:**

Mr. Raghu Mody, Executive Chairman and Whole Time Director of the Company is promoter of the Company and is associated with the Company since 1987. He is a leading industrialist with several decades of extensive and varied experience in setting up businesses in different kinds of industrial products.

Considering his experience, knowledge and contribution made in growth of the Company and as recommended by Nomination and Remuneration Committee and approved by Audit Committee of the Company, the Board of Directors revised the remuneration payable to him w.e.f. 1<sup>st</sup> April 2019 as follows:

Sr. No.	Particulars	Details of revised remuneration
1.	Salary	₹ 6,41,667/- per month and special allowance of ₹ 6,20,833/- per month with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule V to the Companies Act, 2013.
2.	Commission	As may be decided by the Board from time to time, subject to limit prescribed under the Companies Act.
3.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas, telephone and maintenance in the premises etc.
4.	Conveyance/ Motor Car	Provision of motor car with driver.
5.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding ₹ 1,50,000/- per annum.
6.	Servant Allowance	Provision for Servant Allowance ₹ 25,000/- p.m.

Sr. No.	Particulars	Details of revised remuneration
7.	Gratuity	As per rules of the Company’s Scheme.
8.	Personal accident insurance	As per rules of the Company’s Scheme.
9.	Club subscription	Reimbursement of club subscription fees of two clubs.
10.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.

The above remuneration is to be paid as minimum remuneration in absence or inadequacy of profits, subject to the provisions of Schedule V of the Companies Act, 2013.

Your Directors recommend the Special Resolution as set out at item no. 5 of the notice for approval of the Members.

Except Mr. Raghu Mody, Executive Chairman and Whole Time Director, none of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution.

**Item Nos. 6 & 7.**

Mr. P. K. Choudhary, Managing Director of the Company has been associated with the Company since last 28 years. He is a Chartered Accountant and Company Secretary and has vast knowledge and experience in the field of Finance, Commercial Activities and General Management.

Considering his experience, knowledge and contribution made in growth of the Company and as recommended by Nomination and Remuneration Committee and approved by Audit Committee of the Company, the Board of Directors revised the remuneration payable to him w.e.f. 1<sup>st</sup> April 2019 for remaining period of his tenure.

Further, the current tenure of Mr. P. K. Choudhary as Managing Director is expiring on 30<sup>th</sup> June, 2019. Considering his experience, knowledge and contribution made in growth of the Company and as recommended by Nomination and Remuneration Committee and approved by Audit Committee of the Company, the Board of Directors of the Company has re-appointed him for a further period of 5 years from 1<sup>st</sup> July, 2019 to 30<sup>th</sup> June, 2024.

The details of revised remuneration payable to him for his current tenure and new term are as follows:

Sr. No.	Particulars	Details of revised remuneration
1.	Salary	₹ 3,25,417/- per month and special allowance of ₹ 2,28,083/- per month with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule V to the Companies Act, 2013.
2.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas and maintenance in the premises etc. not exceeding ₹ 21,000/- per month. In case no accommodation is provided, the payment of HRA, subject to the ceiling of sixty percent of the salary.
3.	Conveyance/ Motor Car	Provision of motor car and reimbursement towards driver and other running expenses upto ₹ 72,000/- per month.
4.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding ₹ 1,32,000/- per annum.
5.	Servant Allowance	Provision for Servant Allowance ₹ 18,000/- p.m.
6.	Leave Travel Concession	As per rules of the Company, not exceeding ₹ 2,40,000/- per annum.
7.	Provident and other funds including superannuation and gratuity	As per rules of the Company's Scheme.
8.	Personal accident insurance	As per rules of the Company's Scheme.
9.	Club subscription	Reimbursement of club subscription fees of one club.
10.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.

The above remuneration is to be paid as minimum remuneration in absence or inadequacy of profits, subject to the provisions of Schedule V of the Companies Act, 2013.

Your Directors recommend the Ordinary Resolutions as set out at item nos. 6 & 7 of the notice for approval of the Members.

Brief resume of Mr. P. K. Choudhary as stipulated under the Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 'General Meeting' is given in the annexure to the Notice.

Except Mr. P. K. Choudhary, Managing Director, none of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolutions.

#### Item No. 8.

Taking into consideration the past experience and knowledge of Mr. Varunn Mody, President Treasury and Strategy of the Company in the field of Treasury and Strategic activities and upon receipt of recommendation by the Nomination and Remuneration Committee and approval of the Audit Committee of the Company, the Board of Directors revised the remuneration payable to him w.e.f. 1<sup>st</sup> July, 2019 as follows:

Sr. No.	Particulars	Details of revised remuneration
1.	Salary	₹ 3,70,000 per month
2.	Special Allowance	₹ 2,44,600 per month
3.	Leave Travelling Allowance	As per rules of the Company, not exceeding ₹ 10,000 per month
4.	Conveyance / Motor Car	Provision of motor car with driver.
5.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding ₹ 60,000 per annum
6.	Gas / Electricity	₹ 13,000 per month
7.	Servant Allowance	₹ 13,000 per month
8.	Provident Fund	As per rules of the Company's scheme

Mr. Varunn Mody is husband of Mrs. Sakshi Mody, Non-Executive Director of the Company, hence being a related party, the approval of members of the Company for revision in his remuneration is required by passing an Ordinary Resolution in terms of the Section 188(1)(f) of the Companies Act, 2013 and the Rules made thereunder and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors accordingly recommends the Ordinary Resolution as set out at item no. 8 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company and their relatives except Mrs. Sakshi Mody and her relatives is concerned or interested, financially or otherwise, in the said resolution.

#### Item No. 9.

Considering the rich experience and expertise brought to the Board by the Independent Directors, it is proposed to pay a commission of ₹ 2,00,000/- (Rupees Two Lakhs only) to each Independent Director for the financial year 2018-19. Such

payment will be in addition to the sitting fees for attending Board/Committee meetings.

The Board of Directors accordingly recommends the Ordinary Resolution as set out at item no. 9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their respective relatives, except all Independent Directors of the Company to whom the resolution relates are concerned or interested, financially or otherwise, in the said resolution.

**INFORMATION OF DIRECTORS BEING PROPOSED TO BE RE-APPOINTED AS PER REGULATION 26(4) AND 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD – 2 ON ‘GENERAL MEETINGS’ IS GIVEN BELOW:**

Particulars	Name of Directors		
	Mr. Raghu Mody (DIN.: 00053329)	Mr. P. K. Choudhary (DIN.:00535670)	Mr. Deepak Sethi (DIN.:07165462)
Age	80 years	64 years	67 years
Date of first appointment on the Board	29 <sup>th</sup> December, 1987	18 <sup>th</sup> March, 2005	23 <sup>rd</sup> April, 2015
Qualifications	Senior Cambridge	Chartered Accountant and Company Secretary	PGDBA from IIM Ahmedabad and B. Tech from IIT Kanpur
Experience (including expertise in specific functional area) / Brief Resume	He has over 56 years of experience as a leading industrialist with several decades of extensive and varied experience in setting up businesses in different kinds of industrial products.	He possesses rich experience in the field of finance, manufacturing and administration.	He is an alumnus of IIT-Kanpur and IIM-Ahmedabad. His corporate career began in sales & marketing at Philips, followed by decade long stints with Hindustan Lever & Cadbury's. He has held leadership responsibilities at the Director & CXO levels at Cadbury, Dabur, Apollo Tyres, LML and Mayar India.
Terms and Conditions of Reappointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Raghu Mody is liable to retire by rotation.	Mr. P. K. Choudhary is proposed to be re-appointed as a Managing Director for a period of 5 years i.e. from 1 <sup>st</sup> July, 2019 to 30 <sup>th</sup> June, 2024 and shall not to be liable to retire by rotation	Mr. Deepak Sethi is proposed to be re-appointed as an Independent Director for a second tenure of 5 consecutive years, and shall not to be liable to retire by rotation
Remuneration last drawn (including Sitting fees, Commission if any)	₹195.29 Lakhs (includes Commission of ₹45 Lakhs)	₹ 85.96 Lakhs	₹ 2.60 Lakhs
Remuneration proposed to be paid	₹ 156.00 Lakhs and Commission as may be decided by the Board	₹ 88.00 lakhs	Sitting fees as approved and Commission as may be decided by the Board
Shareholding in the Company as on 31 <sup>st</sup> March, 2019	Nil	Nil	Nil
Relationship with other Directors/Key Managerial Personnel	He is not related inter-se to any Director(s) /Key Managerial Personnel(s) of the Company within the meaning of Section 2(77) of the Companies Act, 2013	He is not related inter-se to any Director(s) /Key Managerial Personnel(s) of the Company within the meaning of Section 2(77) of the Companies Act, 2013	He is not related inter-se to any Director(s) /Key Managerial Personnel(s) of the Company within the meaning of Section 2(77) of the Companies Act, 2013
Number of meetings of the Board attended during the financial year (2018-19)	2 (Two)	4 (Four)	3 (Three)

**INFORMATION OF DIRECTORS BEING PROPOSED TO BE RE-APPOINTED AS PER REGULATION 26(4) AND 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD – 2 ON ‘GENERAL MEETINGS’ IS GIVEN BELOW: (CONTD)**

Particulars	Name of Directors		
	Mr. Raghu Mody (DIN.: 00053329)	Mr. P. K. Choudhary (DIN.:00535670)	Mr. Deepak Sethi (DIN.:07165462)
Directorships of other Boards as on March 31, 2019	1) J. L. Morison (India) Ltd. 2) Rasoi Ltd. 3) Prabhukripa Overseas Limited 4) Rasoi Express Pvt. Ltd. 5) Dual-Vet Skill Development Forum	1) Prabhukripa Overseas Limited 2) Automotive Component Manufacturers Association of India	Nil
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2019	1) Rasoi Ltd. – Member of Audit Committee 2) J. L. Morison (India) Ltd. – Member of Nomination and Remuneration Committee	1) Prabhukripa Overseas Limited. – Member of Nomination and Remuneration Committee	Nil
Summary of Performance Evaluation	Not applicable	NotApplicable	As per the policy devised by the Board of Directors for evaluating the performance of Independent Directors, Committees and Board and after considering participation of Mr. Deepak Sethi at the Board and Committee Meetings, Managing Relationship with fellow Board Members and Senior Management, Knowledge and Skills and his Personal Attributes he has received a positive evaluation by the Board.

**Place: Mumbai**  
**Date: 6<sup>th</sup> May, 2019**

**Regd. Office:**  
 Peninsula Business Park, 'A' Tower,  
 8<sup>th</sup> Floor, Senapati Bapat Marg,  
 Lower Parel, Mumbai 400013

**By Order of the Board of Directors**

**Vikram Soni**  
**Company Secretary & Compliance Officer**



## BOARD OF DIRECTORS' REPORT

To the Members,  
Hindustan Composites Limited

Your Directors are pleased to present the Fifty Fifth Annual Report together with the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2019.

### 1. FINANCIAL HIGHLIGHTS :

The Company's financial performance for the year ended 31<sup>st</sup> March, 2019 is summarized below:

(₹ in Lakhs)

	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
<b>Revenue from Operations</b>	<b>19,661.31</b>	<b>20,335.95*</b>	<b>19,661.31</b>	<b>20,335.95*</b>
Other Income	217.21	44.77	217.21	44.77
Profit before Interest, Depreciation and Taxes	2,720.39	3,723.55	2,575.17	3,487.05
Less: Interest	22.27	30.82	22.27	30.82
Less: Depreciation (Net)	874.70	863.52	874.70	863.52
<b>Profit Before Tax</b>	<b>1,823.42</b>	<b>2,829.21</b>	<b>1,678.20</b>	<b>2,592.71</b>
<b>Less: Provision for Tax</b>	<b>-76.68</b>	<b>291.85</b>	<b>-76.68</b>	<b>291.85</b>
<b>Profit After Tax</b>	<b>1,900.10</b>	<b>2,537.36</b>	<b>1,754.88</b>	<b>2,300.86</b>
<b>Other Comprehensive Income / Loss (Net of Tax)</b>	<b>456.05</b>	<b>2,241.76</b>	<b>456.05</b>	<b>2,241.76</b>
<b>Total Comprehensive Income</b>	<b>2,356.15</b>	<b>4,779.12</b>	<b>2,210.93</b>	<b>4,542.62</b>

\* Inclusive of Excise Duty of ₹ 418.20 Lakhs.

### 2. IND-AS APPLICABILITY:

The Company has adopted the Indian Accounting Standard ('Ind AS') w.e.f. 1<sup>st</sup> April, 2017. The Financial Statements have been prepared in accordance with the applicable Indian Accounting Standards ("IndAS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

### 3. OPERATIONAL PERFORMANCE

The Company achieved a total revenue of ₹ 19,661.31 Lakhs, as against ₹ 19,917.75 Lakhs (excluding Excise Duty of ₹ 418.20 Lakhs) in the previous year. The net Manufacturing revenue increased by 2% from ₹ 15,595.37 Lakhs (net of Excise) to ₹ 15,842.05 Lakhs. This was achieved despite challenging market conditions in the second half of the year owing to slow-down in Automotive Industry.

Investment Income during the year was lower at ₹ 3,819.26 Lakhs, as against ₹ 4,322.38 Lakhs in the previous year. This was mainly due to prevailing conditions of lower interest rates and the Company's cautious approach towards safer investment opportunities.

The gross profit of the Company was lower at ₹ 2,720.39 Lakhs, as against ₹ 3,723.55 Lakhs. After considering interest of ₹ 22.27 Lakhs and depreciation of ₹ 874.70 Lakhs, Profit Before Tax was ₹ 1,823.42 Lakhs and Net Profit After Tax was ₹ 1,900.10 Lakhs. Other comprehensive income (OCI) net of Tax was ₹ 456.05 Lakhs, as against ₹ 2,241.76 Lakhs. The total comprehensive income after tax during the year was ₹ 2,356.15 Lakhs, as against ₹ 4,779.12 Lakhs in the previous year.

Although, the Company marginally increased its turnover in its manufacturing division, operating margins remained under severe pressure due to its limited ability in obtaining price increases commensurate with increases in raw material and fuel costs, in view of depressed economic conditions in the Automotive sector.

The year witnessed a challenging time, with good demand until October, 2018, but thereafter with non-availability of vehicle finance due to NBFC crisis and increased axle load norms, the demand from the Automotive sector, more particularly for commercial vehicles came down. This resulted into reduction in volumes from the OEM segment and also to some extent from the Aftermarket. This was partly compensated by higher Railway and Institutional business through tenders at competitive prices.

Outlook for the coming year remains challenging with introduction of new emission norms BS-VI, scrappage policy and recent political developments. In order to meet these challenges, the Company will focus on Institutional Business and continue to emphasis on higher productivity with prudent cost control measures.

In the Investment segment, the situation also remains challenging with the Banking / NBFC crisis, fear of higher NPA's, fluctuation in Interest Rates and Volatile Stock market conditions. The Company will continue to maintain its conservative approach towards deployment of funds, keeping capital protection in focus.

The Company entered into a Long Term Settlement with its workmen at its Paithan Plant for a period of 3 years, effective from December, 2018.

The working of the Company's Joint Venture viz. Compo-Advics (India) Pvt. Ltd., though improved, remained lower than plan and incurred losses mainly due to highly competitive market conditions.

Based on the above challenging scenario, the Company cautiously remains optimistic towards improvement of its performance, both in its Manufacturing and Investment segments by implementation of various innovative initiatives.

There was no change in the nature of business of the Company during the year under review.

#### **4. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT:**

There have been no material changes and commitments affecting the financial position of the Company between the end of the Company's financial year to which the financial statements relate and upto the date of this report.

#### **5. SHARE CAPITAL OF THE COMPANY**

During the financial year under review, there was no change in paid up share capital of the Company. The paid up equity share capital of your Company as on 31<sup>st</sup> March, 2019 was ₹ 7,38,45,000/- (Rupees Seven Crore Thirty Eight Lakhs Forty Five Thousand only) divided into 1,47,69,000 equity shares of the face value of ₹ 5/- (Rupees Five only) each fully paid up.

#### **6. DIVIDEND**

Your Directors have recommended a dividend of ₹ 2/- (Previous year ₹ 0.50) per share, being 40% (Previous year ₹ 10%) on equity share capital for the year ended 31<sup>st</sup> March, 2019. The Corporate Dividend Tax of ₹ 60.72 Lakhs (Previous year 15.03 Lakhs) will be payable on the total dividend amount of ₹ 295.38 Lakhs (previous Year 73.84 Lakhs). The Dividend, if approved, will be paid to those members whose names shall appear on the Register of Members / List of Beneficiaries as on 22<sup>nd</sup> August, 2019.

#### **7. RESERVES**

During the year under review ₹ 1,500 Lakhs (Previous year ₹ 1,500 Lakhs) was transferred to the General Reserve.

#### **8. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES**

Your Company has a Joint Venture Company namely "Compo Advics (India) Private Limited". The Company had no subsidiary or associate company during the year under review.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('the Act'), a statement containing salient features of the financial statements of the Joint Venture Company in Form AOC 1 is attached to the financial statements of the Company forming part of this Annual Report.

#### **9. CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to the provisions of Section 129 and 133 of the Act read with the Companies (Accounts) Rules, 2014 and as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared Consolidated Financial Statements consolidating financial statements of its Joint Venture Company namely "Compo Advics (India) Private Limited" with its financial statements in accordance with the applicable provisions of Indian Accounting Standards ("IndAS").

The Consolidated Financial Statements along with the Independent Auditors' Report thereon are annexed and form part of this Report.

The summarized consolidated financial position is provided above in point no. 1 of this Report.

#### **10. RISKS AND AREAS OF CONCERN**

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend

analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out from time to time to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

## 11. EXTRACT OF ANNUAL RETURN

An extract of Annual Return of the Company as on 31<sup>st</sup> March, 2019 in Form MGT 9 in accordance with Section 92 (3) of the Act read with the Companies (Management and Administration) Rules, 2014 is annexed to this report as “Annexure A” and forms a part of this report.

## 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

### a) Retirement by rotation

In accordance with the provisions of Section 152 of the Act read with Companies (Management and Administration) Rules, 2014 and Articles of Association of the Company, Mr. Raghu Mody (DIN:00053329), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

### b) Appointment

The Board of Directors of the Company appointed Mr. Vikram Soni as the Company Secretary and Compliance Officer of the Company w.e.f. 8<sup>th</sup> May, 2018. The appointment of Mr. Vikram Soni as Company Secretary and Compliance Officer of the Company is pursuant to the provisions of Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Members, in its 54<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> August, 2018 had approved the re-appointment of Mr. A. B. Vaidya (DIN 00246208) and Lt. Gen. (Retd.) K. S. Brar (DIN: 01146720) as Independent Directors of the Company for another five consecutive years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 by passing of special resolutions pursuant to the provisions of Section 149(10) read with Schedule IV of the Act.

Mr. P. K. Choudhary have been re-appointed as Managing Director of the Company for further period of

five years w.e.f. 1<sup>st</sup> July, 2019 to 30<sup>th</sup> June, 2024, subject to the approval of the members of the Company

Pursuant to the provisions of Section 149 of the Act, Mr. Deepak Sethi (DIN 07165462) was appointed as an Independent Director for five consecutive years by the members of the Company in their 51<sup>st</sup> Annual General Meeting held on 18<sup>th</sup> September, 2015 and holds office upto 22<sup>nd</sup> April, 2020.

According to the provisions of Section 149(10) read with Schedule IV of the Act, Mr. Deepak Sethi is eligible for re-appointment as Independent Director for another term of 5 consecutive years. As per the recommendations of Nomination and Remuneration Committee of the Company, the Board recommends for approval of the members through Special Resolution in 55<sup>th</sup> Annual General Meeting for his re-appointment as Independent Director for another five consecutive years to hold office from 23<sup>rd</sup> April, 2020 to 22<sup>nd</sup> April, 2025.

Brief resume of the directors proposed to be re-appointed as stipulated under Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings is given in the Notice convening the 55<sup>th</sup> Annual General Meeting of the Company.

### c) Cessation

There was no cessation from the Board of the Company during the period under review.

Mr. Amit Goenka had resigned as Company Secretary and Compliance Officer of the Company w.e.f. the close of business hours of 7<sup>th</sup> May, 2018; however he continues to remain in the services of the Company.

### d) Declaration from Independent Directors

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Regulation 25 of the said Regulations that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

**e) Annual Performance and Board Evaluation**

The Board has devised a policy pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for performance evaluation of the chairman, board, individual directors (including independent directors) and committees which includes criteria for performance evaluation of non-executive directors and executive directors.

The Nomination and Remuneration Committee of the Company has specified the manner of effective evaluation of the performance of Board, its committees and individual directors of the Company and has authorized the Board to carry out their evaluation. Based on the manner specified by the Nomination and Remuneration Committee, the Board has devised questionnaire to evaluate the performances of Board, Board Committees and Individual Directors and Chairperson. The Chairman of respective Board Committees shared the report on evaluation of the respective committee members. The performance of each committee was evaluated by the Board, based on report on evaluation received from respective Board committees. The reports on performance evaluation of the individual directors were reviewed by the Chairman of the Board.

The evaluation framework for assessing the performance of directors comprises of the following key areas:

- i. Attendance at Board Meetings and Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
- iv. Providing perspectives and feedback going beyond information provided by the management.

The details of the programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the [link: https://www.hindcompo.com/investor-relations/documents/familiarisation-programmes-for-independent-directors.pdf](https://www.hindcompo.com/investor-relations/documents/familiarisation-programmes-for-independent-directors.pdf)

**f) Key managerial Personnel (KMP)**

The Key Managerial Personnel of the Company are as follows:

Sr. No.	Name	Designation
1.	Mr. Raghu Mody	Executive Chairman
2.	Mr. P. K. Choudhary	Managing director
3.	Mr. Sunil Jindal	Chief Financial Officer
4.	Mr. Amit Goenka	V.P. Finance & Company Secretary (Resigned w.e.f. 7 <sup>th</sup> May, 2018)
5	Mr. Vikram Soni	Company Secretary and Compliance Officer (Appointed w.e.f. 8 <sup>th</sup> May, 2018)

**13. MANAGERIAL REMUNERATION AND OTHER DETAILS**

Disclosure pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Report as “Annexure –B” and forms a part of this report.

The statement containing particulars of employees as required under section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. Further in terms of Section 136 of the Act, the report and accounts are being sent to the members excluding the aforesaid annexure. The said annexure is available for inspection at the registered office of the Company during the working hours and any member interested in obtaining a copy of the same may write to the Company Secretary and Compliance Officer of the Company and the same will be furnished on request.

**14. REMUNERATION POLICY**

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination & Remuneration Committee, the Board of Directors have adopted a policy for selection and appointment of Directors, Key Managerial Personnel (‘KMPs’), Senior Management Personnel (‘SMPs’) and their remuneration including criteria for determining qualifications, positive attributes, independence of a director and other related matters.

The Remuneration Policy has been placed in the website of the company viz. [www.hindcompo.com](http://www.hindcompo.com).



## 15. MEETINGS OF THE BOARD

The Board met four times during the year, the details of which are given in the Corporate Governance Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 16. COMMITTEES OF THE BOARD:

Details of all the Committees constituted by the Board under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with their composition and changes, if any, during the year, and the number and dates of meetings held during the year are provided in the Corporate Governance Report, which forms part of this Annual Report.

## 17. AUDIT COMMITTEE AND ITS COMPOSITION

As on 31<sup>st</sup> March, 2019, the Audit Committee comprised of Mr. A. B. Vaidya, Mr. Chakrapani B. Misra, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody.

Mr. Chakrapani B. Misra is Chairman of Audit Committee of the Company. The Company Secretary and Compliance officer of the Company acts as the Secretary of the Audit Committee. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company. Other details with respect to Audit Committee are given in Corporate Governance Report

The Audit Committee of the Company reviews the reports to be submitted to the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control, financial reporting process and vigil mechanism.

## 18. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134 (5) of the Companies Act, 2013 state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company

at the end of the financial year and of the profit of the company for that period;

- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 19. PUBLIC DEPOSITS

During the financial year under review, the Company has not accepted any public deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

## 20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT 2013

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and were entered into based on considerations of various business exigencies, such as synergy in operations, their specializations etc. and in the Company's interests.

Pursuant to the provisions of Section 188(1) of the Act, the details of material related party transactions are given in the prescribed Form AOC-2 under Companies (Accounts) Rules, 2014 is annexed to this report as "Annexure – C" and forms a part of this report.

In accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the policy on related party transactions and the same is available on the Company's website at <https://www.hindcompo.com/investor-relations/documents/related-party-transaction-policy.pdf>

**21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The details of loans, guarantee or investments made by the Company under Section 186 of the Act are given under notes to accounts on financial statements forming part of this Annual Report.

**22. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE**

Pursuant to the provisions of Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has formed Corporate Social Responsibility Committee and a Policy on Corporate Social Responsibility (CSR). As part of its initiatives under CSR, the Company has undertaken project for promoting education in accordance with Schedule VII of the Act. The policy on Corporate Social Responsibility has been placed on the website of the Company i.e. [www.hindcompo.com](http://www.hindcompo.com).

The details as per the provisions of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 are annexed to this report as “Annexure - D” and forms a part of this report.

**23. WHISTLE BLOWER/VIGIL MECHANISM POLICY**

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avails of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases.

The details of the Vigil Mechanism Policy is also explained in the Corporate Governance Report and the policy has been placed on the website of the company viz. [www.hindcompo.com](http://www.hindcompo.com).

We affirm that during the financial year 2018-19, no employee or director were denied access to the Audit Committee.

**24. STATUTORY AUDITORS**

As per provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in their 53<sup>rd</sup> Annual General Meeting held on 12<sup>th</sup> September, 2017 appointed M/s. Bagaria & Co. LLP, Chartered Accountants, Mumbai, (Firm Registration No. 113447W), as the Statutory Auditors of the Company for a term of consecutive 5 years i.e. to hold office from the conclusion of 53<sup>rd</sup> Annual General Meeting till the conclusion of 58<sup>th</sup> Annual General Meeting of the Company to be held for

the financial year ending 31<sup>st</sup> March, 2022, subject to the ratification by members of the Company every year.

However, after the amendment in Section 139 of the Act, effective 7<sup>th</sup> May, 2018, ratification by shareholders every year for the appointment of the Statutory Auditors is no longer required and they will hold office upto the conclusion of 58<sup>th</sup> Annual General Meeting of the Company to be held for the financial year ending on 31<sup>st</sup> March, 2022.

M/s. Bagaria & Co. LLP, has furnished written confirmation to the effect that they are not disqualified from acting as the Statutory Auditors of the Company in terms of the provisions of Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014.

**25. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. M Baldeva Associates, Company Secretaries, Thane to undertake Secretarial Audit of the Company for the year 2018-19. The Secretarial Audit Report is annexed to this report as “Annexure – E” and forms a part of this report.

**26. INTERNAL AUDITORS**

Pursuant to the provisions of Section 138 of the Act, read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee, re-appointed M/s. S M M P & Associates, Chartered Accountants, Mumbai, as Company's Internal Auditors. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliances with operating systems, accounting procedures and policies at all locations of the Company and report the same to the Audit Committee on quarterly basis.

**27. COST AUDITORS AND COST RECORDS**

The Company is required to maintain cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act, and accordingly such accounts and records are made and maintained in the prescribed manner. However the Company is not required to appoint the Cost Auditors pursuant to the provisions of Section 148 of the Act.

**28. REMARKS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS**

There is no qualification / observation/adverse remark in Statutory Auditors' Report.

With respect to observation made by the Secretarial Auditors in their report regarding delay in filing of certain e-forms, we would like to state that the delay in filing of e-forms was due to oversight.

Further, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Act.

**29. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT**

Pursuant to the Provisions of Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following have been made a part of the Annual Report and are attached to this report:

- Management Discussion and Analysis Report
- Corporate Governance Report
- Declaration on compliance with Code of Conduct
- Certificate from Practicing Company Secretary that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies.
- Auditors' Certificate regarding compliance of conditions of Corporate Governance

**30. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There was no significant or material order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on company's operations in future.

**31. INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its business operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically used efficiently and adequately protected.

**32. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the provisions of Section 125 of the Act, read

with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India after the completion of seven years. Further, according to the said Rules, the shares on which dividend remained unpaid or unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred 22,713 shares to the demat account of the IEPF Authority as per the requirements of the IEPF Rules for the dividend remained unclaimed/unpaid upto financial year 2010-11.

In terms of the provisions of Section 125 of the Act and said Rules, during the year an amount of ₹ 3,19,040/- being unpaid and unclaimed dividend for the Financial Year 2010-11 was transferred to the IEPF.

Further the unpaid and unclaimed dividend amount lying with the Company for Financial Year 2011 - 12 is due to transfer to the IEPF in the month of October, 2019. The details of the same are available on the Company's website viz. [www.hindcompo.com](http://www.hindcompo.com).

The Board has appointed Mr. Vikram Soni, Company Secretary and Compliance Officer of the Company as the Nodal officer effective from 8<sup>th</sup> May, 2018 to ensure compliance with the IEPF Rules.

**33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to the provisions of Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 details regarding Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo is annexed to this report as "Annexure - F" and forms a part of this report.

**34. CREDIT RATINGS:**

Acuite Ratings & Research Limited (formerly known as SMERA Ratings Limited) has reaffirmed the following credit ratings for Company's long term and short term instruments:

Scale	Amount (₹ Cr)	Rating
Long Term Instruments (fund based)	7.00	ACUITE A-/ Stable
Short Term Instruments (fund based + non fund based)	18.00	ACUITE A2+

**35. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and your directors confirm compliance of the same during the year under review.

**36. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee and has constituted an internal complaint committee under Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year under review, there was no complaint filed before the said Committee and there was no complaint pending at the beginning or end of the financial year under review.

**37. DISCLOSURES PURSUANT TO REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014**
**A. Details related to GEBS**
**a) Date of Shareholders' approval:**

Approved by the shareholders of the Company in the 51<sup>st</sup> Annual General Meeting held on 18<sup>th</sup> September 2015.

**b) Kind of benefits to be granted under the Scheme:**

Providing assistance to meet medical expenses, providing assistance/reimbursement to meet cost of tuition and other fees and expenses in connection with providing higher education/and professional courses, providing assistance to meet marriage expenses, to sponsor holidays trips and get-togethers and such other benefits as more particularly described in object clause of the Trust Deed.

**c) Beneficiaries of the Scheme:**

Such persons who are in permanent employment of the Company for at least 5 years and are designated as Officers and Managers and their spouse, parents and children, who for the time being is nominated to be a beneficiary, as may be determined by the Nomination and Remuneration Committee from time to time, but shall not include directors or promoters of the company.

**d) Total assets of the Scheme:**

₹ 20,87,03,791 as per the audited balance sheet of the Trust as on 31<sup>st</sup> March, 2019.

**e) Quantum of holding in own shares / listed holding company shares (both absolute and in percentage): Nil**
**f) Whether scheme is in compliance of regulation 26(2)/27(3) of the regulations, as applicable: Yes.**
**g) Variation in terms of Scheme: Not Applicable**
**B. Details related to Trust**
**i. General information on all schemes**

Sr. No.	Particulars	Details
1	Name of the Trust	Carnation Welfare Trust
2	Details of the Trustee(s)	<p><b>Mr. Snehal N. Muzoomdar</b>                      Practicing Chartered Accountant                      Address: 52, Walchand Terraces, Tardeo Air Conditioned Market, Mumbai - 400034</p> <p><b>Mr. Nilanjan Ghose</b>                      Practicing Advocate                      Address: H - 602, Mayuresh Srushti, LBS Marg, Opp. Asian Paints, Bhandup, (West SO), Mumbai 400 078</p> <p><b>IDBI Trusteeship Services Limited Private Trust</b>                      Address: Asian Building, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001</p>
3	Amount of loan disbursed by the Company/ any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to the company/ any company in the group) as at the end of the year	Nil
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil

Sr. No.	Particulars	Details
6	Any other contribution made to the Trust during the year	Nil

**ii. Brief details of transaction in shares by the Trust**

Sr. No.	Particulars	Details
A	Number of shares held at the beginning of the year	5,26,434 (of ₹ 5/- each)
B	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	Nil
C	Number of shares transferred to the employees / sold along with the purpose thereof;	5,26,434 (of ₹ 5/- each) to comply with the provision of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
C	Number of shares held at the end of the year	Nil

**iii. In case of secondary acquisition of shares by the Trust**

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	5,26,434 (3.56%) (of ₹ 5/- each)
Acquired during the year	Nil
Sold during the year	5,26,434 (3.56%) (of ₹ 5/- each)
Transferred to the employees during the year	Nil
Held at the end of the year	Nil

**38. DISCLOSURE PURSUANT TO SECTION 67 OF THE COMPANIES ACT, 2013 READ WITH RULE 16(4) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014:**

Your Company has created a 'General Employee Benefits Scheme (GEBS)' under an irrevocable Trust named as "Carnation Welfare Trust" on 20<sup>th</sup> June, 2011 for the benefit of its existing and future permanent employees, except directors and promoters. The Scheme is established for the general welfare of the beneficiaries i.e. permanent employees of the Company. Under the Scheme, the Trust had purchased 2,34,899 Equity Shares of ₹ 10/- each of the Company from Secondary Market for a total consideration of ₹ 11,29,56,669/-. As no shares are allotted or transferred to any employee or option to purchase of these shares is given to any employee under this Scheme, no voting rights are directly exercised by employees of the Company on these shares.

The trustees of the Trust are entitled to exercise vote on these shares, however as provided under Regulation 3(5) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, they have not exercised any voting right on these shares on resolutions transacted at the Annual General Meetings / Postal ballot process conducted by the Company.

After sale of all shares held under the GEBS during the financial year under review by the Trust, there is no GEBS in terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, any more in the Company.

**39. APPRECIATIONS**

Your Directors would like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance extended during the year under report by our bankers, customers, suppliers and Government agencies. The Board of Directors wishes to express its appreciation for the valuable contribution made by the employees at all levels during the year under report.

**For and on behalf of the Board of Directors**

**Raghu Mody  
Chairman**

**Place: Mumbai  
Date: 6<sup>th</sup> May, 2019**

**DIN: 00053329**



**Annexure A**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
 as on the financial year ended on 31.03.2019  
 [Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
 (Management and Administration) Rules, 2014]

**1 REGISTRATION AND OTHER DETAILS:**

i)	CIN	L29120MH1964PLC012955
ii)	Registration Date	1 <sup>st</sup> July, 1964
iii)	Name of the Company	Hindustan Composites Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Non - Government Company
v)	Address of the Registered of contact details	Peninsula Business Park, "A" Tower, 8 <sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 Tel.: (022) 66880100, Fax: (022) 66880105 E-mail: hcl@hindcompo.com, Website: www.hindcompo.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083 Tel.: +91 22 4918 6270 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in

**2 PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1	Friction materials - Brake lining, Brake Block, Clutch facing and Button	29301	80.57
2	Investment and Treasury operations	643	19.43

**3 PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable Section
1	Compo Advics (India) Private Limited, Peninsula Business Park, Tower A, 8 <sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	U36100MH2013PTC250528	Associate (Joint Venture)	49.00	Section 2(6)

**4 Share holding pattern (Equity Share Capital Breakup as % of Total Equity)**
**(i) Category-wise Share Holding**

Category of shareholders	No. of shares held at the beginning of the year (F.V. of ₹ 5 each)				No. of shares held at the end of the year ( F.V. of ₹ 5 each)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
(a) Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00

Category of shareholders	No. of shares held at the beginning of the year (F.V. of ₹ 5 each)				No. of shares held at the end of the year (F.V. of ₹ 5 each)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	11073030	0	11073030	74.97	11073030	0	11073030	74.97	0.00
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Others .....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1)</b>	<b>11073030</b>	<b>0</b>	<b>11073030</b>	<b>74.97</b>	<b>11073030</b>	<b>0</b>	<b>11073030</b>	<b>74.97</b>	<b>0.00</b>
<b>(2) Foreign</b>									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Others .....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of promoters (A)</b>	<b>11073030</b>	<b>0</b>	<b>11073030</b>	<b>74.97</b>	<b>11073030</b>	<b>0</b>	<b>11073030</b>	<b>74.97</b>	<b>0.00</b>
<b>B. Public</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	150	0	150	0.00	150	0	150	0.00	0.00
(b) Banks / FI	1965	1814	3779	0.03	384	1814	2198	0.01	-0.01
(c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others .....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>2115</b>	<b>1814</b>	<b>3929</b>	<b>0.03</b>	<b>534</b>	<b>1814</b>	<b>2348</b>	<b>0.02</b>	<b>-0.01</b>
<b>(2) Non Institutions</b>									
(a) Bodies Corp.									
(i) Indian	948739	15971	964710	6.53	540738	15971	556709	3.77	-2.76
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals*	0	0	0	0.00	0	0	0	0.00	0.00
(i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	1290098	733743	2023841	13.70	1455101	639854	2094955	14.18	0.48
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	110336	0	110336	0.75	392686	0	392686	2.66	1.91
(c) Others (Specify)									
(i) Non Resident Indian -Rep	17765	5114	22879	0.15	23695	4514	28209	0.19	0.04
(ii) Non Indian Resident - Non -Rep	9528	0	9528	0.06	11841	0	11841	0.08	0.02
(iii) Clearing Members	40942	0	40942	0.28	22486	0	22486	0.15	-0.12
(iv) Trusts	280701	0	280701	1.90	280701	0	280701	1.90	0.00

Category of shareholders	No. of shares held at the beginning of the year (F.V. of ₹ 5 each)				No. of shares held at the end of the year (F.V. of ₹ 5 each)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(v) Hindu Undivided Family	50909	0	50909	0.34	81003	0	81003	0.55	0.20
(vi) IEPF	188195	0	188195	1.27	210908	0	210908	1.43	0.15
(v) NBFCs registered with RBI	0	0	0	0.00	14124	0	14124	0.10	0.10
<b>Sub-total (B)(2)</b>	<b>2937213</b>	<b>754828</b>	<b>3692041</b>	<b>25.00</b>	<b>3033283</b>	<b>660339</b>	<b>3693622</b>	<b>25.01</b>	<b>0.01</b>
<b>Total Public Shareholding(B)</b>	<b>2939328</b>	<b>756642</b>	<b>3695970</b>	<b>25.03</b>	<b>3033817</b>	<b>662153</b>	<b>3695970</b>	<b>25.03</b>	<b>0.01</b>
<b>C. Shares held by cusodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>14012358</b>	<b>756642</b>	<b>14769000</b>	<b>100</b>	<b>14106847</b>	<b>662153</b>	<b>14769000</b>	<b>100</b>	<b>0.00</b>

**ii. Shareholding of Promoters**

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year (F.V. of ₹ 5 each)			Shareholding at the end of the year (F.V. of ₹ 5 each)			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to total	No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to total	
1	Rasoi Ltd.	6151722	41.65	0	6151722	41.65	0	0.00
2	Leaders Healthcare Ltd.	2475582	16.76	0	2475582	16.76	0	0.00
3	J L Morison (India) Ltd.	1107702	7.50	0	1107702	7.50	0	0.00
4	Surdas Trading & Mfg. Co. Ltd.	252000	1.71	0	252000	1.71	0	0.00
5	Goodpoint Advisory Services LLP	198000	1.34	0	198000	1.34	0	0.00
6	Lotus Udyog Ltd.	189720	1.28	0	189720	1.28	0	0.00
7	Pallawi Resources Ltd.	180000	1.22	0	180000	1.22	0	0.00
8	Pallawi Trading & Mfg. Co. Ltd.	174000	1.18	0	174000	1.18	0	0.00
9	Axon Trading & Mfg. Co. Ltd.	108000	0.73	0	108000	0.73	0	0.00
10	Looklink Finance Ltd.	96000	0.65	0	96000	0.65	0	0.00
11	Silver Trading & Services Ltd.	84000	0.57	0	84000	0.57	0	0.00
12	Noble Trading Co. Ltd.	56304	0.38	0	56304	0.38	0	0.00
	<b>Total</b>	<b>1,10,73,030</b>	<b>74.97</b>	<b>0</b>	<b>1,10,73,030</b>	<b>74.97</b>	<b>0</b>	<b>0.00</b>

**iii. Change in promoters' shareholding (please specify, if there is no change)**

There were no changes in the Promoter's shareholding during the Financial Year 2018-19.

**iv. Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)**

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year (of ₹ 5 each)		Cumulative shareholding during the year (of ₹ 5 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Tribeni Charitable</b>				
	a) At the beginning of the year	<b>280701</b>	<b>1.90</b>		
	b) Changes during the year	No Changes during the year			
	c) At the end of the year			<b>280701</b>	<b>1.90</b>

iv. Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year ( of ₹ 5 each)		Cumulative shareholding during the year ( of ₹ 5 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>2</b>	<b>Mridu Hari Dalmia</b>				
	a) At the beginning of the year	<b>0</b>	<b>0</b>		
	b) Changes during the year				
	24 Aug 2018	38437	0.26	38437	0.26
	31 Aug 2018	182000	1.23	220437	1.49
	07 Sep 2018	37667	0.26	258104	1.75
	c) At the end of the year			<b>258104</b>	<b>1.75</b>
<b>3</b>	<b>Investor Education and Protection Fund Authority Ministry of Corporate Affairs</b>				
	a) At the beginning of the year	<b>188195</b>	<b>1.27</b>		
	b) Changes during the year				
	05 Oct 2018	22713	0.15	210908	1.43
	c) At the end of the year			<b>210908</b>	<b>1.43</b>
<b>4</b>	<b>Bonanza Trading Company Private Limited</b>				
	a) At the beginning of the year	<b>31083</b>	<b>0.21</b>		
	b) Changes during the year				
	10 Aug 2018	510	0.00	31593	0.21
	17 Aug 2018	18445	0.12	50038	0.34
	24 Aug 2018	80273	0.54	130311	0.88
	31 Aug 2018	15000	0.10	145311	0.98
	c) At the end of the year			<b>145311</b>	<b>0.98</b>
<b>5</b>	<b>Harulika Ventures LLP</b>				
	a) At the beginning of the year	<b>0</b>	<b>0</b>		
	b) Changes during the year				
	10 Aug 2018	515	0.00	515	0.00
	17 Aug 2018	500	0.00	1015	0.01
	24 Aug 2018	70349	0.48	71364	0.48
	31 Aug 2018	45000	0.30	116364	0.79
	07 Sep 2018	28000	0.19	144364	0.98
	c) At the end of the year			<b>144364</b>	<b>0.98</b>
<b>6</b>	<b>Topgrain Corporate Services Pvt. Ltd.</b>				
	a) At the beginning of the year	<b>98803</b>	<b>0.67</b>		
	b) Changes during the year	No Changes during the year			
	c) At the end of the year			<b>98803</b>	<b>0.67</b>
<b>7</b>	<b>Mita Dipak Shah</b>				
	a) At the beginning of the year	<b>87668</b>	<b>0.59</b>		
	b) Changes during the year				
	27 Jul 2018	1253	0.01	88921	0.60
	03 Aug 2018	1000	0.01	89921	0.61
	14 Sep 2018	200	0.00	90121	0.61
	05 Oct 2018	100	0.00	90221	0.61
	12 Oct 2018	600	0.00	90821	0.61
	19 Oct 2018	150	0.00	90971	0.62
	26 Oct 2018	418	0.00	91389	0.62
	30 Nov 2018	300	0.00	91689	0.62
	14 Dec 2018	100	0.00	91789	0.62
	21 Dec 2018	100	0.00	91889	0.62
	c) At the end of the year			<b>91889</b>	<b>0.62</b>

**iv. Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)**

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year ( of ₹ 5 each)		Cumulative shareholding during the year ( of ₹ 5 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>8</b>	<b>Monet Securities Private Ltd</b>				
	a) At the beginning of the year	<b>53250</b>	<b>0.36</b>		
	b) Changes during the year	No Changes During the Year			
	c) At the end of the year			<b>53250</b>	<b>0.36</b>
<b>9</b>	<b>Manoj Khanderia</b>				
	a) At the beginning of the year	<b>22752</b>	<b>0.15</b>		
	b) Changes during the year	No Changes During the Year			
	c) At the end of the year			<b>22752</b>	<b>0.15</b>
<b>10</b>	<b>Lookline Tradelinks Pvt. Ltd</b>				
	a) At the beginning of the year	<b>22678</b>	<b>0.15</b>		
	b) Changes during the year	No Changes During the Year			
	c) At the end of the year			<b>22678</b>	<b>0.15</b>
<b>11</b>	<b>Angel Broking Limited</b>				
	a) At the beginning of the year	<b>111907</b>	<b>0.76</b>		
	b) Changes during the year				
	06 Apr 2018	-4763	-0.03	107144	2.18
	13 Apr 2018	-1134	-0.01	106010	2.15
	20 Apr 2018	-3024	-0.02	102986	2.09
	27 Apr 2018	-1051	-0.01	101935	2.07
	04 May 2018	-1	0.00	101934	2.07
	11 May 2018	-1475	-0.01	100459	2.04
	18 May 2018	58	0.00	100517	2.04
	25 May 2018	-2234	-0.02	98283	2.00
	01 Jun 2018	-1639	-0.01	96644	0.65
	08 Jun 2018	-108	0.00	96536	0.65
	15 Jun 2018	-950	-0.01	95586	0.65
	22 Jun 2018	-1943	-0.01	93643	0.63
	30 Jun 2018	-1841	-0.01	91802	0.62
	06 Jul 2018	-8930	-0.06	82872	0.56
	13 Jul 2018	-1866	-0.01	81006	0.55
	20 Jul 2018	-4227	-0.03	76779	0.52
	27 Jul 2018	-5808	-0.04	70971	0.48
	03 Aug 2018	-374	0.00	70597	0.48
	10 Aug 2018	-535	0.00	70062	0.47
	17 Aug 2018	436	0.00	70498	0.48
	24 Aug 2018	208	0.00	70706	0.48
	31 Aug 2018	-3184	-0.02	67522	0.46
	07 Sep 2018	-801	-0.01	66721	0.45
	14 Sep 2018	-615	0.00	66106	0.45
	21 Sep 2018	375	0.00	66481	0.45
	29 Sep 2018	12	0.00	66493	0.45
	05 Oct 2018	-924	-0.01	65569	0.44
	12 Oct 2018	-969	-0.01	64600	0.44
	19 Oct 2018	-612	0.00	63988	0.43
	26 Oct 2018	-250	0.00	63738	0.43
	02 Nov 2018	-55	0.00	63683	0.43
	09 Nov 2018	174	0.00	63857	0.43
	16 Nov 2018	-74	0.00	63783	0.43
	23 Nov 2018	540	0.00	64323	0.44
	30 Nov 2018	-605	0.00	63718	0.43



iv. Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year ( of ₹ 5 each)		Cumulative shareholding during the year ( of ₹ 5 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	07 Dec 2018	-7276	-0.05	56442	0.38
	14 Dec 2018	-264	0.00	56178	0.38
	21 Dec 2018	-211	0.00	55967	0.38
	28 Dec 2018	-1889	-0.01	54078	0.37
	31 Dec 2018	-288	0.00	53790	0.36
	04 Jan 2019	-8835	-0.06	44955	0.30
	11 Jan 2019	-29094	-0.20	15861	0.11
	18 Jan 2019	-8040	-0.05	7821	0.05
	25 Jan 2019	-810	-0.01	7011	0.05
	01 Feb 2019	-5207	-0.04	1804	0.01
	08 Feb 2019	307	0.00	2111	0.01
	15 Feb 2019	-344	0.00	1767	0.01
	22 Feb 2019	-308	0.00	1459	0.01
	01 Mar 2019	250	0.00	1709	0.01
	08 Mar 2019	-49	0.00	1660	0.01
	15 Mar 2019	-416	0.00	1244	0.01
	22 Mar 2019	207	0.00	1451	0.01
	29 Mar 2019	942	0.01	2393	0.02
	c) At the end of the year			<b>2393</b>	<b>0.02</b>
<b>12</b>	<b>IDBI Trusteeship Services Limited</b>				
	a) At the beginning of the year	<b>526434</b>	<b>3.56</b>		
	b) Changes during the year				
	03 Aug 2018	-662	0.00	525772	3.56
	17 Aug 2018	-115809	-0.78	409963	2.78
	24 Aug 2018	-216297	-1.46	193666	1.31
	31 Aug 2018	-144693	-0.98	48973	0.33
	07 Sep 2018	-48973	-0.33	0	0.00
	c) At the end of the year			<b>0</b>	<b>0.00</b>

v. Shareholding of Directors and KMPs

Sr. No.	For each of the Directors and KMPs	Shareholding at the beginning of the year ( of ₹ 10 each)		Cumulative shareholding during the year ( of ₹ 5 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Mr. Amit Goenka *</b>				
	a) At the beginning of the year	<b>3</b>	<b>0</b>		
	b) Changes during the year	No Changes During the Year			
	c) At the end of the year			<b>3</b>	<b>0</b>

Note : Resigned w.e.f.7<sup>th</sup> May, 2018

**5 INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment (₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	272.85	220.83	0.00	493.68
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.19	0.00	0.00	0.19
<b>Total (i+ii+iii)</b>	<b>273.04</b>	<b>220.83</b>	<b>0.00</b>	<b>493.87</b>
<b>Changes in indebtedness during the financial year</b>				
> Addition	0.00	0.00	0.00	0.00
> Reduction	-63.58	-76.38	0.00	-139.96
<b>Net Change</b>	<b>-63.58</b>	<b>-76.38</b>	<b>0.00</b>	<b>-139.96</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	209.27	144.45	0.00	353.72
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.10	0.00	0.00	0.10
<b>Total (i+ii+iii)</b>	<b>209.37</b>	<b>144.45</b>	<b>0.00</b>	<b>353.82</b>

**6 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to MD / WTD / Manager**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		1	2	
1	<b>Gross Salary:</b>	<b>Mr. Raghu Mody</b>	<b>Mr. P. K. Choudhary</b>	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	150.00	75.37	225.37
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.29	10.59	10.88
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	0
2	Stock Option	-	-	0
3	Sweat Equity	-	-	0
4	Commission	45.00	-	45.00
	- as % of profits	-	-	0
	- others, specify	-	-	0
	(As per terms of appointment)	-	-	0
5	Others, specify	-	-	0
	<b>Total (A)</b>	<b>195.29</b>	<b>85.96</b>	<b>281.25</b>
	<b>Ceiling as per the Act</b>	<b>₹ 283.23 Lakhs (10% of net profits of the Company)</b>		

**B. Remuneration to other directors**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of director				Total Amount
		1	2	3	4	
1	<b>Independent Directors</b>	<b>Mr. A. B. Vaidya</b>	<b>Mr. Deepak Sethi</b>	<b>Lt. Gen. (Retd.) K. S. Brar</b>	<b>Mr. Chakrapani B. Misra</b>	
	Fees for attending board / committee meetings	1.40	0.60	1.50	1.50	5.00
	Commission	2.00	2.00	2.00	2.00	8.00
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>3.40</b>	<b>2.60</b>	<b>3.50</b>	<b>3.50</b>	<b>13.00</b>
	<b>Other Non-Executive Directors</b>	<b>Mrs. Sakshi Mody</b>				
	Fees for attending board / committee meetings	0.20	-	-	-	-
	Commission	-	-	-	-	-
2	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>0.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.20</b>
	<b>Total B (1+2)</b>	<b>3.60</b>	<b>2.60</b>	<b>3.50</b>	<b>3.50</b>	<b>13.20</b>
	<b>Ceiling as per the Act</b>	₹ 28.33 Lakhs (1% of net profits of the Company)				
	<b>Total Managerial Remuneration (A+B)</b>	₹ 294.45 Lakhs (including Sitting Fees & Commission)				
	<b>Overall Ceiling as per the Act</b>	₹ 311.66 (11% of net profits of the Company)				

**C. Remuneration to KMPs other than MD / Manager / WTD**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	KMP			Total Amount
		CS	CS	CFO	
1	<b>Gross Salary:</b>	<b>Mr. Amit Goenka*</b>	<b>Mr. Vikram Soni **</b>	<b>Mr. Sunil Jindal</b>	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4.79	7.70	21.32	33.81
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	<b>Stock Option</b>	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-
4	<b>Commission</b>	-	-	-	-
	- as % of profits	-	-	-	-
	- others, specify	-	-	-	-
5	<b>Others, specify</b>	-	-	-	-
	<b>Total</b>	<b>4.79</b>	<b>7.70</b>	<b>21.32</b>	<b>33.81</b>

**Note :**

\* Mr. Amit Goenka resigned as Company Secretary (CS) w.e.f. 7<sup>th</sup> May, 2018

\*\*Mr. Vikram Soni appointed as Company Secretary (CS) w.e.f. 8<sup>th</sup> May, 2018

**7 PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / Compounding fees imposed	Authority [RD /NCLT/ Court]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in default</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 6<sup>th</sup> May, 2019

Raghu Mody  
Chairman  
DIN : 00053329

**Annexure B**

**Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

Sr. No.	Name of the Director	Designation	Ratio of the remuneration to the median remuneration of the employees of the Company for the financial year 2018-19
1	Mr. Raghu Mody	Executive Chairman and Whole Time Director	51:1
2	Mr. P. K. Choudhary	Managing Director	22:1

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, are as under:

Sr. No.	Name of Director/KMP and Designation	Designation	% increase in Remuneration in the Financial Year 2018-19
1	Mr. Raghu Mody	Executive Chairman	14.71%
2	Mr. P.K. Choudhary	Managing Director	9.09%
3	Mr. Sunil Kumar Jindal	Chief Financial Officer	14.63%
4	Mr. Vikram Soni	Company Secretary & Compliance Officer (appointed w.e.f 8 <sup>th</sup> May, 2018)	N.A.

(Note: Mr. Amit Goenka, V.P. Finance and Company Secretary of the Company resigned w.e.f 7<sup>th</sup> May, 2018 )

3. The percentage increase in the median remuneration of employees in the financial year: **13.10%**;
4. There were **546** permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2019;
5. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was **18.84%** whereas the increase in the managerial remuneration for the same financial year was **13.08%**. This was based on the recommendation of the Nomination and Remuneration Committee to revise the remuneration as per the remuneration policy of the Company.
6. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Managerial Personnel and other Employees.

**For and on behalf of the Board of Directors**

**Raghu Mody**  
Chairman  
DIN : 00053329

Place: Mumbai  
Date: 6<sup>th</sup> May, 2019

**Annexure C**  
**FORM AOC - 2**

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for disclosure of particulars of contract / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- 1. Details of contracts or arrangements or transactions not at arm's length basis:** The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2018-19.
- 2. Details of material contracts or arrangements or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	Varunn Mody (Husband of Mrs. Sakshi Mody - Non- Executive Director of the Company)
(b)	Nature of contracts / arrangements / transactions	Appointment Mr. Varunn Mody as President - Treasury and Strategy of the Company.
(c)	Duration of the contracts / arrangements / transactions	Has been appointed under a contract of employment pursuant to which he may function according to directions given by the company from time to time. Contract will continue as long he remains an employee as per the contract of employment
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Total remuneration of ₹ 80.30 Lakhs paid during the year.
(e)	Date(s) of approval of the Board	8 <sup>th</sup> May, 2018
(f)	Amount paid in advance, if any	Nil
(g)	Date of seeking shareholders' approval	30 <sup>th</sup> August, 2018

**For and on behalf of the Board of Directors**

**Raghu Mody**  
**Chairman**  
**DIN : 00053329**

**Place: Mumbai**  
**Date: 6<sup>th</sup> May, 2019**



**Annexure D**
**Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2018-19**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company aims at spending a defined portion of its net profit for the betterment of society through:

- Providing financial and other assistance to students who belong to socially economical weaker sections
- Supporting efforts for community health in slums and areas inhabited by weaker sections
- Supporting the programs and efforts for environment protection and enhancement
- Promoting, encouraging and supporting the social and cultural heritage and traditions of our society
- Taking proactive measures for the well-being of society, as per needs

1. The Company has made below mentioned contributions towards its CSR activities during the year under review:
- a) Contribution of ₹ 53 Lakhs to Rotary Club of Bombay / Rotary Foundation (India) for its various activities which impacts several needy people every year. The Company has assisted them in upgrading the Plastic Surgery & Cosmetic Department and Pediatric & Neonatal Department at Masina Hospital, Mazgaon, Mumbai.
  - b) Contribution of ₹ 31 Lakhs to The Akshaya Patra Foundation which deals in issues related to malnutrition, hunger and deprivation of education by incentivizing food to bring children to school. Their aim is to nourish children ensuring they access education. This CSR activity would ensure nourishment to each child they reach and keep them in school.

The CSR policy of the company can be viewed at: <http://www.hindcompo.com/investor-relations/documents/csr-Policy.pdf>

2. The Composition of the CSR Committee:

Sr.No.	Name of Members	Status
1.	Lt. Gen. (Retd.) K. S. Brar	Chairman
2.	Mr. Chakrapani B. Misra	Member
3.	Mr. P. K. Choudhary	Member
4.	Mr. Raghu Mody	Member

3. Average net profit of the company for last three financial years– ₹ 4,039.90 Lakhs
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)– ₹ 80.80 Lakhs
5. Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year : ₹ 80.80 Lakhs
- (b) Amount unspent , if any : Nil
- (c) Manner in which the amount spent during the financial year is detailed below: The Company has made contribution to Rotary Club of Bombay / Rotary Foundation (India) and The Akshaya Patra Foundation.

Sr. No.	CSR project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over heads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Upgrading the Plastic Surgery & Cosmetic Department and Pediatric & Neonatal Department at Masina Hospital, Mazgaon, Mumbai	Healthcare including preventive healthcare	Mumbai	₹ 53.00 Lacs	₹ 53.00 Lacs	₹ 53.00 Lacs	Through Implementing Agency – Rotary Club of Bombay / Rotary Foundation (India)
2.	Mid-Day Meal Programme run by The Akshaya Patra Foundation	Eradicating hunger, poverty and malnutrition	PAN India	₹ 31.00 Lacs	₹ 31.00 Lacs	₹ 31.00 Lacs	Through Implementing Agency–Akshaya Patra Foundation (Unlimited food or education)

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount: **Not Applicable**
7. The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

**For and on behalf of the Board of Directors**

Place: Mumbai

Date: 6<sup>th</sup> May, 2019

**P. K. Choudhary**  
 Managing Director  
 DIN : 00535670

**Lt. Gen. (Retd.) K. S. Brar**  
 Chairman of the CSR committee  
 DIN : 01146720

## Annexure E

Form No. MR-3  
SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2019

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

To,  
The Members,  
**Hindustan Composites Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindustan Composites Limited** (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluation of the corporate conducts / statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the Company during the Audit Period);
  - (iv) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit Period);
  - (vi) 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;
  - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit Period);
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit Period); and
  - (ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As informed and certified by the management, there are no laws that are specifically applicable to the business activities carried on by the Company based on its section / industry.

I have also examined compliance with the applicable clauses of the Secretarial Standards (SS – 1 and SS – 2) issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, except delay in filling of some e-forms with the Registrar of Companies.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

I further report that during the audit period there was no specific event or action having a major bearing on the company's affairs.

For **M Baldeva Associates**  
Company Secretaries

**CS Manish Baldeva**  
Proprietor  
M. No. FCS 6180  
C.P. No. 11062

**Place : Thane**  
**Date: 6<sup>th</sup> May, 2019**

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

**'Annexure I'**

To,  
The Members,  
**Hindustan Composites Limited**

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

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

For **M Baldeva Associates**  
Company Secretaries

**CS Manish Baldeva**  
Proprietor  
M. No. FCS 6180  
C.P. No. 11062

**Place : Thane**  
**Date: 6<sup>th</sup> May, 2019**

Annexure F

1 Details of Conservation of energy, technology absorption, foreign exchange earnings and outgo

A	Conservation of energy	
	(i) the steps taken or impact on conservation of energy	<ol style="list-style-type: none"> <li>1. Auto Power Factor Controllers installed to maintain power factor in desirable range.</li> <li>2. New Low loss power transformer with elevated voltage level from 11KV to 33KV installed. Transmission losses reduced.</li> <li>3. Installation of auto tap changer on transformer to supply stable LT voltage, resulted in reduced power consumption.</li> <li>4. Supply voltage on LT side reduced from 440V to desirable 420V.</li> <li>5. Press molding modified from single daylight to double daylight, thereby saving in power consumption.</li> <li>6. LED Lightings installed inside the Shop floor, replacing old fittings.</li> <li>7. Roof sheets replaced with transparent sheets (use of day light)</li> </ol>
	(ii) the steps taken by the company for utilizing alternative sources of energy	Installation of Solar Panel under consideration
	(iii) the capital investment on energy conservation equipment's	₹ 60 Lakhs
B	Technology absorption	
	(i) the efforts made towards technology absorption	<ol style="list-style-type: none"> <li>1. Development of high performance noise-free Brake Liners for CV Application</li> <li>2. Development of new generation Brake Block and Disc Pad for Railway Application</li> <li>3. Development of new grade of Clutch Facing and Industrial Friction material both for Domestic &amp; Export customers</li> <li>4. Continued focus on development of Asbestos-free Products</li> </ol>
	(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	Generation of additional Business
	(iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):	Not Applicable
	(iv) the expenditure incurred on Research and Development	Revenue - ₹ 186.70 Lakhs (Previous year ₹ 194.13 Lakhs) Capital - ₹ Nil (Previous year - Nil)
C	Foreign exchange earnings and outgo	
	(i) The foreign exchange earned (actual inflows)	₹ 1,001.00 Lakhs (Previous year 1265.92 Lakhs)
	(ii) The foreign exchange outgo (actual outflows)	₹ 1,181.24 Lakhs (Previous year 771.34 Lakhs)

For and on behalf of the Board of Directors

Raghu Mody  
Chairman

DIN: 00053329

Place: Mumbai  
Date: 6<sup>th</sup> May, 2019

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Industry structure and developments

The Indian economy in 2018-19, started with a healthy 8.20% growth in the first quarter on the back of domestic resilience, but this growth eased to 5.80% in the last quarter due to rising global volatility, low consumer spending, low growth in the manufacturing sector and agricultural distress.

Major cause of concern was tighter financial conditions owing to disruption in the Non-Banking Financial Company (NBFC) sector, crude price shock, depreciating Rupee, adverse terms of trade and lower growth in partner countries.

The global automotive industry is witnessing disruptive innovations. The technological changes are leading to new products and business models including shared mobility, autonomous & connected vehicles and reduction in carbon footprint. These changes coupled with the geo-political trade situation, uncertainty around Brexit and a slow-down in China have led to a period of uncertainty for the global auto industry.

In the Indian context, the automotive industry is expected to emerge as the world's third largest passenger vehicle market by 2021, driven by the underlying economic growth, increasing consumption demand and mass urbanization. However, in the short to medium term, the sector faces some challenges due to the ongoing credit crunch, low consumer spending and the transition from BSIV TO BSVI emission norms by April 1, 2020.

F.Y. 2019 was a year of two halves for the Indian automobile industry. The Passenger Vehicle and Two Wheeler segment posted modest growth whereas the commercial vehicle, three wheelers and Tractors segment posted healthy double digit growth in volumes as compared to FY 2018. However, bulk of the robust performance in the automotive space came in the first half of FY 2019 while the performance in the second half remained fairly subdued.

The M & HCV segment saw a robust growth in the initial months but it started declining from October 2018 onwards, impacted by the tightening financing environment, surplus capacity created through revised axle load norms, higher fuel cost and weak freight rates.

### 2. Opportunities and threats

The global growth is moderating as the recovery in trade and manufacturing activity is losing steam. Despite on-going negotiations, trade tensions among major economies remained elevated. However, growth in United States remained quite good bolstered by fiscal stimulus.

In the above scenario India may emerge as a bright spot and the long-term prospects of the Indian automobile industry will remain strong owing to growth in internal consumption, rapid urbanisation and Government thrust on infrastructure development. Similarly, the Indian Auto Component industry

remains in a strong position on account of its cost competitiveness, engineering capabilities and scale of operation.

Despite, temporary slow-down, the Company foresees improvement in demand from the Automotive sector, including the Commercial Vehicle segment. This is expected to improve our order-book, both from OEM's and Aftermarket. The Company is gearing-up to meet this additional demand by putting new capacity and improvement in manufacturing processes. However, there could be threats owing to political uncertainty, global trade war, increasing commodity prices and volatile Forex movement.

### 3. Segment – wise or product-wise performance

The Company operates in two segments viz. composite products and investment. During the year under review, the revenue from composite products stood at ₹ 15,842.05 Lakhs (previous F.Y. ₹ 16013.58 Lakhs) and from investment stood at ₹ 3,819.26 Lakhs (previous F.Y. ₹ 4,322.38 Lakhs). The net profit before tax from composite products was ₹ 324.85 Lakhs (previous F.Y. ₹ 813.03 Lakhs) and investment was ₹ 2826.20 Lakhs (previous F.Y. 3383.49 Lakhs).

### 4. Outlook

In FY 2020, the demand environment of the automotive industry is expected to be weak in the first quarter and hopefully revive going forward. The growth in the commercial vehicles market is likely to pick-up driven by increased infrastructure spending, pre-buying ahead of implementation of BS-VI emission norms from 1<sup>st</sup> April, 2020, growth of new-age industries like E-Commerce and further progress in the hub and spoke model of distribution. However, volatility in demand could be the norm in the CV space in FY 2020 to ensure no significant pile-up of inventory and smooth change over to BS-VI complaint vehicles.

Based on the above challenging scenario, the company will focus on Institutional & Aftermarket business and also put more thrust on new product development to meet the changed requirement of OEM customers. The company will continue to work towards upgradation of technology, improvement in quality and cost rationalization.

### 5. Risks and concerns

The company has laid down a well-defined Risk Management Policy covering risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is carried out from time to time to identify, evaluate both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.



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

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its business operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically used efficiently and are adequately protected.

**7. Discussion on financial performance with respect to operational performance**

The Company’s financial performance with respect to Operational performance is already discussed in the Director’s Report which forms a part of the Annual Report.

**8. Material developments in Human Resources / Industrial Relations front, including number of people employed**

The thrust of the Company’s human resource development is to create a responsive and market-driven organization with emphasis on performance. Continuous appraisal of personnel competence in line with job requirements, are carried out to provide for necessary training to personnel thereby facilitating higher levels of output and productivity. The industrial relations at Paithan and Bhandara plants remain satisfactory. The Company entered into a Long-term settlement with its workmen at its Paithan Plant for a period of 3 years effective from December, 2018. As on 31<sup>st</sup> March, 2019, 546 employees were employed in the Company.

**9. Details of significant changes in key financial ratios / Return on net worth**

(₹ in Lakhs)

	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Debtors Turnover Ratio	4.59	5.21	4.59	5.21
Inventory Turnover Ratio	7.42	6.31	7.42	6.31
Interest Coverage Ratio	80.88	90.80	74.36	83.12
Current Ratio	3.23	2.91	3.23	2.91
Debt Equity Ratio	0.003	0.004	0.003	0.004
Operating Margin Ratio *	9.06%	13.73%	8.33%	12.57%
Net Profit Margin *	9.56%	12.45%	8.83%	11.29%
Return on Net Worth *	2.49%	3.43%	2.33%	3.14%

\* Reason for lower margin have been elaborated in Director’s Report under the head operational performance which form part of the annual report.

**10. CAUTIONARY STATEMENT**

The statement in the Management Discussion and Analysis Report cannot be construed as holding out any forecasts, projections, expectations, invitations, offers, etc. within the meaning of applicable securities, laws and regulations. This Report basically seeks to furnish information, as laid down within the different headings to meet the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

**For and on behalf of the Board of Directors**

Place: Mumbai  
Date: 6<sup>th</sup> May, 2019

**Raghu Mody**  
**Chairman**  
**DIN: 00053329**

**REPORT ON CORPORATE GOVERNANCE**

[Pursuant to Regulation 34(3) read Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**1. A brief statement on Company's philosophy on code of governance:**

The Company believes in transparency, professionalism and accountability, which are basic principles of corporate governance and would constantly endeavor to improve on these aspects.

**2. Corporate Ethics:**

The Company adheres to the highest standards of business ethics, transparency in all its dealings and timely compliance with statutory and legal requirements.

**2.1 Code of Conduct of Board Members and Senior Management:**

The Board of Directors of the Company has adopted Code of Conduct for its Members and Senior Management and it is reviewed and modified periodically as per changes in applicable laws. The Code highlights Corporate Governance as the cornerstone for sustained management performance and for serving all the stakeholders and for instilling pride of association. The code has been posted on the website of the Company i.e. [www.hindcompo.com](http://www.hindcompo.com).

**2.2 Code of Conduct for Prevention of Insider Trading:**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders for its management, directors, designated employees and other connected persons. All the directors, designated persons and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window was closed during the time of declaration of results and occurrence of any material events as per the applicable regulations. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

**2.3 Vigil Mechanism:**

The Company has established a vigil mechanism for employees, officers and directors, which encourage them to report any suspected violation promptly and intend to investigate any report of violations made in good faith.

**2.4 SHE (Safety, Health & Environment) System:**

The Company has adopted Safety, Health and Environment (SHE) System with a commitment to provide a safe and healthy working environment.

**3. Secretary's Responsibility Statement:**

The Company Secretary confirms that the Company has:

- Maintained all the Statutory Registers required to be maintained under the Companies Act, 2013 ("the Act") and the rules made thereunder.
- Filed all the forms and returns and furnished necessary particulars in time with the Registrar of Companies (ROC), Mumbai, Maharashtra, Ministry of Corporate Affairs (MCA) and/or Authorities as required under the Act except delay in filing of some e-forms.
- Issued all notices as required to be given for convening the meeting of the Board of Directors, General Meetings of the shareholders within the time limit prescribed by law.
- Conducted the meetings of the Board of Directors, Annual General Meeting as per the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors and Shareholders
- Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the Directors and Key Managerial Personnel.
- Obtained necessary approvals of the Directors, Shareholders and other authorities as per the statutory requirements.
- Given loans and made investments in accordance with the requirements of the Act.
- Not exceeded the borrowing powers of the Company.
- Registered all the particulars relating to the creation, modification and satisfaction of the charges with the Registrar of Companies, Mumbai, Maharashtra.
- Effected share transfers and dispatched the certificates within the time prescribed under the Act and the rules made thereunder.

- Complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreements entered into with the Stock Exchanges where the Company's shares are listed.

The Company has also complied with the requirements prescribed by Securities and Exchange Board of India (SEBI) and other statutory authorities and also the requirements under the Act and related statutes in force to the extent applicable to the Company from time to time.

**4. Board of Directors:**

- Composition:**

As on 31<sup>st</sup> March, 2019, the Board of Directors consisted of seven directors. The composition of the Board, attendance at Board meetings held during the year and at the last Annual General Meeting, number of directorships in other companies and Chairmanship / Membership in Committees are given below:

Name of Director	Category	No. of Board Meetings held	Attendance particulars		No. of other Directorship(s)	Committee Positions (including Company)	
			Board Meeting	Last AGM		Memberships	Chairman
Mr. Raghu Mody	Executive Chairman, Promoter	4	2	Yes	3	3	-
Mr. P. K. Choudhary	Managing Director	4	4	Yes	1	-	-
Mr. A. B. Vaidya+	Independent Director	4	4	Yes	-	1	1
Mr. Chakrapani Brajesh Misra	Independent Director	4	4	Yes	1	3	1
Mr. Deepak Sethi	Independent Director	4	3	Yes	-	1	-
Lt. Gen. (Retd.) K. S. Brar+	Independent Director	4	4	Yes	-	2	-
Mrs. Sakshi Mody	Non-Executive Director	4	2	Yes	2	-	-

- The directorship held by Directors as mentioned above does not include Directorships of Private Companies/Section 8 Companies/Foreign Companies as on 31<sup>st</sup> March, 2019.
- Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies / subsidiary of public companies has been considered.

**Note:**

+ Reappointed as an Independent Directors for second term for period of 5 consecutive years w.e.f. 1<sup>st</sup> April, 2019.

- Directorship details including the category of directorships**

Sr. No.	Name of the Director	Directorship Details	Name of the Listed Entity
1	Mr. Raghu Mody	Non-Executive - Non Independent Director, Chairperson related to Promoter	J L MORISON (INDIA) LIMITED
2	Mr. Chakrapani Brajesh Misra	Non-Executive - Independent Director	J L MORISON (INDIA) LIMITED
3	Mrs. Sakshi Mody	Non-Executive - Non Independent Director	J L MORISON (INDIA) LIMITED
4	Mr. P. K. Choudhary	Managing Director	Nil
5	Mr. A. B. Vaidya	Non-Executive - Independent Director	Nil
6	Mr. Deepak Sethi	Non-Executive - Independent Director	Nil
7	Lt. Gen. (Retd.) K. S. Brar	Non-Executive - Independent Director	Nil

- Number and date of Board Meetings held:**

Four Board Meetings were held during the year 2018-2019. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors present
8 <sup>th</sup> May, 2018	7	6
9 <sup>th</sup> August, 2018	7	6
2 <sup>nd</sup> November, 2018	7	7
13 <sup>th</sup> February, 2019	7	4

- Disclosure of relationship between directors inter se:**

None of the Directors of the Company are related inter-se to any other director on the Board within the meaning of Section 2(77) of the Companies Act, 2013.

- **Number of shares and convertible instruments held by Non-Executive Directors:**

As on 31<sup>st</sup> March, 2019, no Non-Executive Director held any share/convertible instruments in the Company.

- **Weblink where details of familiarization programmes imparted to independent Directors is disclosed:**

The details of the programmes for familiarization of Independent Directors with the Company their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company are put up on the website of the Company at the [link:http://www.hindcompo.com/investor-relations/investors-information.htm](http://www.hindcompo.com/investor-relations/investors-information.htm).

- **Matrix of Skills/ Expertise/ Competence of the Board of Directors:**

The Company has two segments viz. manufacturing and investment activities. Company's core business includes manufacturing, distribution, marketing of Friction Materials in India and abroad comprising of Brake Lining, Clutch Facing, Disc Brake Pad, Roll Lining, Brake Block etc.

The Company also through its investment activities invests in various equity instruments, Government Securities and debentures and bonds.

The following is the list of core skills / expertise/ competencies identified by the Board of Directors as required in the context of the Company's aforesaid business for it to function effectively, efficiently and those available with the Board as a whole:

- i) Sales & Marketing: Experience in developing strategies to grow sales and market share and marketing management based on understanding of the auto components goods industry;
- i) Global Business experience: Experience in leading businesses in different geographies/markets around the world with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities;
- ii) General management/Governance: Strategic thinking, decision making and protect interest of all stakeholders;
- iii) Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.

- iv) Technical skills and professional skills and knowledge including legal and regulatory aspects.

- **Declaration by the Board:**

In the opinion of the Board of Directors of the Company, the Independent Directors fulfill the conditions specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are Independent of the management.

- **Reason of resignation of Independent Director:**

During the financial year 2018-19 none of the Independent Directors resigned from the Board of Directors before the expiry of their tenure.

**5. Audit Committee:**

Pursuant to the provisions of Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Audit Committee. Majority of the members of the Committee are Independent Directors including the Chairman of the Committee

- **Brief description of terms of reference:**

The Broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Internal Auditors and to review the weakness in internal controls reported by Internal and Statutory Auditors and to review the remuneration of Internal and Statutory Auditors. In addition, the powers and role of the Audit Committee are as laid down under Regulation 18 and Schedule II Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

- **Composition:**

As on 31<sup>st</sup> March 2019, the Audit Committee comprised of Mr. Chakrapani B. Misra, Mr. A. B. Vaidya, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody as its members. Mr. Chakrapani B. Misra is the Chairman of the Committee.

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

**Meetings and attendance during the year:**

During the year 2018-2019, the Audit Committee met four times on 8<sup>th</sup> May, 2018, 9<sup>th</sup> August, 2018 2<sup>nd</sup> November, 2018 and 13<sup>th</sup> February, 2019. The attendance at the Committee meetings was as follows:

Sl. No.	Name of Directors	Status	No. of meetings attended
1.	Mr. Chakrapani Brajesh Misra	Chairman	4
2.	Mr. Deepak Sethi	Member	3
3.	Mr. A. B. Vaidya	Member	4
4.	Lt. Gen. (Retd.) K.S. Brar	Member	4
5.	Mr. Raghu Mody	Member	2

**6. Nomination and Remuneration Committee:**

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee, inter alia, recommends the remuneration payable to Executive Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of the Company.

**Brief description of terms of reference:**

The terms of reference of this committee are wide enough covering the matters specified for Remuneration to the Directors and Senior Management under the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 and Schedule II Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition:**

As on 31<sup>st</sup> March 2019, the Nomination and Remuneration Committee comprised of Mr. A. B. Vaidya, Mr. Chakrapani Brajesh Misra and Lt. Gen. (Retd.) K. S. Brar as its members. Mr. Chakrapani B. Misra is the Chairman of the Committee.

The Company Secretary and Compliance Office of the Company acts as the Secretary to the Committee.

**Meetings and attendance during the year:**

During the year 2018-2019 the Nomination and Remuneration Committee met twice on 8<sup>th</sup> May, 2018 and 13<sup>th</sup> February, 2019. The attendance at the Committee meeting was as follows:

Sl. No.	Name of Directors	Status	No. of meetings attended
1.	Mr. Chakrapani B. Misra	Chairman	2
2.	Mr. A. B. Vaidya	Member	2
3.	Lt. Gen. (Retd.) K. S. Brar	Member	2

**Performance evaluation criteria for Independent Directors:**

Pursuant to the provisions of Section 178(2) of the Companies Act, 2013 read with Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performance of each Independent Director and fulfilment of the independence criteria as specified in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and their independence from the management. The questionnaires are prepared considering the business of the Company. The evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

- Attendance at Board and Committee Meetings;
- Quality of contribution to Board deliberations;
- Strategic perspectives or inputs regarding future growth of the Company and its performances;
- Providing perspectives and feedback going beyond information provided by the management.

**7. Remuneration to Directors:**

- The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2018-2019.
- Non-Executive Directors did not draw any remuneration from the Company. Sitting fees to Non-executive and Independent Directors is being paid at the rate of ₹ 10,000/- for each meeting of the Board and Committees attended by them.
- Details of remuneration / fees paid / payable to the Directors are as under:**

(₹ in Lakhs)

Name	Salary	Perquisites or Allowances	Contribution to PF and others	Commission	Sitting fees	Total
Mr. Raghu Mody	150.00	0.29	-	45.00	-	195.29
Mr. P. K. Choudhary	70.63	10.81	4.52	-	-	85.96
Mr. A. B. Vaidya	-	-	-	2.00	1.40	3.40
Mr. Deepak Sethi	-	-	-	2.00	0.60	2.60
Mr. Chakrapani B. Misra	-	-	-	2.00	1.50	3.50
Lt. Gen. (Retd.) K.S. Brar	-	-	-	2.00	1.50	3.50
Mrs. Sakshi Mody	-	-	-	-	0.20	0.20



- (i) The above details of remuneration or fees paid include all elements of remuneration package of individual director summarized under major groups.
- (ii) Apart from the above mentioned remuneration or fees paid, there are no other fixed component and performance linked incentives based on the performance criteria;
- (iii) There are no separate service contracts with any of the directors. The tenure of office of the Managing Director and Whole Time / Executive Directors is for three years from their respective dates of appointment, and can be terminated by either party by giving one month's notice in writing. There is no separate provision for payment of severance fees.
- (iv) No stock options are offered to any of the Directors of the Company.

#### 8. Stakeholders Relationship Committee:

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Stakeholders' Relationship Committee.

- **Brief description of terms of reference:**

The Committee is empowered to oversee the redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer/transmission /demat / remat of shares and other miscellaneous complaints. The Committee is also responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

- **Composition:**

As on 31<sup>st</sup> March 2019, the Stakeholders' Relationship Committee comprised of Mr. Chakrapani B. Misra, Mr. A. B. Vaidya, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody.

Mr. A. B. Vaidya is the Chairman of the Committee. The Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee.

Mr. Vikram Soni is Company Secretary and Compliance Officer of the Company

- **Status of investors' complaints/services requests:**

Opening balance at the beginning of the year	: Nil
Received during the year	: 44
Disposed during the year	: 44
Closing balance at the end of the year	: Nil

#### 9. Corporate Social Responsibility (CSR) Committee:

As on 31<sup>st</sup> March 2019, the Corporate Social Responsibility Committee comprises of Lt. Gen. (Retd.) K. S. Brar, Mr. Chakrapani B. Misra, Mr. P. K. Choudhary and Mr. Raghu Mody. Lt. Gen. (Retd.) K. S. Brar is the Chairman of the Committee.

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

- **Meetings and attendance during the year:**

During the year 2018-19 the CSR Committee met once on 9<sup>th</sup> August, 2018. The attendance at the Committee meeting was as follows:

Sl. No.	Name of Directors	Status	No. of meetings attended
1.	Lt. Gen. (Retd.) K. S. Brar	Chairman	1
2.	Mr. Chakrapani Brajesh Misra	Member	1
3.	Mr. P. K. Choudhary	Member	1
4.	Mr. Raghu Mody	Member	-

#### 10. General Body Meetings:

- **Location and time, where last three Annual General Meetings held:**

Financial year	Time	Date	Location
2015-16	11.30 a.m.	8 <sup>th</sup> September, 2016	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2016-17	11.30 a.m.	12 <sup>th</sup> September, 2017	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2017-18	11.30 a.m.	30 <sup>th</sup> August, 2018	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

- **Special resolutions passed at last three AGMs:**

AGM	Particulars of Special Resolutions
8 <sup>th</sup> September, 2016	Nil
12 <sup>th</sup> September, 2017	1. Re-appointment of Mr. Raghu Mody as Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f 1 <sup>st</sup> October, 2017 till 30 <sup>th</sup> September, 2020.
30 <sup>th</sup> August, 2018	1. Special Resolution for re-appointment of Mr. A. B. Vaidya (DIN: 00246208) as an Independent, Non – Executive Director of the Company, for another term of five consecutive years w.e.f. 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024.

	2. Special Resolution for re-appointment of Lt. Gen. (Retd.) K. S. Brar (DIN: 01146720) as an Independent, Non-Executive Director of the Company, for another term of five consecutive years w.e.f. 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024.
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**Postal Ballot:**

During the year under review, no Resolution was Passed through Postal Ballot process.

None of the business is proposed to be transacted through postal ballot.

**11. Means of communication:**

- The Company has published its Quarterly Results as per the details mentioned below:

News Papers	Date of Board Meeting	Date of Publication
Financial Express (English - All India Edition) Mumbai Lakshadeep (Marathi)	08-05-2018	09-05-2018
Financial Express (English - All India Edition) Mumbai Lakshadeep (Marathi)	09-08-2018	10-08-2018
Financial Express (English - All India Edition) Mumbai Lakshadeep (Marathi)	02-11-2018	03-11-2018
Financial Express (English - All India Edition) Mumbai Lakshadeep (Marathi)	13-02-2019	14-02-2019

**Website:** The Company’s website viz. [www.hindcompo.com](http://www.hindcompo.com) contains a separate dedicated section ‘Investor Relations’ where shareholders’ information is available. The Company’s Annual Report is also available in a user-friendly and downloadable form.

**News releases, presentations, among others:** All Corporate Announcements made to the Stock Exchanges during the year 2018-19 are available on the website of the Company.

During the year 2018-19, the Company has not made any presentations to institutional investors or analysts.

**12. General Shareholder information:**

- a) **Annual General Meeting:** Thursday, 29<sup>th</sup> August, 2019 at 11.30 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018;
- b) **Financial Year:** April 1 to March 31;
- c) **Dividend Payment Date:** Credit / Dispatch between 5<sup>th</sup> September, 2019 to 12<sup>th</sup> September, 2019

d) **Book Closure:** The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 23<sup>rd</sup> August, 2019 to Thursday, 29<sup>th</sup> August, 2019 (both days inclusive).

e) **Cut-off date for remote e-voting:** The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the cut-off date i.e. Thursday, 22<sup>nd</sup> August, 2019. Remote evoting shall remain open from Monday, 26<sup>th</sup> August, 2019 (9.00 a.m.) and ends on Wednesday, 28<sup>th</sup> August, 2019 (5.00 p.m.).

**f) Listing on Stock Exchanges:**

**Equity Shares**

**a) BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

**b) National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor, ‘G’ Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

**g) Listing Fees:**

The Company has paid the listing fees for the year 2019-20 to all the stock exchanges where the shares are listed.

**h) Stock Code:**

BSE : 509635  
 NSE : INDCOMPOS  
 ISIN : INE310C01029

**i) Stock Market Price Data and performance in comparison to BSE Sensex/NSE NIFTY 50:**

The monthly high / low quotations of shares traded on the BSE Limited during each month in last financial year and performance in comparison to BSE Sensex are as follows:

Month	Share price of the Company on BSE (₹)*		BSE Sensex (Points)*	
	High	Low	High	Low
April, 2018	544.70	393.70	35213.30	32972.56
May, 2018	470.00	390.50	35993.53	34302.89
June, 2018	412.00	368.00	35877.41	34784.68
July, 2018	404.70	358.25	37644.59	35106.57
August, 2018	468.00	374.60	38989.65	37128.99
September, 2018	406.00	352.00	38934.35	35985.63
October, 2018	368.95	325.25	36616.64	33291.58
November, 2018	350.60	326.00	36389.22	34303.38
December, 2018	339.00	285.00	36554.99	34426.29
January, 2019	295.60	215.20	36701.03	35375.51
February, 2019	240.00	190.00	37172.18	35287.16
March, 2019	244.00	206.75	38748.54	35926.94

\*Source: [www.bseindia.com](http://www.bseindia.com)

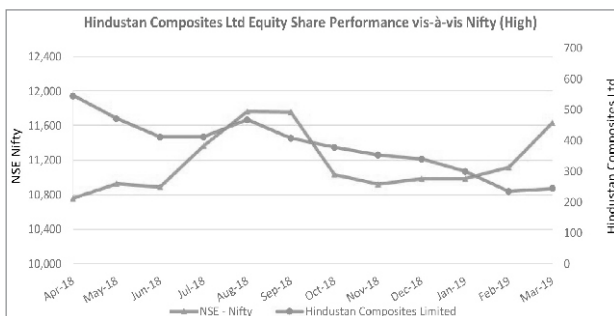
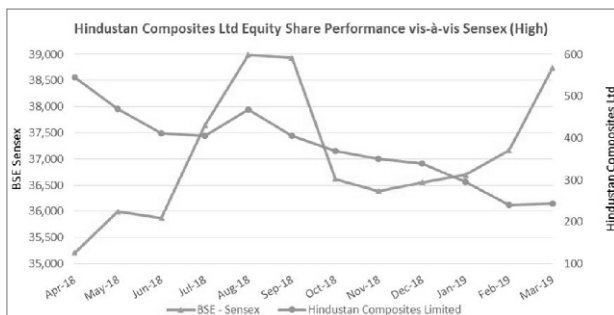
The monthly high / low quotations of shares traded on the National Stock Exchange of India Limited during each month in last financial year and performance in comparison to NSE Sensex are as follows:

Month	Share price of the Company on NSE (₹)*		NSE NIFTY 50 (Index)*	
	High	Low	High	Low
April, 2018	544.75	390.00	10759.00	10111.30
May, 2018	470.50	390.30	10929.20	10417.80
June, 2018	410.95	366.20	10893.25	10550.90
July, 2018	411.50	372.50	11366.00	10604.65
August, 2018	466.90	374.00	11760.20	11234.95
September, 2018	407.00	348.00	11751.80	10850.30
October, 2018	377.80	326.00	11035.65	10004.55
November, 2018	352.80	326.00	10922.45	10341.90
December, 2018	340.00	294.00	10985.15	10333.85
January, 2019	300.00	214.35	10987.45	10583.65
February, 2019	234.95	186.25	11118.10	10585.65
March, 2019	245.00	205.00	11630.35	10817.00

\*Source: [www.nseindia.com](http://www.nseindia.com)

**j) Stock Performance in comparison to broad based indices:**

The chart below shows the comparison of the Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31<sup>st</sup> March, 2019.



**k) Trading of Securities:** The securities of the Company were not suspended from trading during the year 2018-19.

**l) Registrar and Share Transfer Agents:** Link Intime India Pvt. Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Phone: (022)- 4918 6000 /270 Fax: (022)- 4918 6060 e-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**m) Share Transfer System:**

All shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agent (RTA) within 15 days of the lodgment, if documents are found to be in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days. The SEBI vide its letter no. MRD/DOP2/DSA2/OW/2019/2503/1 dated 24<sup>th</sup> January, 2019 has granted relaxation in timeline for processing of dematerialization request number (DRN) to 30 days till 30<sup>th</sup> June 2019 from the current 15 days as specified in Regulation 74(5) of SEBI (Depository & Participants) Regulations 2018.

**n) Distribution of Shareholding as on 31<sup>st</sup> March, 2019:**

Shares having nominal value of ₹ From To	No. of holders	%	No. of holders	%
1 – 500	15820	95.43	1339406	9.07
501 – 1000	451	2.72	311792	2.11
1001 – 2000	188	1.13	264977	1.79
2001 – 3000	43	0.26	113243	0.77
3001 – 4000	21	0.13	72623	0.49
4001 – 5000	9	0.05	39784	0.27
5001 – 10000	12	0.07	79565	0.54
10001 and above	33	0.20	12547610	84.96
<b>TOTAL</b>	<b>16577</b>	<b>100.00</b>	<b>14769000</b>	<b>100.00</b>

**o) Dematerialization of Shares:**

As on 31<sup>st</sup> March, 2019, 95.52% of the total shares of the Company were in dematerialized form.

**p) Convertible instruments:**

The Company has not issued any Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/warrants or any convertible instrument, which is likely to have impact on the Company's Equity.

**q) Commodity Price risk or foreign exchange risk and hedging activities:**

The Company is exposed to the risk of Price fluctuations of raw material, which are proactively managed by forward booking of materials, inventory management and vendor development practices.

As regards, foreign exchange risk, there is natural hedging of risk as our import and export generally remains at the same level.

**Bhandara:** C-10/1, Bhandara Industrial Area, Gadegaon, Dist. Bhandara-441904

**r) Plant Locations:**

**Paithan:** D-2/1, MIDC Industrial Area, Paithan, Dist. Aurangabad-431107

**s) Regd. Office & Address for Correspondence:**

Hindustan Composites Limited,  
Peninsula Business Park, 'A' Tower,  
8th Floor, Senapati Bapat Marg,  
Lower Parel, Mumbai 400013  
Telephone: 022 66880100; Fax: 022 66880105  
E-mail: [investor@hindcompo.com](mailto:investor@hindcompo.com)

**t) List of all credit ratings obtained by the entity along with revisions (if any) during the financial year 2018-19:**

Sr. No.	Name of the Credit Rating Agency	Details of Credit Ratings obtained including revisions			Date of publication to Stock Exchange
		Scale	Amount (₹ Cr)	Rating	
1	Acuite Ratings & Research Limited (formerly known as SMERA Ratings Limited)	Long Term Instruments (fund based)	7.00	ACUITE A-/ Stable	31 <sup>st</sup> October, 2018
		Short Term Instruments (fund based + non fund based)	18.00	ACUITE A2+	
		<b>Total</b>	<b>25.00</b>		
2	Acuite Ratings & Research Limited (formerly known as SMERA Ratings Limited)	Long Term Instruments (fund based)	7.00	ACUITE A-/ Stable	5 <sup>th</sup> March, 2019
		Short Term Instruments (fund based + non fund based)	18.00	ACUITE A2+	
		<b>Total</b>	<b>25.00</b>		

**13. Disclosures:**

**i. Related Party Transactions:**

During the year the Company had no transaction with its promoters, directors or with their relatives etc. which may have conflict with the interest of the Company. Details on materially significant related party transactions are given in the appended financial statements under notes to the accounts. The policy on dealing with Related Party Transactions is available on Company's website at <https://www.hindcompo.com/investor-relations/documents/related-party-transaction-policy.pdf>

**ii. Compliance by the Company:**

The Company has complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any other statutory authorities for non-compliance of any matter related to the capital markets during the last three years.

**iii. Whistle Blower policy /Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:**

The Company has established a mechanism for employees to report concerns about unethical behavior,

actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the audit committee in the exceptional cases. We affirm that during the financial year 2018-19, no employee was denied access to the Audit Committee.

**iv. Adoption of mandatory and non-mandatory requirements of Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:**

The Company has complied with all mandatory requirements of Regulation 27 and Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

- (a) Audit Qualification - The Company is in the regime of unmodified audit opinion on financial statements.
- (b) Separate posts of Chairman and CEO – The Company has separate Chairman and Managing Director or Chief Executive Officer.
- (c) Reporting of Internal Auditor – The Internal Auditors directly reports to the Audit Committee.



**v. Policy for determining Material Subsidiaries:**

The Company does not have any subsidiary, hence is not required to frame policy on Material Subsidiaries.

**vi. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015:**

During the financial year 2018-19, the Company has not raised any funds through preferential allotment or qualified institutions placement.

**vii. Certificate from Company Secretary:**

A certificate received from M/s. M Baldeva Associates, Practicing Company Secretaries, Thane is attached in this report stating that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

**viii. Recommendation by Committee:**

The Board has accepted all recommendations from all the committees of the Board which is mandatorily required, during the financial year under review.

**ix. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in Note 32 to the Standalone Financial Statements and to the Consolidated Financial Statements.

**x. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Sr. No.	Particulars	No. of Complaints
a.	Complaints filed during the financial year	0
b.	Complaints disposed of during the financial year	0
c.	Complaints pending as on end of the financial year	0

**14. Compliance of the requirement of Corporate Governance Report:**

During the year 2018-19, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI

(Listing Obligations & Disclosure Requirements) Regulations, 2015.

**15. Disclosure of the Compliance with Corporate Governance**

The Company has complied with the Regulations 17-20, 22-23, 24A, 25-27 and Clauses (b) and (i) sub-regulations 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the year 2018-19. Regulations 21 and 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

**16. Disclosure of accounting treatment:**

In the preparation of financial statements, the Company has followed the Indian Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**17. Related Party Disclosures:**

The disclosures as required by Indian Accounting Standard (Ind AS - 24) on "Related Party" are given in appended in Standalone and Consolidated Financial Statements under Notes to Accounts.

**18. Disclosure with respect to demat suspense account/unclaimed suspense account**

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus /right issues as at 31<sup>st</sup> March, 2019. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

**19. Compliance Certificate for Code of Conduct:**

A declaration by Managing Director of the Company affirming compliance by the Board members and Senior Management Personnel to the Code of Conduct is also annexed herewith and forms part of Annual Report as per Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**20. Compliance Certificate by Statutory Auditors:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which is annexed herewith and forming part of Annual Report.



## Declaration – Code of Conduct

As per Regulation 17 and Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March, 2019.

**For Hindustan Composites Limited**

Place: Mumbai

Date : 6<sup>th</sup> May, 2019

**P. K. Choudhary**

**Managing Director**

**DIN : 00535670**

## Certificate from Company Secretary in Practice

(Pursuant to Regulation 34(3) read with Schedule V Part C Sub-clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Members of  
Hindustan Composites Limited

On the basis of the written representation/declaration received from the directors of **Hindustan Composites Limited** (CIN: L29120MH1964PLC012955) and taken on record by the Board of Directors of the Company and produced before me for the purpose of this certificate, and according to the verification of DIN status at MCA Portal viz. [www.mca.gov.in](http://www.mca.gov.in), pursuant to the Regulation 34(3) read with Schedule V Part C Sub-clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that as on 31<sup>st</sup> March, 2019, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

I have expressed the above opinion on the basis of my verification of documents made available and information as available on websites of the SEBI and MCA.

**For M Baldeva Associates  
Company Secretaries**

**CS Manish Baldeva  
Proprietor  
M. No. FCS: 6180 C.P. No. 11062**

Place: Thane

Date: 6<sup>th</sup> May, 2019

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

### **TO THE MEMBERS OF HINDUSTAN COMPOSITES LIMITED**

1. This certificate is issued in accordance with our engagement letter dated September 24, 2018.
2. This certificate contains details of compliance of conditions of corporate governance by **Hindustan Composites Limited** ('the Company') for the year ended March 31, 2019 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### **Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

### **Auditor's Responsibility**

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2019.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### **Restriction on Use**

10. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

Place: **Mumbai**  
Date: **6<sup>th</sup> May, 2018**

**Vinay Somani**  
Partner  
Membership No. 143503

## INDEPENDENT AUDITOR’S REPORT

**To The Members of Hindustan Composites Limited**

### Opinion

#### Report on the Audit of Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Hindustan Composites Limited** (“the Company”), which comprises of Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year than ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

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

Sr. No	Key Audit Matters	Auditor’s response
1	<p><b>Valuation and Impairment of unquoted equity instruments /Debt Instruments:</b></p> <p>We focused on the valuation of unquoted equity instruments/Debt Instruments due to the materiality of the instruments and the nature of their valuation which involve the use of judgmental assumptions. As disclosed in note no 39 and 40, as at 31<sup>st</sup> March 2019 the Company has unquoted equity instruments/debt Instruments of ₹ 28,009.60 Lakhs. These instruments are classified and measured at fair value through other comprehensive income</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed and tested the design and the operating effectiveness of the key controls that management has established to support the review and approval of the model design, key model inputs and valuation.</p> <p>We assessed the appropriateness of the valuation method used by management by verifying the key inputs used in determining the assumptions as also corroborating the information</p>

#### Information Other than the Standalone Financial Statements and Auditor’s report thereon

The Company’s Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to the Board report, Corporate Governance report and Shareholder’s information, but does not include the standalone financial statement and our auditor’s report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control 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 the 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. Pursuant to 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 Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

#### 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 and records.
- (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- (e) On the basis of the written representation received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a Directors 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 the requirements of Sec 197(16) of the Act, as amended:

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

- (h) With respect to the matters to be included in the Auditor's report in accordance with the 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 standalone financial statements. [Refer Note No. 33]
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 14350

Place: Mumbai  
Date : 6<sup>th</sup> May, 2019



**Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Hindustan Composites Limited of even date:**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets have been physically verified by the management at the year end, which in our opinion, is reasonable considering the size of the Company and nature of its fixed assets. As explained, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) According to the information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- iii) According to the information and explanations given to us, the Company has granted secured loans to a company covered in the register maintained under section 189 of the Act. The terms and conditions of the such loan is not prejudicial to the Company’s interest and schedule of repayment of principal and payment of interest has been stipulated and repayment are regular
- iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions referred in section 185 of the Act. The Company has complied with the provisions of 186 of the Act with respect to the loans and investments made.
- v) No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service taxes and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise and Value Add Tax which have not been deposited on account of any dispute except the following:

Assessment Year	Nature of Dues	₹ in Lakhs	Forum where the dispute is pending
2010-11	Sales Tax	6.99	Sales Tax Tribunal, Mumbai
2013-14	Sales Tax	2.37	Sales Tax Tribunal, Mumbai

- viii) In our opinion and according to the information and explanations given to us, during the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and dues to debenture holders.
- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year or in the recent past and has taken term loans which were applied for the purpose for which the loans were obtained.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on the examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The provisions of Nidhi Company are not applicable to the Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.

- xiii) According to the information and explanations given to us, the provision of Section 177 and 188 of Act, to the extent applicable, in respect of transactions with the related parties have been complied by the Company and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards in Note No. 47 to the Ind AS Financial Statements.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, Para 3 (xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him under Section 192 of the Act.
- xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For **Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 14350

Place: Mumbai  
Date : 6<sup>th</sup> May, 2019

**Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Hindustan Composites Limited of even date:**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **Hindustan Composites Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity'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, and to the best of our information and according to the explanations given to us, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential Component 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 **Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 14350

Place: Mumbai  
Date : 6<sup>th</sup> May, 2019

**STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	1	12,532.77	12,237.24
(b) Capital work-in-progress	1.1	-	11.50
(c) Other Intangible assets	2	3.40	4.39
(d) Financial assets			
(i) Investments	3	57,942.06	59,173.66
(ii) Loans	4	1,750.00	-
(iii) Other financial assets	5	60.57	75.44
(e) Other non-current assets	6	4.67	67.73
<b>Total non-current assets</b>		<b>72,293.47</b>	<b>71,569.96</b>
<b>Current assets</b>			
(a) Inventories	7	1,229.77	1,108.59
(b) Financial assets			
(i) Investments	8	3,773.07	2,100.42
(ii) Trade receivables	9	3,413.45	3,452.03
(iii) Cash and cash equivalents	10	74.60	148.77
(iv) Other bank balances	11	47.92	39.68
(v) Loans	12	3,305.82	3,962.55
(vi) Other financial assets	13	919.38	794.82
(c) Other current assets	14	523.83	124.58
<b>Total current assets</b>		<b>13,287.84</b>	<b>11,731.44</b>
<b>Total assets</b>		<b>85,581.31</b>	<b>83,301.40</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	738.45	738.45
(b) Other equity	16	75,546.99	73,279.71
<b>Total equity</b>		<b>76,285.44</b>	<b>74,018.16</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Borrowings	17	108.58	194.26
(b) Provisions	18	133.59	115.15
(c) Deferred tax liabilities (net)	44	4,866.25	4,870.45
(d) Other Non Current Liabilities	19	70.08	71.66
<b>Total non-current liabilities</b>		<b>5,178.50</b>	<b>5,251.52</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	159.46	200.62
(ii) Trade payables	21		
- Total Outstanding Dues of Micro and small enterprises		76.41	93.68
- Total Outstanding Dues of Creditors other than Micro and small enterprises		3,427.11	3,337.50
(iii) Other financial liabilities	22	285.77	142.50
(b) Other current liabilities	23	102.93	146.59
(c) Provisions	24	50.49	37.45
(d) Current tax liabilities (Net)	25	15.20	73.38
<b>Total current liabilities</b>		<b>4,117.37</b>	<b>4,031.72</b>
<b>Total equity and liabilities</b>		<b>85,581.31</b>	<b>83,301.40</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the financial statements</b>	<b>B (1 - 51)</b>		

As per our attached report of even date

For and on behalf of the Board of Directors

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**

**Date: 6<sup>th</sup> May 2019**

**Raghu Mody**

Chairman  
(DIN 00053329)

**Vikram Soni**

Company Secretary & Compliance Officer  
Membership No. A36705

**P. K. Choudhary**

Managing Director  
(DIN 00535670)

**Sunil Jindal**

Chief Financial Officer

**STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**  
 (₹ in Lakhs)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>I</b> Revenue from operations	26	19,661.31	20,335.95
<b>II</b> Other income	27	217.21	44.77
<b>III Total revenue ( I + II)</b>		<b>19,878.52</b>	<b>20,380.72</b>
<b>IV Expenses</b>			
Cost of materials consumed	28	8,683.46	7,933.96
Changes in inventories of finished goods and work-in-progress	29	(108.47)	(51.55)
Excise duty		-	418.20
Employee benefits expense	30	3,192.37	2,822.86
Finance costs	31	22.27	30.82
Depreciation and amortization expense	1 & 2	874.70	863.52
Other expenses	32	5,390.77	5,533.70
<b>Total expenses</b>		<b>18,055.10</b>	<b>17,551.51</b>
<b>V Profit before tax ( III - IV)</b>		<b>1,823.42</b>	<b>2,829.21</b>
<b>VI Tax expenses</b>	<b>44</b>		
Current tax		230.23	368.55
Deferred tax		(125.55)	(3.87)
Tax of earlier years reversed		(181.36)	(72.83)
<b>Total Tax Expenses</b>		<b>(76.68)</b>	<b>291.85</b>
<b>VII Profit for the year</b>		<b>1,900.10</b>	<b>2,537.36</b>
<b>VIII Other comprehensive income</b>			
<b>A. (i)</b> Items that will not be reclassified to profit or loss	43	953.68	2,428.07
(ii) Income tax relating to items that will not be reclassified to profit or loss	44	(210.91)	(58.07)
<b>B. (i)</b> Items that will be reclassified to profit or loss	43	(404.51)	(395.07)
(ii) Income tax on items that will be reclassified to profit or loss	44	117.79	266.83
<b>IX Total comprehensive income for the year</b>		<b>2,356.15</b>	<b>4,779.12</b>
<b>Earnings per equity share of ₹ 5 each (Basic and Diluted)</b>	<b>37</b>	<b>12.86</b>	<b>17.18</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the financial statements</b>	<b>B (1 - 51)</b>		

As per our attached report of even date

For and on behalf of the Board of Directors

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**
**Date: 6<sup>th</sup> May 2019**
**Raghu Mody**

Chairman

(DIN 00053329)

**P. K. Choudhary**

Managing Director

(DIN 00535670)

**Vikram Soni**

Company Secretary &amp; Compliance Officer

Membership No. A36705

**Sunil Jindal**

Chief Financial Officer



**STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**  
(₹ in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>A Cash flow from operating activities:</b>		
Net profit before tax	1,823.42	2,829.22
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation	874.70	863.52
Net gain on sale / fair valuation of investments through profit and loss	(1,874.87)	(2,490.67)
(Profit)/Loss on Sale of property, plant and equipment (net)	5.75	6.28
Remeasurements of defined benefit plans	(17.12)	52.13
Interest expenses	22.27	30.82
<b>Operating profit before working capital changes</b>	<b>834.15</b>	<b>1,291.30</b>
<b>Adjustment for</b>		
(Increase)Decrease in Trade and other receivable	(179.85)	3,869.76
(Increase)Decrease in Inventories	(121.18)	(205.49)
(Decrease)Increase in Trade and other payables	215.04	918.55
<b>Cash generated from operations</b>	<b>748.16</b>	<b>5,874.12</b>
Direct taxes paid (net)	(260.17)	(598.00)
<b>Net cash generated from operating activities</b>	<b>487.99</b>	<b>5,276.12</b>
<b>B Cash generated from investing activities</b>		
Purchase of property, plant and equipment	(1,170.60)	(712.95)
Proceeds from sale of property, plant and equipment	7.12	19.84
Purchase of investments (net)	(499.42)	(5,985.55)
(Increase)/decrease in inter- corporate deposits	(1,100.00)	(1,985.00)
Income from Investment (net)	2,451.93	3,255.01
<b>Net cash flow (used in) from investing activities</b>	<b>(310.97)</b>	<b>(5,408.65)</b>
<b>C Cash generated from financing activities</b>		
Proceeds/(repayment) from long-term borrowings (net)	(98.80)	(69.81)
Proceeds/(repayment) from short-term borrowings (net)	(41.17)	96.04
Dividend paid (including corporate dividend tax)	(88.88)	(88.88)
Interest paid	(22.36)	(30.77)
<b>Cash generated from financing activities</b>	<b>(251.21)</b>	<b>(93.42)</b>
<b>D Net Increase/ Decrease in cash and cash equivalent ( A+B+C)</b>	<b>(74.19)</b>	<b>(225.95)</b>
<b>Cash and Cash equivalents</b>		
At the beginning of the year	148.79	374.74
At the end of the year	74.60	148.79
<b>Significant accounting policies</b>	<b>A</b>	
<b>See accompanying notes to the financial statements</b>	<b>B (1 - 51)</b>	

As per our attached report of even date

**For Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No. - 113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 143503

**Place: Mumbai**  
**Date: 6<sup>th</sup> May 2019**

**For and on behalf of the Board of Directors**

**Raghu Mody**  
Chairman  
(DIN 00053329)

**P. K. Choudhary**  
Managing Director  
(DIN 00535670)

**Vikram Soni**  
Company Secretary & Compliance Officer  
Membership No. A36705

**Sunil Jindal**  
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Particulars	(₹ in Lakhs)
Particulars	Amount
<b>(a) Equity Share Capital</b>	
<b>Balance as at 31<sup>st</sup> March, 2018</b>	738.45
Changes in share capital during the year	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>738.45</b>

Particulars	Reserves and surplus						Total
	Reserves and surplus			Items of other comprehensive income			
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Actuarial gain/ (loss)	
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>57.70</b>	<b>57,296.28</b>	<b>1,522.54</b>	<b>1,808.53</b>	<b>8,214.41</b>	<b>(63.85)</b>	<b>68,835.61</b>
Profit for the year	-	-	2,537.36	-	-	-	2,537.36
Other comprehensive income for the year (Net)	-	-	-	(128.24)	2,328.99	41.01	2,241.76
Amount transferred in respect of realised gain (Net)	-	-	3,477.93	-	(3,477.93)	-	-
Amount utilised towards issue of bonus shares	-	(246.15)	-	-	-	-	(246.15)
Dividend paid during the year	-	-	(73.85)	-	-	-	(73.85)
Corporate dividend tax paid	-	-	(15.03)	-	-	-	(15.03)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>57.70</b>	<b>58,550.13</b>	<b>5,948.96</b>	<b>1,680.29</b>	<b>7,065.47</b>	<b>(22.84)</b>	<b>73,279.71</b>
Profit for the year	-	-	1,900.10	-	-	-	1,900.10
Other comprehensive income for the year (Net)	-	-	-	(286.72)	756.24	(13.47)	456.05
Amount transferred in respect of realised gain (Net)	-	-	398.09	-	(398.09)	-	-
Dividend paid during the year	-	-	(73.85)	-	-	-	(73.85)
Corporate dividend tax paid	-	-	(15.03)	-	-	-	(15.03)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>57.70</b>	<b>60,050.13</b>	<b>6,658.28</b>	<b>1,393.57</b>	<b>7,423.62</b>	<b>(36.31)</b>	<b>75,546.99</b>

Refer note 16 for nature and purpose of the reserves.

As per our attached report of even date

**For and on behalf of the Board of Directors**
**For Bagaria & Co. LLP**

 Chartered Accountants  
 Firm Registration No. - 113447W/W-100019

**Vinay Somani**

 Partner  
 Membership No. 143503

**Place: Mumbai**
**Date: 6<sup>th</sup> May 2019**
**Raghu Mody**  
 Chairman  
 (DIN 00053329)

**P. K. Choudhary**  
 Managing Director  
 (DIN 00535670)

**Vikram Soni**  
 Company Secretary & Compliance Officer  
 Membership No. A36705

**Sunil Jindal**  
 Chief Financial Officer

## NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

### CORPORATE OVERVIEW:

Hindustan Composites Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provision of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India.

The registered office of the Company is located at Peninsula Business Park, A Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 (Maharashtra).

The Company is engaged in the business of manufacturing and marketing of fibre based friction material, consisting of Brake Liners, Roll Lining, Brake Block, Clutch Facing etc and investment of its surplus fund.

### A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

#### a) Basis Of Preparation of Financial Statements:

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act') read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and amendment rules issued there after.

The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for the following material items that have been measured at fair value as required by the relevant IndAS:

- i) Certain financial assets and liabilities are measured at Fair value (refer note no. 42 financial instruments)
- ii) Defined benefit employee plan (refer note no. 41)

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### b) Use of estimates and judgments:

The preparation of the financial statements requires the Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### Critical accounting judgements and key source of estimation uncertainty

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

#### (a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account its estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates. Depreciation on the fixed assets added / disposed off/ discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding.

#### (b) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(c) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized in the financial statements.

**(d) Measurement of defined benefit obligations**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis. The assumptions used in determining the net interest cost/(income) for defined benefit plans include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

**c) Property, plant and equipment and Intangible assets**

**Property, plant and equipment**

Freehold land is carried at cost. All other items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable GST and other expenses directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use before such date, are disclosed as capital work-in-progress.

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any, such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the balance Sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

**Intangible assets:**

Technical Know How and Computer software are stated at cost, less accumulated amortisation and impairments, if any.

**Depreciation/ amortisation methods, estimated useful lives and residual value**

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets. Leasehold land is amortised over period of lease. Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 and management believe that useful lives of assets are same as those prescribed in Schedule II of the Companies Act, 2013.

The Company amortizes computer software with a useful life using the straight-line method over the period of 3 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**d) As a lessee**

**Operating Lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**e) Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less, including money market deposits, commercial paper and investments. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**f) Inventories:**

Inventories of Raw Materials, Work-in-Progress, Stores and Spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

**g) Financial Instruments**

**Financial assets**

Initial recognition Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus

transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss."

#### Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both (a) the entity's business model for managing the financial assets and (b) the contractual cash flow characteristics of the financial asset."

- (i) **Measured at amortised cost:** Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) **Measured at fair value through other comprehensive income (FVTOCI):** Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.
- (iii) **Measured at fair value through profit or loss (FVTPL):** Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

#### Equity instruments:

The company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

#### Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the

Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognised in Statement of Profit and Loss.

#### De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. On de-recognition of equity instruments measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other equity to retain earning as a reclassification adjustment."

#### Financial Liabilities :

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### Derivative financial instruments:

Derivative financial instruments such as future contracts



are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

**h) Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ✓ In the principal market for the asset or liability, or
- ✓ In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:"

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

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value

hierarchy as explained above.

**i) Borrowings:**

Borrowings are initially recognised at 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 the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**j) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

**k) Provisions and contingent liabilities:**

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**l) Revenue recognition:**

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use

of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness. Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

**i) Variable Consideration:**

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

**ii) Sale of goods:**

Revenue from the sale of goods is recognised when the control of the goods passes to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision

is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items. Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue.

**iii) Rendering of services:**

Revenue from sale of services are recognized when the services are rendered.

**iv) Other Income:**

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

**m) Employee Benefits:**

The Company provides following post-employment plans:

- (i) Defined benefit plans such as gratuity &
- (ii) Defined contribution plans such as Provident fund

**a) Defined-benefit plan:**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of the plan assets. The defined benefit obligations is calculated annually by actuaries using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

**(b) Net interest expense or income**

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of the plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions, the effect of asset excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) ceiling are recognised in the

period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

**b) Defined-contribution plan:**

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

**c) Other employee benefit**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date based on an actuarial valuation.

**n) Foreign Currency Transaction:**

The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss as other income / miscellaneous expenses. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

**o) Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in such case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**p) Segment Reporting:**

The Company has identified its Managing Director as the Chief Operating Decision Maker. Operating segments are reported in a manner consistent with the internal reporting provided to managing director of the Company. The Managing Director evaluates the Company's performance and allocates resources as a whole.

**q) Research and Development:**

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable, the Company has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

**r) Earnings Per Share:**

Basic EPS is arrived at based on net profit or (loss) after taxation available to equity shareholders to the weighted average number of equity shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**s) Contract balances:**

**i) Trade Receivables:**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due).

**ii) Contract liabilities:**

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the company performs under the contract."

**t) New standards and interpretations not yet adopted**

**Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – "Leases". Ind As 116 will replace the existing leases standards Ind As 17 – "Leases" and

related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind As 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued Ind AS 116 on its financial statements.

**u) Ind AS 12 –“Income taxes” - Appendix C – Uncertainty over income tax treatments**

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind As 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued appendix C on its financial statements.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**1 Property, Plant and Equipment** (₹ in Lakhs)

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles (Refer Note iii)	Office Equipment	Total
	Freehold	Leasehold						
<b>Gross Carrying Amount :</b>								
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>282.11</b>	<b>1.56</b>	<b>9,152.03</b>	<b>3,303.16</b>	<b>563.46</b>	<b>386.04</b>	<b>114.49</b>	<b>13,802.85</b>
Additions	-	-	20.05	600.02	27.57	74.30	23.51	745.45
Adjustments / Disposals	-	-	-	189.06	3.37	85.76	16.69	294.88
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>282.11</b>	<b>1.56</b>	<b>9,172.08</b>	<b>3,714.12</b>	<b>587.66</b>	<b>374.58</b>	<b>121.31</b>	<b>14,253.42</b>
Additions	-	-	214.06	903.87	19.68	12.69	31.81	1,182.11
Adjustments / Disposals	-	-	-	58.87	-	9.56	2.87	71.30
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>282.11</b>	<b>1.56</b>	<b>9,386.14</b>	<b>4,559.12</b>	<b>607.34</b>	<b>377.71</b>	<b>150.25</b>	<b>15,364.23</b>
<b>Accumulated Depreciation :</b>								
<b>Balance as at 31<sup>st</sup> March, 2017</b>	-	<b>0.04</b>	<b>333.52</b>	<b>788.64</b>	<b>123.38</b>	<b>112.04</b>	<b>62.79</b>	<b>1,420.41</b>
Depreciation charge for the year	-	0.02	169.67	538.31	68.83	59.38	26.05	862.26
Adjustments / Disposals	-	-	-	186.80	3.37	59.63	16.69	266.49
<b>Balance as at 31<sup>st</sup> March, 2018</b>	-	<b>0.06</b>	<b>503.19</b>	<b>1,140.15</b>	<b>188.84</b>	<b>111.79</b>	<b>72.15</b>	<b>2,016.18</b>
Depreciation charge for the year	-	0.02	171.82	557.10	68.54	56.92	19.31	873.71
Adjustments / Disposals	-	-	-	47.33	-	8.82	2.28	58.43
<b>Balance as at 31<sup>st</sup> March, 2019</b>	-	<b>0.08</b>	<b>675.01</b>	<b>1,649.92</b>	<b>257.38</b>	<b>159.89</b>	<b>89.18</b>	<b>2,831.46</b>
<b>Net Carrying Amount :</b>								
<b>As at 31<sup>st</sup> March, 2018</b>	<b>282.11</b>	<b>1.50</b>	<b>8,668.89</b>	<b>2,573.97</b>	<b>398.82</b>	<b>262.79</b>	<b>49.16</b>	<b>12,237.24</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>282.11</b>	<b>1.48</b>	<b>8,711.13</b>	<b>2,909.20</b>	<b>349.96</b>	<b>217.82</b>	<b>61.07</b>	<b>12,532.77</b>

**Notes:**

- Leasehold Land for the cost of ₹ 0.80 lakhs is valid till 31/01/2079 and for ₹ 0.76 lakhs is valid till 30/04/2081.
- Buildings include eight flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.
- Include certain vehicles for ₹ 49.81 lakhs (previous year ₹ 72.22 lakhs) acquired on hire purchase basis.
- Refer Note No. 34(a) for Capital Commitment.

**1.1 Capital work-in-progress**

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Plant & Equipment under installation	-	11.50



NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in Lakhs)			
Particulars	Technical Know-How	Computer Software	Total
<b>2 Other Intangible assets</b>			
<b>Gross Carrying Amount :</b>			
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>0.32</b>	<b>9.28</b>	<b>9.60</b>
Additions	-	-	-
Adjustments / Disposals	0.32	-	0.32
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>9.28</b>	<b>9.28</b>
Additions	-	-	-
Adjustments / Disposals	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>9.28</b>	<b>9.28</b>
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>0.32</b>	<b>3.63</b>	<b>3.95</b>
Depreciation charge for the year	-	1.26	1.26
Adjustments / Disposals	0.32	-	0.32
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>4.89</b>	<b>4.89</b>
Depreciation charge for the year	-	0.99	0.99
Adjustments / Disposals	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>5.88</b>	<b>5.88</b>
<b>Net Carrying Amount :</b>			
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>4.39</b>	<b>4.39</b>
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>3.40</b>	<b>3.40</b>

(₹ in Lakhs)			
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	
<b>3 Non Current Investments (Refer Notes No.40)</b>			
<b>Equities</b>			
Equity instruments	25,990.72	24,853.56	
<b>Debt</b>			
Preference shares	4,513.81	5,013.81	
Real Estate and debt funds	5,806.47	4,862.81	
Government securities	3,384.75	4,424.90	
Debentures and bonds	18,246.31	20,018.56	
<b>Total</b>	<b>57,942.06</b>	<b>59,173.66</b>	
<b>4 Non Current Loans</b>			
<b>Secured, considered good</b>			
Inter corporate deposits to related party			
Pallawi Resources Limited * (Refer Note No. 47)	1,750.00	-	
<b>Total</b>	<b>1,750.00</b>	<b>-</b>	
* Secured against mortgage of a property valued of ₹ 35.52 crore valued by an International Property Consultant			
<b>5 Non current other financial assets</b>			
Electricity deposits	19.37	19.37	
Rent deposits	7.18	7.18	
Other deposits	30.95	38.89	
Margin money deposits with bank	3.07	10.00	
<b>Total</b>	<b>60.57</b>	<b>75.44</b>	

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>6 Other Non Current Assets</b>		
Capital advance	4.67	67.73
<b>Total</b>	<b>4.67</b>	<b>67.73</b>
<b>7 Inventories * (Refer Note No. A (f) for accounting policy on inventory)</b> (As taken, valued and certified by the management)		
Raw materials	669.97	652.22
Work-in-progress	283.95	286.86
Finished goods	182.56	71.18
Stores and spares	93.29	98.33
<b>Total</b>	<b>1,229.77</b>	<b>1,108.59</b>
* Refer Note No. 35(l)(a) for Inventories offered as securities		
<b>8 Current Investments (Refer Note No. 41)</b>		
Debentures and bonds	1,668.87	1,638.45
Mutual funds	2,104.20	461.97
<b>Total</b>	<b>3,773.07</b>	<b>2,100.42</b>
<b>9 Trade Receivables*</b>		
<b>Unsecured, considered good</b>		
Joint venture	26.84	38.67
Others	3,386.61	3,413.36
<b>Total</b>	<b>3,413.45</b>	<b>3,452.03</b>
* Refer Note No. 45 (c) for credit risk and note no. 35(l)(a) for trade receivable offered as security.		
<b>10 Cash and cash equivalents</b>		
Balances with Banks	66.99	137.81
Cheques on hand	5.05	7.30
Cash on hand	2.56	3.66
<b>Total</b>	<b>74.60</b>	<b>148.77</b>
<b>11 Other bank balances</b>		
<b>Other Balances</b>		
In Dividend Accounts	18.53	19.57
In Margin money	29.39	20.11
<b>Total</b>	<b>47.92</b>	<b>39.68</b>
<b>12 Current Loans</b>		
<b>Secured, considered good</b>		
Inter corporate deposits	150.00	650.00
<b>Unsecured, considered good</b>		
Inter corporate deposits	3,150.00	3,300.00
Loans and advances to employees	5.82	12.55
<b>Total</b>	<b>3,305.82</b>	<b>3,962.55</b>

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>13 Other Current Financial Assets</b>		
Interest accrued on investments	627.86	696.25
Interest accrued on inter corporate / other deposits	133.49	34.60
Receivable on sale of current investments	90.94	43.13
Earnest Money Deposits	49.29	-
Other receivables	17.80	20.84
<b>Total</b>	<b>919.38</b>	<b>794.82</b>
<b>14 Other Current Assets</b>		
Balance with Government Authorities	389.93	-
Advance to suppliers	94.67	96.70
Prepaid expenses	39.23	27.88
<b>Total</b>	<b>523.83</b>	<b>124.58</b>
<b>15 Equity Share Capital</b>		
<b>AUTHORISED</b>		
16,000,000 Equity Shares of ₹ 5 each	800.00	800.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
14,769,000 Equity Shares of ₹ 5 each, fully paid-up	738.45	738.45
<b>Total</b>	<b>738.45</b>	<b>738.45</b>

(i) Details of Shareholding more than 5%

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	%	No. of Shares	%
Rasoi Ltd.	61,51,722	41.65%	61,51,722	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	24,75,582	16.76%
J L Morison India Ltd.	11,07,702	7.50%	11,07,702	7.50%

(ii) Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹5 each (Previous Year ₹ 5 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

(iii) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balance at the beginning of the year	1,47,69,000	49,23,000
Increase on account of share split	-	49,23,000
Bonus shares issued during the year	-	49,23,000
Balance at the end of the year	1,47,69,000	1,47,69,000

(iv) For a period of 5 years immediately preceding the balance sheet date, the company has:

Particulars	As at 31 <sup>st</sup> March				
	2019	2018	2017	2016	2015
Allotted shares on account of split in face value from ₹ 10 per share to ₹ 5 per share.	-	49,23,000	-	-	-
Bonus shares issued during the year	-	49,23,000	-	-	-
Bought back any shares issued	-	-	-	-	-

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**16 Other Equity**

Refer Statement of Changes in Equity for detailed movement in Equity balance.

**A. Summary of Other Equity balance**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Redemption Reserve	57.70	57.70
General Reserve	60,050.13	58,550.13
Retained Earnings	6,658.28	5,948.96
Items of Other Comprehensive Income		
- Fair value of Debt instruments through OCI	1,393.57	1,680.29
- Fair value of Equity instruments through OCI	7,423.62	7,065.47
- Remeasurements of defined benefit plans	(36.31)	(22.84)
<b>Total</b>	<b>75,546.99</b>	<b>73,279.71</b>

**B. Nature and purpose of reserves**

- (a) **Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of equity shares from its General Reserve. The Capital Redemption Reserve can be utilised for issue of bonus shares
- (b) **General Reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve.
- (c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (d) **Debt Instruments through Other Comprehensive Income:** The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.
- (e) **Equity instruments through other comprehensive income:** This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income and subsequently not reclassified to the Statement of Profit and Loss.
- (f) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>17 Non Current Borrowings (Refer Note No. 35)</b>		
<b>Term Loans</b>		
Secured		
From Banks - Vehicle Loan	26.09	49.81
Unsecured		
From SICOM Ltd. by way of deferral of sales tax liability	82.49	144.45
<b>Total</b>	<b>108.58</b>	<b>194.26</b>
<b>18 Non Current Provisions</b>		
Provision for compensated absences	91.80	78.73
Provision for Gratuity	41.79	36.42
<b>Total</b>	<b>133.59</b>	<b>115.15</b>
<b>19 Other Non Current Liabilities</b>		
Security Deposits	70.08	71.66
<b>Total</b>	<b>70.08</b>	<b>71.66</b>

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>20 Current Borrowings</b> (Refer Note No. 35)		
<b>Secured</b>		
From Bank		
Working Capital Loan	159.46	200.62
<b>Total</b>	<b>159.46</b>	<b>200.62</b>
<b>21 Trade Payables*</b>		
Total Outstanding Dues of Micro and small enterprises	76.41	93.68
Total Outstanding Dues of Creditors other than Micro and small enterprises	3,427.11	3,337.50
<b>Total</b>	<b>3,503.52</b>	<b>3,431.18</b>
<b>Dues to Micro, Small and Medium Enterprise</b>		
The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:		
Principal Amount due to suppliers under MSMED Act, 2006, Beyond appointed Day	10.58	12.08
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.19	0.27
Payment made to suppliers ( other than interest ) beyond the appointed day, during the year	-	Nil
Interest paid to suppliers under MSMED Act ( Other than section 16 )	-	Nil
Interest paid to suppliers under MSMED Act ( Section 16 )	0.27	0.21
Interest due and payable to suppliers under MSMED Act, for the payment already made	-	Nil
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	Nil
<b>Note :</b> The information has been given in respect of such vendors to the extent they could be identified as " Micro and Small enterprises" on the basis of information available with Company.		
<b>22 Other Financial Liabilities</b>		
Current maturities of long-term debt	85.68	98.80
Interest accrued but not due on borrowings	0.10	0.19
Unpaid dividends	18.53	19.57
Capital Creditors	181.46	23.94
<b>Total</b>	<b>285.77</b>	<b>142.50</b>
<b>23 Other Current Liabilities</b>		
Statutory Dues	102.93	146.59
<b>Total</b>	<b>102.93</b>	<b>146.59</b>
<b>24 Current Provisions</b>		
Provision for compensated absences	38.94	37.45
Provision for gratuity	11.55	-
<b>Total</b>	<b>50.49</b>	<b>37.45</b>
<b>25 Current tax liabilities (Net)</b>		
Provision for income Tax (Net)	15.20	73.38
<b>Total</b>	<b>15.20</b>	<b>73.38</b>



**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>26 Revenue From Operations</b>		
<b>Sale of Products</b>		
Manufactured goods	15,759.05	15,942.90
<b>Investment Income</b>		
Dividend	390.06	363.46
Interest	3,240.98	3,328.24
Investment Advisory services	-	170.00
Net gain on sale / Fair valuation of investments through profit and loss	188.22	460.68
	3,819.26	4,322.38
<b>Other Operating Income</b>		
Export Incentives	28.15	34.15
Marketing Fees & Royalty Income	5.66	10.27
Insurance Claim	28.63	7.46
Scrap Sale	16.54	13.44
Others	4.02	5.3
	83.00	70.67
<b>Total</b>	<b>19,661.31</b>	<b>20,335.95</b>
* Includes fair value gain / (loss) as at 31 <sup>st</sup> March, 2019 amounting to ₹ (159.17 lakhs), (Previous Year ₹ 487.00 lakhs)		
<b>27 Other Income</b>		
Foreign Exchange Gain (Net)	43.40	19.24
Rent	12.91	25.53
Interest on Income Tax Refunds	114.67	-
Excise /VAT Refunds	46.23	-
<b>Total</b>	<b>217.21</b>	<b>44.77</b>
<b>28 Cost Of Materials Consumed</b>		
<b>Raw materials and Components</b>		
Opening Stock	652.22	502.59
Purchases	8,455.14	7,845.55
Less: Closing Stock	669.97	652.22
	8,437.39	7,695.92
<b>Stores and Spare parts consumed</b>		
Opening Stock	98.33	80.99
Purchases	241.03	255.39
Less: Closing Stock	93.29	98.34
	246.07	238.04
<b>Total</b>	<b>8,683.46</b>	<b>7,933.96</b>

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>29 Changes in inventories of finished goods and work-in-progress</b>		
<b>Opening Stock :-</b>		
Work-in-progress	286.86	270.00
Finished goods	71.18	44.44
<b>Total</b>	<b>358.04</b>	<b>314.44</b>
<b>Closing Stock :-</b>		
Work-in-progress	283.95	286.86
Finished goods	182.56	71.18
<b>Total</b>	<b>466.51</b>	<b>358.04</b>
<b>Increase / (Decrease) in Excise Duty on Finished Goods</b>	<b>-</b>	<b>(7.95)</b>
<b>Changes in inventories</b>	<b>(108.47)</b>	<b>(51.55)</b>
<b>30 Employee Benefits Expense</b>		
Salaries, wages and incentives	2,910.09	2,550.12
Contributions to provident and other fund	137.31	121.35
Contributions to gratuity fund	28.69	56.07
Staff welfare expenses	116.28	95.32
<b>Total</b>	<b>3,192.37</b>	<b>2,822.86</b>
<b>31 Finance Cost</b>		
Interest expense	17.43	23.81
Other borrowing costs	4.84	7.01
<b>Total</b>	<b>22.27</b>	<b>30.82</b>
<b>32 Other Expenses</b>		
Packing materials consumed	350.48	350.26
Power and Fuel	989.64	853.94
Rent	38.52	38.19
Rates and taxes	32.82	89.87
Insurance (including transit insurance)	50.56	40.41
Freight and Forwarding	633.74	625.94
Repairs & Maintenance:		
Plant & Machinery	156.14	118.19
Buildings	115.87	66.74
Others	25.90	28.66
Job charges	1,082.16	1,120.92
Travelling & Conveyance	587.62	556.26
Sales Promotion Expenses	91.52	216.17
Postage, Printing & Stationery	50.52	60.16
Communication Expenses	29.47	36.52
Loss on sale/discarding of property, plant and equipment	5.75	6.28
Investment management and other expenses	259.82	302.14
Legal & Professional Expenses	332.42	412.02
Remuneration to Auditors:		
Audit fees (including limited review fees)	7.50	7.00
Reimbursement of out of pocket expenses	1.02	1.02
Contribution towards Corporate Social Responsibility (CSR)	84.00	100.00
Charity and donations	324.43	308.69
Miscellaneous Expenses	140.87	194.32
<b>Total</b>	<b>5,390.77</b>	<b>5,533.70</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**33 (a) Contingent Liabilities not provided for in respect of :**

- Disputed Sales Tax matters as at 31<sup>st</sup> March 2019 for ₹ 9.36 lakhs (net of provisions of ₹ 0.18 lakhs); Previous Year (₹ 9.36 lakhs (net of provisions of ₹ 10.75 lakhs)).
- Disputed labour matter related to ex-workmen - amount unascertainable.

- (b) The Company's litigations comprises of claims related to property disputes and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required. The Company has also disclosed the pending matters under contingent liability wherever the amount of liability is not adequately measurable. However, the Company does not reasonably expect the outcome of these proceedings will have a material impact on its financial statements.(Also Refer Note 33(a)).

**34 Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31<sup>st</sup> March 2019 for ₹ 15.87 lakhs (net of advance of ₹ 4.67 lakhs); Previous Year (₹ 228.82 lakhs (net of advance of ₹ 67.73 lakhs)).
- (b) In respect of investments made with private equity funds / debt funds, the Company is further committed to invest as at 31<sup>st</sup> March 2019 for ₹ 6,783.80 lakhs; Previous Year (₹ 6,270.10 lakhs).

**35 (I) Secured Loans:**

- (a) Interest Rate on Working capital loans as at 31<sup>st</sup> March 2019 is 2.40% over MCLR 8.50% plus strategic premium 0.25% per annum (Previous Year 2.40% over MCLR 8.35% plus strategic premium 0.25% per annum ) and limit utilised as at 31<sup>st</sup> March 2019 of ₹ 390,78 lakhs (Previous Year ₹ 523.40 lakhs) are secured by hypothecation of inventory and trade receivables of Company and charge on immovable properties of Bhandara unit.
- (b) Non fund based limit utilised as at 31<sup>st</sup> March 2019 for ₹ 180.56 lakhs are secured by lien over Investment (Bonds) of ₹. 800 lakhs and (Previous Year non fund based limit utilised for ₹ 224,27 lakhs was secured by lien over Investment (Bonds) of ₹ 800 lakhs.
- (c) Vehicle loans (repayable within three years) are secured by way of hypothecation of vehicles purchased their against and carry Interest in the range of 8.45% to 9% (Previous Year 8.45% to 9%).

**(II) Unsecured Loans:**

Interest free Sales tax Loans is repayable within 3 years.

- 36** The accounts of Trade receivable and payable and Loans and Advances are subject to formal confirmations / reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial statements due to the same.

(₹ in Lakhs except EPS)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>37 Earnings Per Share</b>		
Net Profit as per Profit & Loss Account	1,900.10	2,537.36
Weighted average number of equity shares outstanding	1,47,69,000	1,47,69,000
Basic and Diluted EPS (Face value of ₹ 5 each)	12.86	17.18
<b>38 Research and Development Expenditure</b>		
Debited to respective expenses heads in the Statement of Profit & Loss	186.70	194.13

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in Lakhs except EPS)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>39 Segment Reporting:</b>		
<b>Segment Revenue</b>		
Composite Products	15,842.05	16,013.58
Investment	3,819.26	4,322.38
<b>Total</b>	<b>19,661.31</b>	<b>20,335.96</b>
<b>Segment Expenses</b>		
Composite Products	15,516.20	15,200.55
Investment	994.06	938.89
<b>Total</b>	<b>16,510.26</b>	<b>16,139.44</b>
Segment Results		
Profit/(Loss) before Interest, Tax and Exceptional Items from each segment		
Composite Products	324.85	813.03
Investment	2,826.20	3,383.49
<b>Total</b>	<b>3,151.05</b>	<b>4,196.52</b>
<b>Unallocated Expenses</b>	<b>1,522.56</b>	<b>1,381.26</b>
Interest Expenses	22.27	30.82
Other Income	(217.20)	(44.77)
Tax Expenses	(76.68)	291.85
<b>Profit after taxation</b>	<b>1,900.10</b>	<b>2,537.36</b>
<b>Segment Assets</b>		
Composite Products	10,265.79	9,404.48
Investment	72,234.03	70,726.87
Unallocated Assets	3,081.47	3,170.05
<b>Total</b>	<b>85,581.29</b>	<b>83,301.40</b>
<b>Segment Liabilities</b>		
Composite Products	4,277.76	4,494.09
Investment	3,818.85	3,517.05
Unallocated Liabilities	1,090.64	1,077.84
<b>Total</b>	<b>9,187.25</b>	<b>9,088.98</b>
<b>Other Information:</b>		
Capital Expenditure	1,192.03	745.45
Depreciation & Amortisation	874.70	863.52

**Operating Segments:** - The chief operational decision maker (CODM) has identified 2 operating segments viz., Composite products and Investments.

**Identification of Segments:**

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

**Segment revenue and results**

The expenses and incomes which are not directly attributable to any business segment are shown as un-allocable expenditure (net of unallocated income).

**Segment assets and liabilities**

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents, Investments and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of un-allocable assets / liabilities.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**40 Non-Current Investments: (Non Trade and Fully paid up)**

(₹ in Lakhs)

Particulars	Face Value		As on 31/03/2019		As on 31/03/2018	
	₹	Nos.	₹	Nos.	₹	Nos.
<b>Equity Instruments</b>						
<b>Equity Shares (Quoted)</b>						
Equity Shares (Quoted)						
Aditya Birla Capital Limited	10	51,917	50.46	15,404	22.47	
Asian Paint Ltd.	1	5,741	85.70	2,300	25.78	
Bajaj Auto Ltd.	10	2,504	72.89	853	23.45	
Bajaj Finance Ltd.	2	3,676	111.20	1,793	31.73	
Bosch Ltd.	10	356	64.74	122	22.13	
Cipla Ltd.	2	12,094	63.97	4,449	24.17	
Glaxosmithkline Consumer Healthcare Ltd.	10	1,082	78.41	420	25.60	
Godrej Consumer Products Ltd.	1	9,596	65.83	2,600	28.41	
Hdfc Bank Ltd.	2	3,704	85.89	1,504	28.45	
Hindustan Unilever Ltd.	1	4,922	84.01	2,186	29.20	
Housing Development Finance Corp. Ltd.	2	3,952	77.79	1,557	28.41	
Infosys Ltd.	5	11,708	87.09	2,382	27.02	
Kotak Mahindra Bank Ltd.	5	6,284	83.86	2,633	27.61	
Larsen & Toubro Ltd.	2	5,459	75.62	2,088	27.39	
Lupin Ltd.	2	7,898	58.41	2,628	19.35	
Maruti Suzuki India Ltd.	5	863	57.58	320	28.36	
Pfizer Ltd.	10	2,915	96.95	1,282	28.02	
Sun Pharmaceutical Industries Ltd.	1	12,940	61.96	4,539	22.49	
Titan Company Ltd.	1	9,213	105.20	4,138	38.95	
Ultratech Cement Ltd.	10	1,773	70.89	631	24.91	
ZF Steering Gear (I) Ltd.	10	100	0.72	100	1.02	
<b>Total</b>			<b>1,539.17</b>		<b>534.92</b>	
<b>Equity PMS (Quoted)</b>						
ASK IEP Equity PMS	-	-	665.88	-	587.88	
Motilal Oswal NTDOP PMS	-	-	1,272.76	-	1,216.30	
IDFC Hybrid Fund	-	-	-	-	6.93	
ICICI Prudential PMS Wellness Portfolio	-	-	558.94	-	511.44	
Ambit Coffee Can DPMS	-	-	1,248.35	-	1,066.24	
<b>Total</b>			<b>3,745.93</b>		<b>3,388.79</b>	
<b>Investment in Group Companies</b>						
<b>Equity Shares (Quoted)</b>						
J.L.Morison (India) Ltd.	10	2,72,800	3,821.93	2,72,800	3,614.60	
Rasoi Ltd.	200	-	-	16,565	5,996.53	
<b>Total</b>			<b>3,821.93</b>		<b>9,611.13</b>	
Equity Shares (Unquoted)						
Rasoi Ltd.	200	16,565	5,199.36	-	-	
Prabhukripa Overseas Ltd.	10	2,31,053	53.44	2,31,053	54.67	
Compo Advics (India) Pvt. Ltd. (Joint Venture with 49% stake)	10	49,00,000	490.00	49,00,000	490.00	
<b>Total</b>			<b>5,742.80</b>		<b>544.67</b>	
<b>Convertible Preference Shares (Unquoted)</b>						
Compo Advics (India) Pvt. Ltd. Convertible Preference Shares	10	49,00,000	490.00	49,00,000	490.00	
<b>Total</b>			<b>490.00</b>		<b>490.00</b>	
<b>Private Equity (Unquoted) *</b>						
India Business Excellence Fund - I	-	-	652.25	-	245.16	
KKR India Debt Opportunities Fund II	1,000	82,443	868.12	45,000	479.25	
Multiples Private Equity Fund Scheme I	-	-	496.44	-	306.06	
TVS Shriram Growth Fund - 1B	-	-	567.57	-	676.32	
Zephyr Peacock India Fund	-	-	138.09	-	138.09	



**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Cont...

(₹ in Lakhs)

Particulars	Face Value	As on 31/03/2019		As on 31/03/2018	
	₹	Nos.	₹	Nos.	₹
India Business Excellence Fund - II	-	-	900.00	-	900.00
Indiareit Apartment Strategy	-	-	327.56	-	458.65
Aditya Birla Real Estate Fund - I	-	-	208.00	-	244.2
Edelweiss Stressed & Troubled Assets Revival Fund - I	10,000	10,000	469.46	10,000	844.62
Multiples Private Equity Fund II LLP	-	-	1,093.62	-	796.05
DSP Blackrock India Enhanced Equity Fund AIF III	100	-	-	10,00,000	1,105.80
Aventus Absolute Return Fund	-	-	2,251.36	-	2,107.01
IIFL Special Opportunities Fund	10	45,30,295	526.73	34,43,442	395.50
IIFL Special Opportunities Fund - Series 4	10	49,13,991	487.29	23,97,833	240.24
India Business Excellence Fund - III	-	-	418.23	-	301.75
Vantage Equity Fund	100	9,93,542	896.17	9,93,542	945.36
TVS Shriram Growth Fund - 3	1,000	10,000	100.00	-	100.00
Aventus Future Leaders Fund I	-	-	250.00	-	-
<b>Total</b>			<b>10,650.89</b>		<b>10,284.08</b>
* The Maturity of above funds range between 2 years to 8 years					
<b>Total Equity Instruments</b>			<b>25,990.72</b>		<b>24,853.56</b>
<b>Preference Shares (Unquoted)</b>					
8.15% L&T Finance Holding Limited Preference Shares	100	15,00,000	1,500.00	15,00,000.00	1,500.00
7.50% Tata Capital Preference Shares (Tranche S)	1,000	50,000	500.00	50,000.00	500.00
7.50% Tata Capital Preference Shares (Tranche U)	1,000	-	-	50,000.00	500.00
7.15% Tata Capital Preference Shares (Tranche Z)	1,000	80,000	806.45	80,000.00	806.45
7.10% Tata Capital Preference Shares (Series AA)	1,000	1,00,000	1,010.81	1,00,000.00	1,010.81
7.50% Tata Capital Preference Shares (Tranche V)	1,000	67,000	696.55	67,000.00	696.55
<b>Total Preference Shares</b>			<b>4,513.81</b>	<b>-</b>	<b>5,013.81</b>
<b>Real Estate / Credit Funds (Unquoted) *</b>					
Peninsula Brookfield India Real Estate Fund	1,00,000	292	281.64	292	297.29
IIFL Income Opportunities Fund Series - Special Situations	80	46,64,616	307.03	46,64,616	333.30
India Realty Excellence Fund II LLP	1,00,000	-	221.66	-	442.02
IIFL Real Estate Fund (Domestic) Series -2	0	-	735.69	-	786.97
Annuities in Senior Secured Estate Transactions Asset - 1	100	67,647	67.54	98,359	104.08
ICICI Prudential PMS India Real Estate Securities Portfolio-Series XII	-	-	162.40	-	223.21
Indostar Credit Fund	1,00,000	900	70.17	900	141.98
IIFL Real Estate Fund (Domestic) Series -3	-	-	228.38	-	310.65
IDFC Score Fund	1,000	49,250	438.25	49,250	278.67
Annuities in Senior Secured Estate Transactions 2 Asset - 2	100	4,89,645	559.27	5,00,000	573.65
Edelweiss Real Estate Opportunities Fund	10,000	2,375	295.50	2,375	255.01
Edelweiss Credit Opportunities Fund	-	-	357.57	-	283.75
Aventus Structured Credit Fund - I	500,000	90	450.00	60	300.00
India Housing Fund	10	22,64,000	235.74	22,64,000	226.98
UTI Structured Debt Opportunities Fund I	-	-	461.40	-	255.25
Edelweiss Infrastructure Yield Plus Fund	1,000	-	200.00	5,000	50.00
India Realty Excellence Fund IV	-	-	350.00	-	-
EISAF II Onshore Fund	-	-	384.23	-	-
<b>Total Real Estate Funds</b>			<b>5,806.47</b>		<b>4,862.82</b>
* The Maturity of above funds range between 2 years to 8 years					

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Contd...

(₹ in Lakhs)

Particulars	Face Value	As on 31/03/2019		As on 31/03/2018	
	₹	Nos.	₹	Nos.	₹
<b>Government Securities (Quoted)</b>					
<b>Secured-</b>					
8.28% GOI 15 -Feb 2032	5,00,00,000	-	-	2	1,051.20
9.20% GOI 30 -Sep 2030	5,00,00,000	1	560.80	1	549.80
8.30% GOI 2 -July 2040	5,00,00,000	1	530.05	1	533.90
8.83% GOI 12 -Dec 2041	5,00,00,000	2	1,122.00	2	1,118.50
9.23% GOI 23 -Dec 2043	5,00,00,000	2	1,171.90	2	1,171.50
<b>Total Government securities</b>			<b>3,384.75</b>		<b>4,424.90</b>
<b>Debentures and Bonds</b>					
<b>Bonds (Quoted)</b>					
<b>Secured-</b>					
8.20% HUDCO Tax Free Bond-March 2027	1,000	97,310	1,080.23	97,310	1,102.38
8.10% HUDCO Tax Free Bond -March 2022	1,000	30,000	313.46	30,000	318.93
8.56% HUDCO Tax Free Bond -Sep 2028	10,00,000	1	11.49	1	11.75
8.76% HUDCO Tax Free Bond -Jan 2034	1,000	1,00,000	1,220.45	1,00,000	1,247.64
8.51% HUDCO Tax Free Bond -Oct 2028	1,000	50,000	573.65	50,000	586.71
10.25% Hansdeep Industries & Trading Company Ltd 2021	10,00,000	50	493.25	50	517.68
8.26% IIFCL Tax Free Bonds -Aug 2028	10,00,000	80	901.87	80	921.48
8.19% IIFCL Tax Free Bonds -Aug 2033	10,00,000	20	232.40	20	238.33
8.66% IIFCL Tax Free Bonds -Jan 2034	1,000	50,000	604.57	50,000	619.00
7.40% IIFCL Tax Free Bonds -Jan 2033	1,000	50,000	543.59	50,000	556.17
9.50% JM Financial Credit Solutions Ltd. - May 2021	10,00,000	13	128.57	13	134.51
9.15% JM Financial Credit Solutions Ltd. -Dec 2020	10,00,000	87	866.96	87	868.89
8.67% NHPC Tax Free Bonds -Nov 2033	1,000	48,315	587.13	48,315	599.60
8.76% NHB Tax Free Bond -Jan 2034	5,000	50,000	3,067.38	50,000	3,121.98
8.68 % NHB Tax Free Bonds -Mar 2029	5,000	6,384	373.32	6,384	380.49
8.93 % NHB Tax Free Bonds Series 2A -Mar 2029	5,000	10,000	584.77	10,000	596.01
8.30% PFC- Tax Free Bonds -Feb 2027	1,000	7,120	79.48	7,120	80.90
8.67% PFC Tax Free Bonds -Nov 2033	1,000	1,61,945	1,963.66	1,61,945	2,009.00
7.93% REC-Tax Free Bond -March 2022	1,000	30,619	318.76	30,619	324.01
8.46% REC Tax Free Bonds -Aug 2028	10,00,000	50	571.41	50	582.67
<b>Total</b>			<b>14,516.40</b>		<b>14,818.13</b>
<b>Unsecured-</b>					
9.80% GSPC NCD Series 2 22/03/2073	10,00,000	-	-	48	480.00
9.90% IFCI Ltd Bonds Sr 58 -Nov 2032	25,000	880	220.00	1,000	250.00
9.90% IFCI Ltd Bonds Sr 58 -Nov 2037	25,000	2,000	500.00	4,000	1,000.00
9.75% IFCI Ltd. Sr.60- April 2028	10,00,000	50	500.00	50	500.00
10.75% Tata Power Co. Ltd. -Aug 2072	10,00,000	25	248.38	25	266.70
9.90% ING Vysya Bank Ltd Bond -Dec 2022	10,00,000	50	524.75	50	530.51
9.29% PFC Bonds -Aug 2022	10,00,000	50	510.75	50	517.28
8.85% HDFC BANK LIMITED PERPETUAL BONDS - SERIES 1	10,00,000	50	493.75	-	-
<b>Total</b>			<b>2,997.63</b>		<b>3,544.49</b>
<b>Total Bonds</b>			<b>17,514.03</b>		<b>18,362.62</b>
<b>Debentures (Quoted)</b>					
<b>Secured-</b>					
39.01% EARC GSEC Linked Non Convertible Debenture	1,00,000	-	-	500	599.05
38.03% IIFL Market Linked Structured Products	1,00,000	-	-	500	575.33
10% ATS InfraBuild Pvt. Ltd. Jun 2022	10,00,000	30	300.00	-	-
<b>Total</b>			<b>300.00</b>		<b>1,174.38</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Contd...

(₹ in Lakhs)

Particulars	Face Value	As on 31/03/2019		As on 31/03/2018	
	₹	Nos.	₹	Nos.	₹
<b>Debentures (Unquoted)</b>					
<b>Secured-</b>					
18% Darvesh Properties Private Limited May 2019	1,00,000	-	-	250	207.74
18.50% Manyata Developers Private Ltd June 2020	10,00,000	20	132.20	20	132.20
17.75% Orris Infrastructure Pvt Ltd. Aug 2019	1,00,00,000	-	-	2	141.62
15% Shashwati Realty Pvt. Ltd May 2020	10,00,000	30	300.08	-	
<b>Total</b>			<b>432.28</b>		<b>481.56</b>
<b>Total Debentures</b>			<b>732.28</b>		<b>1,655.94</b>
<b>Total Debentures and Bonds</b>			<b>18,246.31</b>		<b>20,018.56</b>
<b>Total Non Current Investments</b>			<b>57,942.06</b>		<b>59,173.67</b>
<b>Aggregate amount of quoted investment and market value thereof</b>			<b>30,305.81</b>		<b>37,496.74</b>
<b>Aggregate amount of unquoted investments</b>			<b>27,636.25</b>		<b>21,676.93</b>
<b>Aggregate amount of impairment in value of non current investments</b>			-		-
<b>41 Current Investments:</b>					
<b>Bonds &amp; Debentures</b>					
<b>Bonds(Quoted)</b>					
<b>Secured-</b>					
12.50% Janalakshmi Financial Services 2019 Debentures	10,00,000	-	-	30	295.47
KKR India Zero Coupon Ncd	1,00,00,000	-	-	3	381.33
<b>Total</b>					<b>676.80</b>
<b>Debentures (Quoted)</b>					
<b>Secured-</b>					
39.01% EARC GSEC Linked Non Convertible Debenture Sep 2019	1,00,000	500	661.22	-	-
38.03% IIFL Market Linked Structured Products Dec 2019	1,00,000	500	634.30	-	-
35% EFIL-Market Linked Non Convertible Debenture -June 2018	1,00,000	-	-	300	396.04
<b>Total</b>			<b>1,295.52</b>		<b>396.04</b>
<b>Debentures (Unquoted)</b>					
<b>Secured-</b>					
17.75% Orris Infrastructure Pvt Ltd.	1,00,00,000	2	65.83	-	-
18% CCI Projects Private Limited Nov 2018	25,00,000	-	-	12	178.26
17% Pinnacle Vastunirma Pvt Ltd Aug 2018	1,00,000	-	-	250	250.00
18% Darvesh Properties Private Limited May 2019	1,00,000	250	123.57	-	-
18% Golden Sparrow Infrastructure Pvt. Ltd Jun 2019	10	1,38,750	60.07	-	-
17.25% Shanders Properties Pvt Ltd. Jul 2018	1,00,000	250	123.88	250	137.35
<b>Total</b>			<b>373.35</b>		<b>565.61</b>
<b>Total Debentures and Bonds</b>			<b>1,668.87</b>		<b>1,638.45</b>
<b>Mutual Funds (Quoted)</b>					
Kotak FMP Series 172 - Regular Plan - Growth	10	-	-	35,00,000	459.48
<b>Total</b>				<b>35,00,000</b>	<b>459.48</b>
<b>Liquid Mutual Funds (Unquoted)</b>					
Kotak Liquid Direct Growth Plan	1,000	55,114.779	2,085.73	-	-
HDFC Liquid Fund - Growth (Ambit coffee Can PMS)	1,000	657.0230	18.47	-	2.49
<b>Total</b>			<b>2,104.20</b>		<b>2.49</b>
<b>Total Mutual Funds</b>			<b>2,104.20</b>		<b>461.97</b>
<b>Total Current Investments</b>			<b>3,773.07</b>		<b>2,100.42</b>
<b>Aggregate amount of quoted investment and market value thereof</b>			<b>1,295.52</b>		<b>1,532.33</b>
<b>Aggregate amount of unquoted investments</b>			<b>2,477.55</b>		<b>568.09</b>
<b>Aggregate amount of impairment in value of non current investments</b>			-		-

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**42 Employee Benefits**
**(a) Defined contribution plan**

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12 % of basic salary and other allowances as per regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognised during the period towards defined contribution plan is ₹ 122.95 lakhs (March 31, 2018 ₹ 107.33 lakhs).

**(b) Defined benefit plan**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity for employees who are in continuous services for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity is a funded plan and the Company make contributions to recognised funds in India.

Particulars	Present Value of Obligation	Fair Value of plan assets	Net amount
			(₹ in Lakhs)
<b>As at March 31, 2017</b>	<b>404.61</b>	-	<b>404.61</b>
Current service cost	28.78	-	28.78
Interest expense/(income)	29.70	-	29.70
<b>Total amount recognised in profit or loss</b>	<b>58.48</b>	-	<b>58.48</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in internet expense/(income)	1.35	-	1.35
<b>Net actuarial (gain)/loss</b>	-	-	-
Change in experience	(40.29)	-	(40.29)
Change in demographic assumptions	2.57	-	2.57
Change in financial assumptions	(15.76)	-	(15.76)
<b>Total amount recognised in other comprehensive income</b>	<b>(52.13)</b>	-	<b>(52.13)</b>
Employer Contribution	-	-	-
Benefits payment	(15.46)	-	(15.46)
<b>As at March 31, 2018</b>	<b>395.50</b>	-	<b>395.50</b>
<b>As at March 31, 2018</b>	<b>395.50</b>	-	<b>395.50</b>
Current service cost	29.19	-	29.19
Interest expense/(income)	31.16	-	31.16
	60.35	-	60.35
<b>Total amount recognised in statement of profit and loss</b>	<b>60.35</b>	-	<b>60.35</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in internet expense/(income)	4.07	-	4.07
<b>Net actuarial (gain)/loss</b>	6.96	-	6.96
Change in experience	6.96	-	6.96
Change in demographic assumptions	-	-	-
Change in financial assumptions	6.09	-	6.09
<b>Total amount recognised to comprehensive income</b>	<b>17.12</b>	-	<b>17.12</b>
<b>Employer contribution</b>	-	-	-
<b>Benefits payment</b>	<b>(14.69)</b>	-	<b>(14.69)</b>
<b>As at March 31, 2019</b>	<b>458.28</b>	-	<b>458.28</b>

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

The net liability disclosed above relates to funded and unfunded plans are as follows: (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	(458.28)	(395.50)
Fair value of plan assets	446.73	401.76
<b>Deficit of funded plan</b>	<b>(11.55)</b>	<b>6.26</b>
<b>Significant estimates: actuarial assumptions and sensitivity</b>		
<b>Financial assumption:</b>		
Discount rate	7.69%	7.88%
Salary escalation rate	6.00%	6.00%
<b>Demographic assumption:</b>		
Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Attrition rate	2%	2%
Retirement age	58 & 60 Years	58 & 60 Years
<b>Sensitivity analysis</b>		
The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:		
<b>Discount rate</b>		
a) Discount rate - 100 basis points	34.56	30.04
b) Discount rate + 100 basis points	(30.56)	(26.65)
<b>Salary escalation rate</b>		
a) Rate - 100 basis points	(31.29)	(27.34)
a) Rate + 100 basis points	34.80	30.30

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Particulars	As at March 31, 2019	As at March 31, 2018
<b>The major categories of plan asset are as follows:</b>		
Equities	0%	0%
Bonds	0%	0%
Gilts	0%	0%
Pooled assets with an insurance company	100%	100%
Other	0%	0%
	100%	100%

The defined benefit obligations shall mature after year end March 31, 2019 as follows:

Year 1	68.24	34.92
Year 2	16.61	14.99
Year 3	18.88	24.87
Year 4	28.67	21.74
Year 5	33.81	42.00
Year 6-10	258.27	257.36

The weighted average duration of the defined benefit obligation is 9 years (Previous Year 2018: 9 years).

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**Risk exposure:**

Through its defined benefit plans, Company is exposed to a number of risks, the most significant of which are detailed below:

**Investment risk:** The present value of the defined benefit plan liability is calculated using discount rate determined by reference to market yields at the end of reporting period on government bond yields.

**Interest risk:-** A decrease in the bond interest will increase in plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to best estimate of the mortality of plan participants both during and at the end of employment. An increase in the life expectancy of the plan participants will increase the plan liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such an increase in salary of the plan participants will increase the plan liability.

**43 Financial instruments**

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 40 and 41.

**Financial assets and liabilities**

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

**a. Financial assets**

Instruments carried at fair value					(₹ in Lakhs)	
Particulars	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL	Instruments carried at amortized cost	Total carrying value	Total fair value
<b>As at 31<sup>st</sup> March, 2018</b>						
Investments	24,853.56	29,525.30	6,895.22	-	61,274.08	61,274.08
Trade receivables	-	-	-	3,452.03	3,452.03	3,452.03
Cash and cash equivalents	-	-	-	148.77	148.77	148.77
Other Bank balances	-	-	-	39.68	39.68	39.68
Loans	-	-	-	3,962.55	3,962.55	3,962.55
Other financial assets	-	-	-	870.26	870.26	870.26
<b>Total</b>	<b>24,853.56</b>	<b>29,525.30</b>	<b>6,895.22</b>	<b>8,473.29</b>	<b>69,747.37</b>	<b>69,747.37</b>
<b>As at 31<sup>st</sup> March, 2019</b>						
Investments	25,990.72	26,518.23	9,206.17	-	61,715.12	61,715.12
Trade receivables	-	-	-	3,413.45	3,413.45	3,413.45
Cash and cash equivalents	-	-	-	74.60	74.60	74.60
Other Bank balances	-	-	-	47.92	47.92	47.92
Loans	-	-	-	3,305.82	3,305.82	3,305.82
Other financial assets	-	-	-	979.95	979.95	979.95
<b>Total</b>	<b>25,990.72</b>	<b>26,518.23</b>	<b>9,206.17</b>	<b>7,821.74</b>	<b>69,536.86</b>	<b>69,536.86</b>



NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

b. Financial liabilities (₹ in Lakhs)

Particulars	Fair value through profit and loss	At amortized cost	Total carrying amount (A+B)	Total fair value
<b>As at 31<sup>st</sup> March, 2018</b>				
Borrowings	-	394.87	394.87	394.87
Trade payables	-	3,431.18	3,431.18	3,431.18
Other financial liabilities	-	142.51	142.51	142.51
<b>Total</b>	<b>-</b>	<b>3,968.56</b>	<b>3,968.56</b>	<b>3,968.56</b>
<b>As at 31<sup>st</sup> March, 2019</b>				
Borrowings	-	268.04	268.04	268.04
Trade payables	-	3,503.52	3,503.52	3,503.52
Other financial liabilities	-	285.77	285.77	285.77
<b>Total</b>	<b>-</b>	<b>4,057.33</b>	<b>4,057.33</b>	<b>4,057.33</b>

c. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows:

- Level 1: quoted prices for identical instruments in active market.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at March 31, 2019, and March 31, 2018 measured at fair value:

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31<sup>st</sup> March, 2018</b>				
<b>Assets at fair value</b>				
<b>Equities</b>				
Equity Instruments	13,534.82	10,318.74	-	24,853.56
<b>Debt</b>				
Real Estate Fund	-	4,862.82	-	4,862.82
Structured Products	-	1,570.42	-	1,570.42
Liquid Mutual Funds	2.49	-	-	2.49
FMP Mutual fund	459.48	-	-	459.48
Preference Shares	-	-	5,013.82	5,013.82
Government Bonds	4,424.90	-	-	4,424.90
Bonds	19,039.42	-	-	19,039.42
Non Convertible Debentures	-	-	1,047.17	1,047.17
	<b>37,461.11</b>	<b>17,261.98</b>	<b>6,550.99</b>	<b>61,274.08</b>
<b>As at 31<sup>st</sup> March, 2019</b>				
<b>Assets at fair value</b>				
<b>Equities</b>				
Equity Instruments	9,107.04	16,883.68	-	25,990.72
<b>Debt</b>				
Real Estate Fund	-	5,806.47	-	5,806.47
Structured Products	-	1,295.51	-	1,295.51
Liquid Mutual Funds	2,104.20	-	-	2,104.20
Preference Shares	-	-	4,513.81	4,513.81
Government Bonds	3,384.75	-	-	3,384.75
Bonds	15,800.77	2,013.34	-	17,814.11
Non Convertible Debentures	-	-	805.56	805.56
	<b>30,396.76</b>	<b>25,999.00</b>	<b>5,319.37</b>	<b>61,715.13</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**Fair value of financial assets and liabilities measured at amortised cost:-**

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2019		As at 1 <sup>st</sup> April, 2018	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Trade receivables	3,413.45	3,413.45	3,452.03	3,452.03
Cash and cash equivalents	74.60	74.60	148.77	148.77
Other Bank balances	47.92	47.92	39.68	39.68
Loans	3,305.82	3,305.82	3,962.55	3,962.55
Other financial assets	979.95	979.95	870.26	870.26
	7,821.74	7,821.74	8,473.29	8,473.29
<b>Financial liabilities</b>				
Borrowings	268.04	268.04	394.87	394.87
Trade payables	3,503.52	3,503.52	3,431.18	3,431.18
Other financial liabilities	285.77	285.77	142.51	142.51
	4,057.33	4,057.33	3,968.56	3,968.56

The Management assessed that fair value of cash and cash equivalents, trade receivables, investments in term deposits, loans, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) is considered to be equal to the carrying amount of these items due to their short-term nature.

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

**44 Income Taxes**
**A. Components of Income Tax Expense**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>(a) Tax expense recognised in the Statement of Profit and Loss</b>		
<b>i) Current tax</b>		
Current year	230.23	368.55
Tax provision of earlier years	(181.36)	(72.83)
<b>Total current tax</b>	<b>48.87</b>	<b>295.72</b>
<b>ii) Deferred tax</b>		
Relating to origination and reversal of temporary difference	(125.55)	(3.87)
<b>Total deferred income tax expense/(credit)</b>	<b>(125.55)</b>	<b>(3.87)</b>
<b>Total i) + ii)</b>	<b>(76.68)</b>	<b>291.85</b>
<b>(b) Tax on Other Comprehensive Income</b>		
<b>i) Tax relating to items that will not be reclassified to profit or loss</b>		
Tax on realized gain of equity instruments	(67.42)	(218.32)
Tax on remeasurements of net defined benefit plans	3.65	(11.12)
Tax on equity instrument through other comprehensive income	(147.14)	171.37
	(210.91)	(58.07)
<b>ii) Income tax on items that will be reclassified to profit or loss</b>		
Tax on debt instrument through other comprehensive income	117.79	266.83
	<b>117.79</b>	<b>266.83</b>
<b>Total i) + ii)</b>	<b>(93.12)</b>	<b>208.76</b>

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

44 Income Taxes (Continue)

B. Reconciliation of tax expenses and the accounting profit for the year (₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :		
<b>Profit before tax</b>	<b>1,823.42</b>	<b>2,829.21</b>
<b>Enacted income tax rate in India</b>	<b>29.120%</b>	<b>34.608%</b>
Expected income tax expense during the year at statutory rate	530.98	979.14
Differences due to:		
Expenses not deductible for tax purposes	42.59	32.98
Exempt Income	(308.88)	(335.82)
Tax of earlier years reversed	(181.36)	(72.83)
Impact of Minimum alternate tax	(155.60)	(375.34)
Tax Rate Difference etc.	(4.41)	63.72
<b>Effective tax expenses</b>	<b>(76.68)</b>	<b>291.85</b>

C. The movement in deferred tax assets and liabilities (₹ in Lakhs)

Movement during the year ended March 31, 2018	As at 31 <sup>st</sup> March, 2017	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	As at 31 <sup>st</sup> March, 2018
<b>Deferred tax assets/(liabilities)</b>				
On expenses allowable for tax purposes when paid	24.15	2.87	-	27.02
On depreciation	(1,236.80)	131.93	-	(1,104.87)
On fair valuation of financial assets	(4,099.88)	(130.94)	438.22	(3,792.60)
	<b>(5,312.53)</b>	<b>3.86</b>	<b>438.22</b>	<b>(4,870.45)</b>
<b>Movement during the year ended March 31, 2019</b>				
	<b>As at 31<sup>st</sup> March, 2018</b>	<b>Credit/ (charge) in statement of Profit and Loss</b>	<b>Credit/ (charge) in Other Comprehensive Income</b>	<b>As at 31<sup>st</sup> March, 2019</b>
On expenses allowable for tax purposes when paid	27.02	2.62	-	29.64
On depreciation	(1,104.87)	(15.42)	-	(1,120.29)
On fair valuation of financial assets	(3,792.60)	46.35	(29.35)	(3,775.60)
<b>Total</b>	<b>(4,870.45)</b>	<b>33.55</b>	<b>(29.35)</b>	<b>(4,866.25)</b>

45 Risk Management

**Financial risk management objective and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The risk management policies aims to mitigate the following risk arising from the financial instruments: (a) Market risk; (b) Liquidity risk and (c) Credit risk.

**A. Financial risk factors**

The Company's principal financial liabilities comprise borrowings, deposits from dealers and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risk arising from the financial instruments: (a) Market risk; (b) Liquidity risk and (c) Credit risk.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Risk	Exposure arising from	Measurement	Management
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities; working capital management
Credit risk	Cash and cash equivalents, trade receivables, Investments, loans and other financial assets measured at fair /amortised cost.	Ageing analysis/ Credit ratings / Assets Coverage	Diversification in various class of assets, credit limits
Market Risk - Foreign exchange	Financial assets and liabilities denominated in INR	Cash flow forecasting Sensitivity analysis	Hedging Forex planning
Market Risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market Risk - Price risk	Investments in Equities, Bonds, debentures, funds	Sensitivity analysis; market fluctuations; credit rating	Continuous monitoring, Diversification

**(a) Liquidity risk**

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintain sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

**(i) Financing arrangements**

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period: (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured working capital credit facility from Banks	185.54	250.43

**(ii) The following is the contractual maturities of the financial liabilities: (₹ in Lakhs)**

Particulars	Carrying amount	Total	Payable on demand	Less than 1 month	1-6 months	more than 12 months
<b>As at 31<sup>st</sup> March, 2018</b>						
<b>Non-derivative liabilities</b>						
Borrowings	394.87	394.87	-	94.87	10.23	289.77
Trade payables	3,431.18	3,431.18	-	1,398.89	2,032.29	-
Other financial liabilities	142.51	142.51	-	142.51	-	-
<b>As at 31<sup>st</sup> March, 2019</b>						
<b>Non-derivative liabilities</b>						
Borrowings	268.04	268.04	-	223.36	11.96	32.72
Trade payables	3,503.52	3,503.52	-	1,167.94	2,335.58	-
Other financial liabilities	285.78	285.78	-	285.78	-	-

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

**(b) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

**(i) Foreign currency risk**

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company does have transactions in currency other than functional currency i.e. in US Dollar (USD) for purchase of raw material from overseas supplier. However, those are not very significant considering the nature and size of the operations of the Company.

<b>Foreign Currency Exposure</b>		(₹ in Lakhs)	
<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>	
	<b>USD</b>	<b>USD</b>	
Trade payable	0.63	2.12	
Buyers Credit	-	0.45	
Advance from Customers	-	0.28	
Trade receivables	1.88	2.92	
Advance to suppliers	0.20	0.96	
<b>Net Exposure - [Receivable/(Payable)]</b>	<b>1.45</b>	<b>1.03</b>	

The company's exposure to the foreign currency risk is not significant considering the nature and size of the operations.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's Long term borrowings have fixed rate of interest and carried at amortized costs and short term borrowings have variable rate of interest. The Company also has significant investments in Bonds i.e. Government securities; Debentures; Preference shares and Debt funds. These investments are subject to the Market risk - Interest rate risk.

**Exposure to Interest rate risk - Financial liabilities**

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Total borrowings	185.54	250.43
% of borrowings out of above bearing variable rate of interest and short term in nature	85.94%	80.11%

Hence, the Company is not significantly exposed to the interest rate risk as working capital facility are, as per contractual terms, primarily of short term in nature.

**Exposure to Interest rate risk - Financial assets - Investments in Government Bonds, Bonds, Debentures, Debt funds and Preference Shares**

Market price risk for government bonds, debentures, Preference shares and other bonds is movement in the interest rate and impact thereof on the yield. The Company's major part of investments is in Bonds/Debentures, which exposes Company to a price risk and consequently impact on the profitability and value of instruments

**Sensitivity**

The table below summarises the impact of increase/decrease in the interest rate over the value of bonds/debentures. The analysis is based on the assumption that the Interest rate has increased by 100 bps or decrease by 100bps with all other variables held constant.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

	(₹ in Lakhs)	
Impact on profit before tax	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Increase of 100 bps -Gain/(loss)	(1,947)	(1,767)
Decrease of 100 bps-Gain/(loss)	1,947	1,767

**(iii) Price Risk**

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. To manage its price risk arising from its investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company in accordance with the guidelines provided by the Board of directors of the Company.

**Exposure**

Nature of Investments	As at March 31, 2019		As at March 31, 2018	
	Amount	%	Amount	%
<b>Equities</b>				
Equity Instruments	25,990.72	42.11%	24,853.56	40.56%
<b>Bonds</b>				
Real Estate Fund	5,806.47	9.41%	4,862.82	7.94%
Structured Products	1,295.52	2.10%	1,570.42	2.56%
Liquid Mutual Funds	2,104.20	3.41%	2.49	0.00%
FMP Mutual fund	-	0.00%	459.48	0.75%
Preference Shares	4,513.81	7.31%	5,013.82	8.18%
Government Bonds	3,384.75	5.48%	4,424.90	7.22%
Bonds	17,814.11	28.87%	19,039.42	31.07%
Non Convertible Debentures	805.56	1.31%	1,047.16	1.71%
<b>Total</b>	<b>61,715.13</b>	<b>100.00%</b>	<b>61,274.08</b>	<b>100%</b>

**Investments in Equity Instruments and Equity mutual funds (including investment through Private Equity funds)**

The Company's quoted equity instruments are subject to the market price risk arising from the fluctuation in the market price of those instruments. This risk arises from instruments which are classified as Fair value through P&L or Fair value through OCI. The Company's investment in equity instruments mainly consists of Investments in certain of its group companies wherein the price fluctuations, based on the historical trends, are not very significant.

**Sensitivity**

The table below summarises the impact of Increase/decrease of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5% or decrease by 5% with all other variables held constant and that all the Company's equity instruments moved in line with the index.

	(₹ in Lakhs)	
Impact on total comprehensive income	For the year ended March 31, 2019	For the year ended March 31, 2018
BSE Sensex - Increase 5% -Gain/(loss)	1,364.31	1,296.70
BSE Sensex - Decrease 5% -Gain/(loss)	(1,364.31)	(1,296.70)

**(c) Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an on-going basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:



**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counterparty

**(l) Expected credit loss for trade receivables under simplified approach** (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Not Due	2,379.93	2,917.77
0-90 days	969.27	369.45
90-180 Days	51.26	112.52
> 180 Days	12.99	52.29
<b>Total</b>	<b>3,413.45</b>	<b>3,452.03</b>

**Commodity Risk**

The Company is exposed to the risk of price fluctuation of raw materials proactively managed through forward booking, inventory management and proactive vendor development practices.

**46 Capital risk management**

- (a) The Company's objectives when managing capital are to :
  - ◆ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which includes capital and other strategic investments. The Company's intention is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital. (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total equity	76,285.44	74,018.16
Net Debt	279.12	344.91
<b>Total Capital (Borrowings and Equity)</b>	<b>76,564.56</b>	<b>74,363.07</b>
<b>Gearing Ratio</b>	<b>0.36%</b>	<b>0.46%</b>

- (i) Net debt represents total borrowings (non-current & current) as reduced by cash and cash equivalents.
- (ii) Equity comprises of all components including other comprehensive income.

**(b) Dividend** (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Equity Shares</b>		
Final dividend for the year ended March 31, 2018 of ₹ 0.50 per shares (March 31, 2017 - ₹ 0.50) per fully paid share	73.85	73.85

In addition to the above dividend, since year end the directors have recommended the payment of a final dividend of ₹ 2 per fully paid equity share (31<sup>st</sup> March, 2018 – ₹ 0.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**47 Related Party Disclosure :**
**(A) Relationships:**
**(i) Joint ventures in which the entity is a joint venturer:**

Compo Advics (India) Pvt. Ltd.

**(ii) Key Management Personnel (KMP):**
**Whole Time Directors**

Mr. Raghu Mody, Executive Chairman

Mr. P. K. Choudhary, Managing Director

**Chief Financial Officer (CFO)**

Mr. Sunil Jindal, Chief Financial Officer

**Company Secretary**

 Mr. Amit Goenka, V.P. Finance & Company Secretary (resigned as Company Secretary w.e.f. 7<sup>th</sup> May, 2018)

 Mr. Vikram Soni, Company Secretary and Compliance Officer (appointed w.e.f. 8<sup>th</sup> May, 2018)

**(iii) Relatives of Key Managerial Personnel / Directors:**

Mrs. Shashi Mody (Daughter-in-law of Mr. Raghu Mody, Executive Chairman)

Mr. Varunn Mody, (Husband of Smt. Sakshi Mody, Non Executive Director)

**(iv) Non Executive Directors:**

Mr. Ashok B Vadiya, Independent Director

Mr. K. S. Brar, Independent Director

Mr. Deepak Sethi, Independent Director

Mr. Chakrapani Misra, Independent Director

 Mr. K. M. Robinson, Independent Director (upto 11<sup>th</sup> January 2018)

Mrs. Sakshi Mody, Non Executive Director

**(v) Other Related Parties:**

Rasoi Ltd.

J L Morison India Ltd.

Pallawi Resources Ltd.

Pallawi Trading &amp; Mfg. Co. Ltd.

Looklink Advisory Services LLP (previously known as Looklink Finance Ltd.)

Noble Business Solutions Limited (previously known as Noble Trading Co. Ltd.)

Lotus Udyog LLP (previously known as Lotus Udyog Ltd.)

Surdas Trading &amp; Mfg. Co. Ltd.

Leaders Healthcare Ltd.

Goodpoint Advisory Services LLP

Axon Trading &amp; Mfg. Co. Ltd.

Silver Trading &amp; Services Ltd.

Rasoi Express Pvt. Ltd.

**(B) Transactions carried out with related parties referred in (A) above, in ordinary course of business:**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>(i) Inter Corporate Deposits Given</b>		
Pallawi Resources Limited (secured)	1,750.00	Nil
<b>(ii) Rent Paid</b>		
Rasoi Limited	Nil	0.60
J L Morison (India) Limited *	15.58	14.98
Pallawi Resources Limited *	4.25	4.22
Mr. Varunn Mody*	18.28	16.48
* Including Service Tax / GST		

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(B) Transactions carried out with related parties referred in (A) above, in ordinary course of business: (CONTD)

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>(iii) Income</b>		
Compo Advics (India) Pvt. Ltd.		
- Marketing Fees and Royalty	5.66	10.23
- Reimbursement of expenses	Nil	18.28
Pallawi Resources Limited		
- Interest Income	45.55	Nil
<b>(iv) Investment</b>		
Compo Advics (India) Pvt. Ltd. (Purchase of Preference Shares)	Nil	490.00
<b>(v) Dividend Received</b>		
J L Morison (India) Limited	2.73	2.73
Rasoi Limited	1.66	3.31
<b>(vi) Dividend Given</b>		
Rasoi Limited	30.76	30.76
J L Morison (India) Limited	5.54	5.54
Leaders Health Care Ltd.	12.38	12.38
Surdas Trading & Mfg. Co. Ltd.	1.26	1.26
Goodpoint Advisory Services LLP	0.99	0.99
Lotus Udyog LLP	0.95	0.95
Pallawi Resources Ltd.	0.90	0.90
Pallawi Trading & Mfg. Co. Ltd.	0.87	0.87
Axon Trading & Mfg. Co. Ltd.	0.54	0.54
Looklink Advisory Services LLP	0.48	0.48
Silver Trading & Services Ltd.	0.42	0.42
Noble Business Solutions Limited	0.28	0.28
<b>(vii) Salaries and other employee benefits to Whole Time Directors and KMP</b>		
Mr. Raghu Mody	195.29	170.29
Mr. P.K. Choudhary	85.96	78.99
Mr. Amit Goenka (upto 7 <sup>th</sup> May, 2018)	4.79	33.79
Mr. Sunil Jindal	21.32	20.50
Mr. Vikram Soni (w.e.f. 8 <sup>th</sup> May, 2018)	7.70	Nil
<b>(viii) Salaries and other employee benefits to relatives of Directors &amp; Key Managerial Personnel</b>		
Mrs. Shashi Mody	27.75	23.92
Mr. Varunn Mody	80.30	69.00
<b>(ix) Directors sitting fees and commission to independent and non executive directors</b>		
Mr. Ashok B Vadiya	3.40	3.15
Mr. K. S. Brar	3.50	3.20
Mr. Deepak Sethi	2.60	2.70
Mr. Chakrapani Misra	3.50	2.50
Mrs. Sakshi Mody	0.20	0.40
Mr. K.M. Robinson (upto 11 <sup>th</sup> January 2018)	Nil	0.05

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**(B) Transactions carried out with related parties referred in (A) above, in ordinary course of business:**

Contd...	(₹ in Lakhs)	
Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>(x) Other Transactions</b>		
Rasoi Express Pvt. Ltd. (Purchase of Air Ticket)	116.22	105.06
Compo Advics (India) Pvt. Ltd. (Sale of Raw Material(Net))	36.21	3.42

**(C) Balances outstanding with related parties referred in (A) above, in ordinary course of business:**

<b>(i) Receivable:</b>		
<b>- Inter Corporate Deposits:</b>		
Pallawi Resources Limited (secured)	1,750.00	Nil
<b>- Others Receivable:</b>		
Compo Advics (India) Pvt. Ltd.	26.84	38.67
Pallawi Resources Limited	40.99	Nil
Mr. Varunn Mody	6.60	6.60
<b>(ii) Payable:</b>		
- Salaries and other employee benefits to Whole Time Directors and KMP		
Mr. Raghu Mody	28.86	35.51
Others	Nil	3.66
- Salaries and other employee benefits to relatives of Key Managerial Personnel		
Salaries and other employee benefits to relatives of Directors & Key Managerial Personnel		
Mr. Varunn Mody	Nil	3.31
- Commission to independent directors		
Mr. Ashok B Vadiya	1.90	1.90
Mr. K. S. Brar	1.90	1.90
Mr. Deepak Sethi	1.90	1.90
Mr. Chakrapani Misra	1.90	1.90
- Others		
Rasoi Express Pvt. Ltd.	11.26	4.60
<b>(iii) Investment in:</b>		
J L Morison (India) Limited (at cost)	515.49	515.49
Rasoi Limited (at cost)	856.36	856.36
Compo Advics (India) Pvt. Ltd. (at cost)	980.00	980.00

**Note:** i) No amount pertaining to related parties has been provided for as doubtful debts. Also no amount has been written off/back ii) The related parties are as identified by the Company and relied upon by the Auditors.

**4 (a) Loans and Advances in nature of loans.**

Loans where there is no interest or at an interest rate below that specified in the Companies Act, 2013.

<b>Amount Outstanding end of the year</b>		
Employees (as per general rules of the Company)	5.94	7.89
<b>Maximum amount Outstanding During the Year</b>		
Employees (as per general rules of the Company)	7.37	11.58

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**4 (a) Loans and Advances in nature of loans.**

	(₹ in Lakhs)	
Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>(b) Details of Short Term Inter Corporate Deposits: #</b>		
Gillanders Arbuthnot & Co. Ltd	1,000.00	800.00
Zuari Agro Chemicals Ltd.	500.00	Nil
International Conveyors Ltd	Nil	250.00
Globe Financial Services Pvt. Ltd.	150.00	150.00
Pitti Laminations Ltd	Nil	300.00
India Glycols Limited	800.00	1,300.00
Premier Irrigation Adritec Pvt. Ltd.	250.00	250.00
Kothari Medical Centre	Nil	200.00
Elpro International Limited	600.00	200.00
Wearit Global Limited	Nil	500.00
<b>Total</b>	<b>3,300.00</b>	<b>3,950.00</b>
<b>(c) Details of Long Term Inter Corporate Deposits: #</b>		
Pallawi Resources Limited	1,750.00	Nil

#Inter corporate deposits (ICD) given for general corporate purpose of the borrowing company on interest in the range of 10% to 14% (Previous Year 11.50% to 15%).

**49 Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.**

(₹ in Lakhs)							
Particulars	As At March 2017	Cash Flow	Non- Cash Changes	As At March 2018	Cash Flow	Non- Cash Changes	As At March 2019
Long Term Borrowing*	362.87	(69.81)	-	293.06	(98.80)	-	194.26
Short Term Borrowing	104.59	96.04	-	200.62	(41.17)	-	159.46

\* Including current maturity of long term borrowing.

50 The Company has made an investment of ₹ 980 lakhs (Previous Year ₹ 980 lakhs) in Compo Advics India Private Limited, a Joint Venture Company which has accumulated losses of ₹ 867.11 lakhs (Being Company's Share i.e. 49%). In view of the accumulated losses, there is a substantial diminution in the value of Company's investment. However, as this investment is long term and of strategic nature and there being visible improvements in the year 2018-19, diminution being considered as temporary, no provision is required to be made.

51 Previous years' figures have been regrouped/reclassified whenever necessary to conform to current years' classification.

Signatures to Notes 1 to 51 which form an integral part of the financial statements.

**For and on behalf of the Board of Directors**

**Raghu Mody**  
Chairman  
(DIN 00053329)

**P.K. Choudhary**  
Managing Director  
(DIN 00535670)

**Vikram Soni**  
Company Secretary & Compliance Officer  
Membership No. A36705

**Sunil Jindal**  
Chief Financial Officer

Place: Mumbai  
Date: 6<sup>th</sup> May 2019

**INDEPENDENT AUDITOR’S REPORT**

**To The Members of Hindustan Composites Limited**

**Opinion**

**Report on the Audit of Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Hindustan Composites Limited and its Joint Venture** (the Parent Company and its Joint Venture together referred to as “the Group”), which comprises of Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year than 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 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31<sup>st</sup> March 2019, its consolidated profits (including consolidated other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

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

Sr. No	Key Audit Matters	Auditor’s response
1	<p><b>Valuation and Impairment of unquoted equity instruments/Debt Instruments:</b></p> <p>We focused on the valuation of unquoted equity instruments/Debt Instruments due to the materiality of the instruments and the nature of their valuation which involve the use of judgmental assumptions. As disclosed in note 3 and 8, as at March 31, 2019 the Group has unquoted equity instruments/Debt Instruments of ₹ 27,104.86 Lakhs. These instruments are classified and measured at fair value through other comprehensive income.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed and tested the design and the operating effectiveness of the key controls that management has established to support the review and approval of the model design, key model inputs and valuation.</p> <p>We assessed the appropriateness of the valuation method used by management by verifying the key inputs used in determining the assumptions as also corroborating the information</p>

**Information Other than the Consolidated Financial Statements and Auditor’s report thereon**

The Company’s Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to the Board report, Corporate Governance report and Shareholder’s information, but does not include the consolidated financial statement and our auditor’s report thereon.

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



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we 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 Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control 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 the 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### **Other Matter**

We did not audit the financial statements of a joint venture in India included in the consolidated financial statements, whose financial statements reflect Group's share of loss of ₹145.22 Lakhs for the year ended March 31, 2019. 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 joint venture and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditors.

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 matter with respect to our reliance on the work done and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

1. 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 Group so far as it appears from our examination of those books and records.
- (c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including consolidated 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.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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 Parent Company as on March 31, 2019 taken on record by the Board of Directors of the Parent Company and the jointly controlled company incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

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

- (h) With respect to the matters to be included in the Auditor's report in accordance with the 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 Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements. [Refer Note No.33]

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.

For **Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 14350

Place: Mumbai  
Date : 6<sup>th</sup> May, 2019

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### Annexure A

#### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN COMPOSITES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") In conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Hindustan Composites Limited ("the Parent Company") and a jointly controlled entity.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and a joint venture incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent Company and a joint venture incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Group'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 Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

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

regarding prevention or timely detection of 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 and to the best of our information and according to the explanations given to us the Group has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Group 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 **Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 14350

Place: Mumbai  
Date : 6<sup>th</sup> May, 2019

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019**

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	1	12,532.77	12,237.24
(b) Capital work-in-progress	1.1	-	11.50
(c) Other Intangible assets	2	3.40	4.39
(d) Financial assets			
(i) Investments	3	57,037.33	58,414.14
(ii) Loans	4	1,750.00	-
(iii) Other financial assets	5	60.57	75.44
(e) Other non-current assets	6	4.67	67.73
<b>Total non-current assets</b>		<b>71,388.74</b>	<b>70,810.44</b>
<b>Current assets</b>			
(a) Inventories	7	1,229.77	1,108.59
(b) Financial assets			
(i) Investments	8	3,773.07	2,100.42
(ii) Trade receivables	9	3,413.45	3,452.03
(iii) Cash and cash equivalents	10	74.60	148.77
(iv) Other bank balances	11	47.92	39.68
(v) Loans	12	3,305.82	3,962.55
(vi) Other financial assets	13	919.38	794.82
(c) Other current assets	14	523.83	124.58
<b>Total current assets</b>		<b>13,287.84</b>	<b>11,731.44</b>
<b>Total assets</b>		<b>84,676.58</b>	<b>82,541.88</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	738.45	738.45
(b) Other equity	16	74,642.26	72,520.19
<b>Total equity</b>		<b>75,380.71</b>	<b>73,258.64</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Borrowings	17	108.58	194.26
(b) Provisions	18	133.59	115.15
(c) Deferred tax liabilities (net)		4,866.25	4,870.45
(d) Other Non Current Liabilities	19	70.08	71.66
<b>Total non-current liabilities</b>		<b>5,178.50</b>	<b>5,251.52</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	159.46	200.62
(ii) Trade payables	21		
- Total Outstanding Dues of Micro and small enterprises		76.41	93.68
- Total Outstanding Dues of Creditors other than Micro and small enterprises		3,427.11	3,337.50
(iii) Other financial liabilities	22	285.77	142.50
(b) Other current liabilities	23	102.93	146.59
(c) Provisions		50.49	37.45
(d) Current tax liabilities (Net)	25	15.20	73.38
<b>Total current liabilities</b>		<b>4,117.37</b>	<b>4,031.72</b>
<b>Total equity and liabilities</b>		<b>84,676.58</b>	<b>82,541.88</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the financial statements</b>	<b>B (1 - 39)</b>		

As per our attached report of even date

For and on behalf of the Board of Directors

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**

**Date: 6<sup>th</sup> May 2019**

**Raghu Mody**

Chairman  
(DIN 00053329)

**Vikram Soni**

Company Secretary & Compliance Officer  
Membership No. A36705

**P.K. Choudhary**

Managing Director  
(DIN 00535670)

**Sunil Jindal**

Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**  
 (₹ in Lakhs)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>I</b> Revenue from operations	26	19,661.31	20,335.95
<b>II</b> Other income	27	217.21	44.77
<b>III Total revenue ( I + II)</b>		<b>19,878.52</b>	<b>20,380.72</b>
<b>IV Expenses</b>			
Cost of materials consumed	28	8,683.46	7,933.96
Changes in inventories of finished goods and work-in-progress	29	(108.47)	(51.55)
Excise duty		-	418.20
Employee benefits expense	30	3,192.37	2,822.86
Finance costs	31	22.27	30.82
Depreciation and amortization expense	1 & 2	874.70	863.52
Other expenses	32	5,390.77	5,533.70
<b>Total expenses</b>		<b>18,055.10</b>	<b>17,551.51</b>
<b>V Profit before tax ( III - IV)</b>		<b>1,823.42</b>	<b>2,829.21</b>
<b>VI Share of (loss) of joint venture</b>		<b>(145.22)</b>	<b>(236.50)</b>
<b>VII Profit before tax ( V - VI)</b>		<b>1,678.20</b>	<b>2,592.71</b>
<b>VI Tax expenses</b>			
Current tax		230.23	368.55
Deferred tax		(125.55)	(3.87)
Adjustments of Tax Provision of Earlier Years		(181.36)	(72.83)
<b>Total Tax Expenses</b>		<b>(76.68)</b>	<b>291.85</b>
<b>VII Profit for the year</b>		<b>1,754.88</b>	<b>2,300.86</b>
<b>VIII Other comprehensive income</b>			
<b>A. (i)</b> Items that will not be reclassified to profit or loss		953.68	2,428.07
(ii) Income tax relating to items that will not be reclassified to profit or loss		(210.91)	(58.07)
<b>B. (i)</b> Items that will be reclassified to profit or loss		(404.51)	(395.07)
(ii) Income tax on items that will be reclassified to profit or loss		117.79	266.83
<b>IX Total comprehensive income for the year</b>		<b>2,210.93</b>	<b>4,542.62</b>
<b>Earnings per equity share of ₹ 5 each (Basic and Diluted)</b>	<b>35</b>	<b>11.88</b>	<b>15.58</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the financial statements</b>	<b>B (1 - 39)</b>		

As per our attached report of even date

For and on behalf of the Board of Directors

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**
**Date: 6<sup>th</sup> May 2019**
**Raghu Mody**

 Chairman  
 (DIN 00053329)

**P.K. Choudhary**

 Managing Director  
 (DIN 00535670)

**Vikram Soni**

 Company Secretary & Compliance Officer  
 Membership No. A36705

**Sunil Jindal**

Chief Financial Officer



**STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019**  
(₹ in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>A Cash flow from operating activities:</b>		
<b>Net profit before tax</b>	<b>1,678.20</b>	<b>2,592.72</b>
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation	874.70	863.52
Net gain on sale / fair valuation of investments through profit and loss	(1,874.87)	(2,490.67)
(Profit)/Loss on Sale of property, plant and equipment (net)	5.75	6.28
Remeasurements of defined benefit plans	(17.12)	52.13
Interest expenses	22.27	30.82
<b>Operating profit before working capital changes</b>	<b>688.93</b>	<b>1,054.80</b>
<b>Adjustment for</b>		
(Increase)Decrease in Trade and other receivable	(179.85)	3,869.76
(Increase)Decrease in Inventories	(121.18)	(205.49)
(Decrease)Increase in Trade and other payables	215.04	918.55
<b>Cash generated from operations</b>	<b>602.94</b>	<b>5,637.62</b>
Direct taxes paid (net)	(260.17)	(598.00)
<b>Net cash generated from operating activities</b>	<b>342.77</b>	<b>5,039.62</b>
<b>B Cash generated from investing activities</b>		
Purchase of property, plant and equipment	(1,170.60)	(712.95)
Proceeds from sale of property, plant and equipment	7.12	19.84
Purchase of investments (net)	(354.20)	(5,259.05)
Investment in Joint Venture	-	(490.00)
(Increase)/decrease in inter- corporate deposits	(1,100.00)	(1,985.00)
Income from Investment (net)	2,451.93	3,255.01
<b>Net cash flow (used in) from investing activities</b>	<b>(165.75)</b>	<b>(5,172.15)</b>
<b>C Cash generated from financing activities</b>		
Proceeds/(repayment) from long-term borrowings (net)	(98.80)	(69.81)
Proceeds/(repayment) from short-term borrowings (net)	(41.17)	96.04
Dividend paid (including corporate dividend tax)	(88.88)	(88.88)
Interest paid	(22.36)	(30.77)
<b>Cash generated from financing activities</b>	<b>(251.21)</b>	<b>(93.42)</b>
<b>D Net Increase/ Decrease in cash and cash equivalent ( A+B+C)</b>	<b>(74.19)</b>	<b>(225.95)</b>
<b>Cash and Cash equivalents</b>		
At the beginning of the year	148.79	374.74
At the end of the year	74.60	148.79
<b>Significant accounting policies</b>	<b>A</b>	
<b>See accompanying notes to the financial statements</b>	<b>B (1 - 39)</b>	

As per our attached report of even date

**For Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No. - 113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 143503

**Place: Mumbai**  
**Date: 6<sup>th</sup> May 2019**

**For and on behalf of the Board of Directors**

**Raghu Mody**  
Chairman  
(DIN 00053329)

**P.K. Choudhary**  
Managing Director  
(DIN 00535670)

**Vikram Soni**  
Company Secretary & Compliance Officer  
Membership No. A36705

**Sunil Jindal**  
Chief Financial Officer

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

(₹ in Lakhs)

Particulars	Amount
<b>(a) Equity Share Capital</b>	
<b>Balance as at 31<sup>st</sup> March, 2018</b>	738.45
Changes in share capital during the year	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>738.45</b>

**(b) Other Equity**

(₹ in Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income			Total
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Actuarial gain/ (loss)	
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>57.70</b>	<b>57,296.28</b>	<b>999.52</b>	<b>1,808.54</b>	<b>8,214.41</b>	<b>(63.85)</b>	<b>68,312.60</b>
Profit for the year	-	-	2,300.86	-	-	-	2,300.86
Other comprehensive income for the year (Net)	-	-	-	(128.25)	2,328.99	41.01	2,241.75
Amount transferred in respect of realised gain (Net)	-	-	3,477.93	-	(3,477.93)	-	-
Amount utilised towards issue of bonus shares	-	(246.15)	-	-	-	-	(246.15)
Dividend paid during the year	-	-	(73.85)	-	-	-	(73.85)
Corporate dividend tax paid	-	-	(15.03)	-	-	-	(15.03)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>57.70</b>	<b>58,550.13</b>	<b>5,189.44</b>	<b>1,680.29</b>	<b>7,065.47</b>	<b>(22.84)</b>	<b>72,520.19</b>
Profit for the year	-	-	1,754.88	-	-	-	1,754.88
Other comprehensive income for the year (Net)	-	-	-	(286.72)	756.24	(13.45)	456.05
Amount transferred in respect of realised gain (Net)	-	-	398.09	-	(398.09)	-	-
Dividend paid during the year	-	-	(73.85)	-	-	-	(73.85)
Corporate dividend tax paid	-	-	(15.03)	-	-	-	(15.03)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>57.70</b>	<b>60,050.13</b>	<b>5,753.53</b>	<b>1,393.57</b>	<b>7,423.62</b>	<b>(36.31)</b>	<b>74,642.26</b>
Significant accounting policies			A				
See accompanying notes to the financial statements			B (1 - 39)				

As per our attached report of even date

**For and on behalf of the Board of Directors**
**For Bagaria & Co. LLP**

 Chartered Accountants  
 Firm Registration No. - 113447W/W-100019

**Vinay Somani**

 Partner  
 Membership No. 143503

**Place: Mumbai**
**Date: 6<sup>th</sup> May 2019**
**Raghu Mody**  
 Chairman  
 (DIN 00053329)

**P.K. Choudhary**  
 Managing Director  
 (DIN 00535670)

**Vikram Soni**  
 Company Secretary & Compliance Officer  
 Membership No. A36705

**Sunil Jindal**  
 Chief Financial Officer

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**CORPORATE OVERVIEW:**

The consolidated financial statements comprise financial statements of Hindustan Composites Limited (the Group) is a public limited Company and its joint venture, namely Compo Advics (India) Pvt. Ltd., (collectively referred to as "the Group") for the year ended 31 March 2019. The groups share in the Joint Venture is 49%.

Hindustan Composites Limited ("the Group") is a public limited company domiciled in India and is incorporated under the provision of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India.

The registered office of the Group is located at Peninsula Business Park, A Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

The Group is engaged in the business of manufacturing and marketing of fibre based friction material, consisting of Brake Liners, Roll Lining, Brake Block, Clutch Facing, Disc Brakes Pads etc and investment of its surplus fund.

**A. SIGNIFICANT ACCOUNTING POLICIES:**

**a) Basis Of Preparation of Financial Statements:**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act') read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and amendment rules issued there after.

The consolidated financial statements of the Group are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant IndAS:

- i) Certain financial assets and liabilities are measured at Fair value (refer note no. 40 financial instruments)
- ii) Defined benefit employee plan (refer note no. 39)

All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**b) Uses of estimates and judgments:**

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets

and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Critical accounting judgements and key source of estimation uncertainty**

The Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

**(a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account its estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates. Depreciation on the fixed assets added / disposed off/ discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding.

**(b) Provisions and liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(c) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized in the financial statements.

**(d) Measurement of defined benefit obligations**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis. The assumptions used in determining the net interest cost/(income) for defined benefit plans include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

**c) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Group and its joint venture as at 31 March 2017.

**Investment in joint venture:**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

Distributions received from an associate or a joint venture reduce the carrying amount of the investment. 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 transactions provides evidence of an impairment of the assets transferred.

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 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.

**d) Property, plant and equipment and Intangible assets**

**Property, plant and equipment**

Freehold land is carried at cost. All other items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use before such date, are disclosed as capital work-in-progress.

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any, such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the balance Sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be



impaired. If any, such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the balance Sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

**Intangible assets:**

Technical Know How and Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Depreciation/ amortisation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets. Leasehold land is amortised over period of lease. Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 and management believe that useful lives of assets are same as those prescribed in Schedule II of the Companies Act, 2013.

The Group amortizes computer software with a useful life using the straight-line method over the period of 3 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**e) As a lessee**

**Operating Lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**f) Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less, including money market deposits, commercial paper and investments. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**g) Inventories:**

Inventories of Raw Materials, Work-in-Progress, Stores and spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for

defective and obsolete items, wherever necessary, based on the past experience of the Group."

**h) Financial Instruments**

**Financial assets - Initial recognition**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

**Subsequent measurement**

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both (a) the entity's business model for managing the financial assets and (b) the contractual cash flow characteristics of the financial asset.

**(i) Measured at amortised cost:**

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Measured at fair value through other comprehensive income (FVTOCI):**

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

**(iii) Measured at fair value through profit or loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments:**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

**Impairment** The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognised in Statement of Profit and Loss.

#### **De-recognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

#### **Financial Liabilities**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Derivative financial instruments:**

Derivative financial instruments such as future contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

#### **i) Fair Value Measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ✓ In the principal market for the asset or liability, or
- ✓ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ✓ **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ✓ **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ✓ **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **j) Borrowings:**

Borrowings are initially recognised at 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



the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**k) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

**l) Provisions and contingent liabilities:**

Provisions for legal claims, volume discounts and returns are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**m) Revenue recognition:**

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness. Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the

Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

**i) Variable Consideration**

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration. The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those. Revenue is recognized for each performance obligation either at a point in time or over time.

**ii) Sale of goods:**

Revenue from the sale of goods is recognised when the control of the goods passes to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items. Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue.

**iii) Rendering of services:**

Revenue from sale of services are recognized when the services are rendered.

**iv) Other Income:**

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

**n) Employee Benefits:**

The Group provides following post-employment plans:(i) Defined benefit plans such as gratuity and pension &(ii) Defined contribution plans such as Provident fund

**a) Defined-benefit plan:**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of the plan assets. The defined benefit obligations is calculated annually by actuaries using the projected unit credit method.The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and (b) Net interest expense or income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of the plan assets. This cost is included in employee benefit expenses in the consolidated statement of the profit & loss.Re-measurement comprising of actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions, the effect of asset excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

**b) Defined-contribution plan:**

Under defined contribution plans, provident fund, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Group's payments to the defined contribution plans are recognised as expenses during the period in which the

employees perform the services that the payment covers.

**c) Other employee benefit**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date based on an actuarial valuation.

**o) Foreign Currency Transaction:**

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented.At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

**p) Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in such case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised."

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

**q) Segment Reporting:**

The Group has identified its Managing Director as the Chief Operating Decision Maker. Operating segments are reported in a manner consistent with the internal reporting provided to managing director of the Group. The Managing Director evaluates the Group's performance and allocates resources as a whole.

**r) Research and Development:**

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable, the Group has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

**s) Earnings Per Share:**

Basic EPS is arrived at based on net profit or (loss) after taxation available to equity shareholders to the weighted average number of equity shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**t) Contract balances:**

**i) Trade Receivables:**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due).

**ii) Contract liabilities:**

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the company performs under the contract"

**u) New standards and interpretations not yet adopted**

**Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – "Leases". Ind As 116 will replace the existing leases standards Ind As 17 – "Leases" and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind As 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued Ind AS 116 on its financial statements.

**v) Ind AS 12 – "Income taxes" - Appendix C – Uncertainty over income tax treatments**

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind As 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued appendix C on its financial statements.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> March, 2019**
**1 Property, Plant and Equipment (₹ in Lakhs)**

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles (Refer Note iii)	Office Equipment	Total
	Freehold	Leasehold						
<b>Gross Carrying Amount :</b>								
<b>Balance as at 1<sup>st</sup> April, 2017</b>	<b>282.11</b>	<b>1.56</b>	<b>9,152.03</b>	<b>3,303.16</b>	<b>563.46</b>	<b>386.04</b>	<b>114.49</b>	<b>13,802.85</b>
Additions	-	-	20.05	600.02	27.57	74.30	23.51	745.45
Adjustments / Disposals	-	-	-	189.06	3.37	85.76	16.69	294.88
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>282.11</b>	<b>1.56</b>	<b>9,172.08</b>	<b>3,714.12</b>	<b>587.66</b>	<b>374.58</b>	<b>121.31</b>	<b>14,253.42</b>
Additions	-	-	214.06	903.87	19.68	12.69	31.81	1,182.11
Adjustments / Disposals	-	-	-	58.87	-	9.56	2.87	71.30
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>282.11</b>	<b>1.56</b>	<b>9,386.14</b>	<b>4,559.12</b>	<b>607.34</b>	<b>377.71</b>	<b>150.25</b>	<b>15,364.23</b>
<b>Accumulated Depreciation :</b>								
<b>Balance as at 1<sup>st</sup> April, 2017</b>	-	<b>0.04</b>	<b>333.52</b>	<b>788.64</b>	<b>123.38</b>	<b>112.04</b>	<b>62.79</b>	<b>1,420.41</b>
Depreciation charge for the year	-	0.02	169.67	538.31	68.83	59.38	26.05	862.26
Adjustments / Disposals	-	-	-	186.80	3.37	59.63	16.69	266.49
<b>Balance as at 31<sup>st</sup> March, 2018</b>	-	<b>0.06</b>	<b>503.19</b>	<b>1,140.15</b>	<b>188.84</b>	<b>111.79</b>	<b>72.15</b>	<b>2,016.18</b>
Depreciation charge for the year	-	0.02	171.82	557.10	68.54	56.92	19.31	873.71
Adjustments / Disposals	-	-	-	47.33	-	8.82	2.28	58.43
<b>Balance as at 31<sup>st</sup> March, 2019</b>	-	<b>0.08</b>	<b>675.01</b>	<b>1,649.92</b>	<b>257.38</b>	<b>159.89</b>	<b>89.18</b>	<b>2,831.46</b>
<b>Net Carrying Amount :</b>								
<b>As at 31<sup>st</sup> March, 2018</b>	<b>282.11</b>	<b>1.50</b>	<b>8,668.89</b>	<b>2,573.97</b>	<b>398.82</b>	<b>262.79</b>	<b>49.16</b>	<b>12,237.24</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>282.11</b>	<b>1.48</b>	<b>8,711.13</b>	<b>2,909.20</b>	<b>349.96</b>	<b>217.82</b>	<b>61.07</b>	<b>12,532.77</b>

**Notes:**

- Leasehold Land for the cost of ₹ 0.80 lakhs is valid till 31/01/2079 and for ₹ 0.76 lakhs is valid till 30/04/2081.
- Buildings include eight flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.
- Include certain vehicles for ₹ 49.81 lakhs (previous year ₹ 72.22 lakhs) acquired on hire purchase basis.
- Refer Note No. 34(a) for Capital Commitment.

**1.1 Capital work-in-progress**

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Plant & Equipment under installation	-	11.50

(₹ in Lakhs)

Particulars	Technical Know-How	Computer Software	Total
<b>2 Other Intangible assets</b>			
<b>Gross Carrying Amount :</b>			
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>0.32</b>	<b>9.28</b>	<b>9.60</b>
Additions	-	-	-
Adjustments / Disposals	0.32	-	0.32
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>9.28</b>	<b>9.28</b>
Additions	-	-	-
Adjustments / Disposals	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>9.28</b>	<b>9.28</b>
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>0.32</b>	<b>3.63</b>	<b>3.95</b>
Depreciation charge for the year	-	1.26	1.26
Adjustments / Disposals	0.32	-	0.32
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>4.89</b>	<b>4.89</b>
Depreciation charge for the year	-	0.99	0.99
Adjustments / Disposals	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>5.88</b>	<b>5.88</b>
<b>Net Carrying Amount :</b>			
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>4.39</b>	<b>4.39</b>
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>3.40</b>	<b>3.40</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

B. NOTES ON ACCOUNTS

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>3 Non Current Investments (Refer Notes No.40)</b>		
<b>Equities</b>		
Equity instruments		
Investment in Joint venture	980.00	980.00
Less: Share of accumulated loss	(904.74)	(759.52)
Interest in Joint venture	75.26	220.48
Other Equity instruments	25,010.73	23,873.57
Debt		
Preference shares	4,513.81	5,013.81
Real Estate and debt funds	5,806.47	4,862.82
Government securities	3,384.75	4,424.90
Debentures and bonds	18,246.31	20,018.56
<b>Total</b>	<b>57,037.33</b>	<b>58,414.14</b>
<b>4 Non Current Loans</b>		
Secured, considered good		
Inter corporate deposits to related party		
Pallawi Resources Limited *	1,750.00	-
<b>Total</b>	<b>1,750.00</b>	<b>-</b>

\* Secured against mortgage of a property valued of ₹ 35.52 crore valued by an International Property Consultant

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>5 Non current other financial assets</b>		
Electricity deposits	19.37	19.37
Rent deposits	7.18	7.18
Other deposits	30.95	38.89
Margin money deposits with bank	3.07	10.00
<b>Total</b>	<b>60.57</b>	<b>75.44</b>
<b>6 Other Non Current Assets</b>		
Capital advance	4.67	67.73
<b>Total</b>	<b>4.67</b>	<b>67.73</b>
<b>7 Inventories * (Refer Note No. A (g) for accounting policy on inventory)</b> (As taken, valued and certified by the management)		
Raw materials	669.97	652.22
Work-in-progress	283.95	286.86
Finished goods	182.56	71.18
Stores and spares	93.29	98.33
<b>Total</b>	<b>1,229.77</b>	<b>1,108.59</b>
<b>8 Current Investments</b>		
Debentures and bonds	1,668.87	1,638.45
Mutual funds	2,104.20	461.97
<b>Total</b>	<b>3,773.07</b>	<b>2,100.42</b>
<b>9 Trade Receivables*</b>		
<b>Unsecured, considered good</b>		
<b>Joint venture</b>	26.84	38.67
Others	3,386.61	3,413.36
<b>Total</b>	<b>3,413.45</b>	<b>3,452.03</b>
<b>10 Cash and cash equivalents</b>		
Balances with Banks	66.99	137.81
Cheques on hand	5.05	7.30
Cash on hand	2.56	3.66
<b>Total</b>	<b>74.60</b>	<b>148.77</b>
<b>11 Other bank balances</b>		
Other Balances		
In Dividend Accounts	18.53	19.57
In Margin money	29.39	20.11
<b>Total</b>	<b>47.92</b>	<b>39.68</b>
<b>12 Current Loans</b>		
Secured, considered good		
Inter corporate deposits	150.00	650.00
Unsecured, considered good		
Inter corporate deposits	3,150.00	3,300.00
Loans and advances to employees	5.82	12.55
<b>Total</b>	<b>3,305.82</b>	<b>3,962.55</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>13 Other Current Financial Assets</b>		
Interest accrued on investments	627.86	696.25
Interest accrued on inter corporate / other deposits	133.49	34.60
Receivable on sale of current investments	90.94	43.13
Earnest Money Deposits	49.29	-
Other receivables	17.80	20.8
<b>Total</b>	<b>919.38</b>	<b>794.82</b>
<b>14 Other Current Assets</b>		
Receivable from Government authorities	389.93	-
Advance to suppliers	94.67	96.70
Prepaid expenses	39.23	27.88
<b>Total</b>	<b>523.83</b>	<b>124.58</b>
<b>15 Equity Share Capital</b>		
<b>AUTHORISED</b>		
16,000,000 Equity Shares of ₹ 5 each	800.00	800.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
14,769,000 Equity Shares of ₹ 5 each, fully paid-up	738.45	738.45
<b>Total</b>	<b>738.45</b>	<b>738.45</b>

(i) Details of Shareholding more than 5%

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	%	No. of Shares	%
Rasoi Ltd.	61,51,722	41.65%	61,51,722	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	24,75,582	16.76%
J L Morison India Ltd.	11,07,702	7.50%	11,07,702	7.50%

(ii) Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 5 each (Previous Year ₹ 5 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

(iii) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balance at the beginning of the year	1,47,69,000	49,23,000
Increase on account of share split	-	49,23,000
Bonus shares issued during the year	-	49,23,000
Balance at the end of the year	1,47,69,000	1,47,69,000

(iv) For a period of 5 years immediately preceding the balance sheet date, the company has:

Particulars	As at 31 <sup>st</sup> March				
	2019	2018	2017	2016	2015
Allotted shares on account of split in face value from ₹10 per share to ₹ 5 per share.	-	49,23,000	-	-	-
Bonus shares issued during the year	-	49,23,000	-	-	-
Bought back any shares issued	-	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**16 Other Equity**

Refer Statement of Changes in Equity for detailed movement in Equity balance.

**A. Summary of Other Equity balance**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Redemption Reserve	57.70	57.70
General Reserve	60,050.13	58,550.13
Retained Earnings	5,753.53	5,189.44
Items of Other Comprehensive Income		
- Fair value of Debt instruments through OCI	1,393.57	1,680.29
- Fair value of Equity instruments through OCI	7,423.63	7,065.47
- Remeasurements of defined benefit plans	(36.30)	(22.84)
<b>Total</b>	<b>74,642.26</b>	<b>72,520.19</b>

**B. Nature and purpose of reserves**

- (a) **Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of equity shares from its General Reserve. The Capital Redemption Reserve can be utilised for issue of bonus shares
- (b) **General Reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve.
- (c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (d) **Debt Instruments through Other Comprehensive Income:** The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.
- (e) **Equity instruments through other comprehensive income:** This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income and subsequently not reclassified to the Statement of Profit and Loss.
- (f) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>17 Non Current Borrowings</b>		
<b>Term Loans</b>		
Secured		
From Banks - Vehicle Loan	26.09	49.81
Unsecured		
From SICOM Ltd. by way of deferral of sales tax liability	82.49	144.45
<b>Total</b>	<b>108.58</b>	<b>194.26</b>
<b>18 Non Current Provisions</b>		
Provision for compensated absences	91.80	78.73
Provision for Gratuity	41.79	36.42
<b>Total</b>	<b>133.59</b>	<b>115.15</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>19 Other Non Current Liabilities</b>		
Security Deposits	70.08	71.66
<b>Total</b>	<b>70.08</b>	<b>71.66</b>
<b>20 Current Borrowings</b>		
<b>Secured</b>		
From Bank		
Working Capital Loan	159.46	200.62
<b>Total</b>	<b>159.46</b>	<b>200.62</b>
<b>21 Trade Payables*</b>		
Total Outstanding Dues of Micro and small enterprises	76.41	93.68
Total Outstanding Dues of Creditors other than Micro and small enterprises	3,427.11	3,337.50
<b>Total</b>	<b>3,503.52</b>	<b>3,431.18</b>
<b>Dues to Micro, Small and Medium Enterprise</b>		
The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:		
Principal Amount due to suppliers under MSMED Act, 2006, Beyond appointed Day	10.58	12.08
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.19	0.27
Payment made to suppliers ( other than interest ) beyond the appointed day, during the year	-	Nil
Interest paid to suppliers under MSMED Act ( Other than section 16 )	-	Nil
Interest paid to suppliers under MSMED Act ( Section 16 )	0.27	0.21
Interest due and payable to suppliers under MSMED Act, for the payment already made	-	Nil
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	Nil
<b>Note :</b> The information has been given in respect of such vendors to the extent they could be identified as " Micro and Small enterprises" on the basis of information available with Company."		
<b>22 Other Financial Liabilities</b>		
Current maturities of long-term debt	85.68	98.80
Interest accrued but not due on borrowings	0.10	0.19
Unpaid dividends	18.53	19.57
Capital Creditors	181.46	23.94
<b>Total</b>	<b>285.77</b>	<b>142.50</b>
<b>23 Other Current Liabilities</b>		
Statutory Dues	102.93	146.59
<b>Total</b>	<b>102.93</b>	<b>146.59</b>
<b>24 Current Provisions</b>		
Provision for compensated absences	38.94	37.45
Provision for gratuity	11.55	-
<b>Total</b>	<b>50.49</b>	<b>37.45</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>25 Current tax liabilities (Net)</b>		
Provision for income Tax (Net)	15.20	73.38
<b>Total</b>	<b>15.20</b>	<b>73.38</b>

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>26 Revenue From Operations</b>		
<b>Sale of Products</b>		
Manufactured goods	15,759.05	15,942.90
<b>Investment Income</b>		
Dividend	390.06	363.46
Interest	3,240.98	3,328.24
Investment Advisory services	-	170.00
Net gain on sale / Fair valuation of investments through profit and loss *	188.22	460.68
	3,819.26	4,322.38
<b>Other Operating Income</b>		
Export Incentives	28.15	34.15
Marketing Fees & Royalty Income	5.66	10.27
Insurance Claim	28.63	7.46
Scrap Sale	16.54	13.44
Others	4.02	5.3
	83.00	70.67
<b>Total</b>	<b>19,661.31</b>	<b>20,335.95</b>

\* Includes fair value gain / (loss) as at 31<sup>st</sup> March, 2019 amounting to ₹ (159.17 lakhs), (Previous Year ₹ 487.00 lakhs)

<b>27 Other Income</b>		
Foreign Exchange Gain (Net)	43.40	19.24
Rent	12.91	25.53
Interest on Income Tax Refunds	114.67	-
Excise /VAT Refunds	46.23	-
<b>Total</b>	<b>217.21</b>	<b>44.77</b>

<b>28 Cost Of Materials Consumed</b>		
<b>Raw materials and Components</b>		
Opening Stock	652.22	502.59
Purchases	8,455.14	7,845.55
Less: Closing Stock	669.97	652.22
	8,437.39	7,695.92
<b>Stores and Spare parts consumed</b>		
Opening Stock	98.33	80.99
Purchases	241.03	255.39
Less: Closing Stock	93.29	98.34
	246.07	238.04
<b>Total</b>	<b>8,683.46</b>	<b>7,933.96</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>29 Changes in inventories of finished goods and work-in-progress</b>		
<b>Opening Stock :-</b>		
Work-in-progress	286.86	270.00
Finished goods	71.18	44.44
<b>Total</b>	<b>358.04</b>	<b>314.44</b>
<b>Closing Stock :-</b>		
Work-in-progress	283.95	286.86
Finished goods	182.56	71.18
<b>Total</b>	<b>466.51</b>	<b>358.04</b>
<b>Increase / (Decrease) in Excise Duty on Finished Goods</b>	<b>-</b>	<b>(7.95)</b>
<b>Changes in inventories</b>	<b>(108.47)</b>	<b>(51.55)</b>
<b>30 Employee Benefits Expense</b>		
Salaries, wages and incentives	2,910.09	2,550.12
Contributions to provident and other fund	137.31	121.35
Contributions to gratuity fund	28.69	56.07
Staff welfare expenses	116.28	95.32
<b>Total</b>	<b>3,192.37</b>	<b>2,822.86</b>
<b>31 Finance Cost</b>		
Interest expense	17.43	23.81
Other borrowing costs	4.84	7.01
<b>Total</b>	<b>22.27</b>	<b>30.82</b>
<b>32 Other Expenses</b>		
Packing materials consumed	350.48	350.26
Power and Fuel	989.64	853.94
Rent	38.52	38.19
Rates and taxes	32.82	89.87
Insurance (including transit insurance)	50.56	40.41
Freight and Forwarding	633.74	625.94
Repairs & Maintenance:		
Plant & Machinery	156.14	118.19
Buildings	115.87	66.74
Others	25.90	28.66
Job charges	1,082.16	1,120.92
Travelling & Conveyance	587.62	556.26
Sales Promotion Expenses	91.52	216.17
Postage, Printing & Stationery	50.52	60.16
Communication Expenses	29.47	36.52
Loss on sale/discarding of property, plant and equipment	5.75	6.28
Investment management and other expenses	259.82	302.14
Legal & Professional Expenses	332.42	412.02
Remuneration to Auditors:		
Audit fees (including limited review fees)	7.50	7.00
Reimbursement of out of pocket expenses	1.02	1.02
Contribution towards Corporate Social Responsibility (CSR)	84.00	100.00
Charity and donations	324.43	308.69
Miscellaneous Expenses	140.87	194.32
<b>Total</b>	<b>5,390.77</b>	<b>5,533.70</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**33 (a) Contingent Liabilities not provided for in respect of :**

- Disputed Sales Tax matters as at 31<sup>st</sup> March 2019 for ₹ 9.36 lakhs (net of provisions of ₹ 0.18 lakhs); Previous Year (₹. 9.36 lakhs (net of provisions of ₹ 10.75 lakhs)).
- Disputed labour matter related to ex-workmen - amount unascertainable.

(b) The Company's litigations comprises of claims related to property disputes and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required. The Company has also disclosed the pending matters under contingent liability wherever the amount of liability is not adequately measurable. However, the Company does not reasonably expect the outcome of these proceedings will have a material impact on its financial statements. (Also Refer Note 33(a)).

**34 Commitments:**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31<sup>st</sup> March 2019 for ₹15.87 lakhs (net of advance of ₹ 4.67 lakhs); Previous Year (₹ 228.82 lakhs (net of advance of ₹ 67.73 lakhs)).

(b) In respect of investments made with private equity funds / debt funds, the Company is further committed to invest as at 31<sup>st</sup> March 2019 for ₹ 6,783.80 lakhs; Previous Year (₹ 6,270.10 lakhs).

(₹ in Lakhs except EPS)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>35 Earnings Per Share</b>		
Net Profit as per Profit & Loss Account	1,754.88	2,300.86
Weighted average number of equity shares outstanding	1,47,69,000	1,47,69,000
Basic and Diluted EPS (Face value of ₹ 5 each)	11.88	15.58
<b>36 Segment Reporting:</b>		
Segment Revenue		
Composite Products	15,842.05	16,013.58
Investment	3,819.26	4,322.37
<b>Total</b>	<b>19,661.31</b>	<b>20,335.95</b>
Segment Expenses		
Composite Products	15,516.20	15,200.55
Investment	994.06	938.89
<b>Total</b>	<b>16,510.26</b>	<b>16,139.44</b>
<b>Segment Results</b>		
Profit/(Loss) before Interest, Tax and Exceptional Items from each segment		
Composite Products	324.85	813.03
Investment	2,826.20	3,383.49
<b>Total</b>	<b>3,151.05</b>	<b>4,196.52</b>
Unallocated Expenses	1,522.56	1,381.26
Share of (loss) of joint venture	(145.22)	(236.50)
Interest Expenses	22.27	30.82
Other Income	(217.20)	(44.77)
Tax Expenses	(76.68)	291.85
Profit after taxation	1,754.88	2,300.86
Segment Assets		
Composite Products	10,265.79	9,404.48
Investment	71,329.28	69,967.35
Unallocated Assets	3,081.47	3,170.05
<b>Total</b>	<b>84,676.54</b>	<b>82,541.88</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in Lakhs except EPS)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>36 Segment Reporting: (Contd)</b>		
Segment Liabilities		
Composite Products	4,277.76	4,494.09
Investment	3,818.85	3,517.05
Unallocated Liabilities	1,090.64	1,077.84
<b>Total</b>	<b>9,187.25</b>	<b>9,088.98</b>
Other Information:		
Capital Expenditure	1,192.03	745.45
Depreciation & Amortisation	874.70	863.52

**Operating Segments:** - The chief operational decision maker (CODM) has identified 2 operating segments viz., Composite products and Investments.

**Identification of Segments:**

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

**Segment revenue and results**

The expenses and incomes which are not directly attributable to any business segment are shown as un-allocable expenditure (net of unallocated income).

**Segment assets and liabilities**

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents, Investments and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of un-allocable assets / liabilities.

**37 Investment in other entities:**

**Details and financial information of material joint venture**

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group	
			As at 31/03/19	As at 31/03/18
Compo Advics (India) Pvt. Ltd.	Manufacturing of Disc Brake Pads	Place of incorporation - Mumbai, Principal place of business - Bhalgaon Dist. Aurangabad	49.00%	49.00%

The above joint venture is accounted for using the equity method in these consolidated financial statements.

**Summarised financial information of material joint ventures**

Summarised financial information in respect of each of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

Particulars	As at 31/03/19	As at 31/03/18
<b>Non-current assets</b>	<b>636.09</b>	<b>687.18</b>
<b>Current assets</b>	<b>135.34</b>	<b>138.21</b>
Cash & Cash equivalents	0.40	1.88
Others	134.94	136.33
<b>Total Assets [A]</b>	<b>771.43</b>	<b>825.39</b>
<b>Non-current liabilities</b>		
Current liabilities	658.54	567.28
Current financial liabilities	643.79	556.99
Others	14.75	10.29
<b>Total Liabilities [B]</b>	<b>658.54</b>	<b>567.28</b>
<b>Net Assets [A-B]</b>	<b>112.89</b>	<b>258.11</b>

(₹ in Lakhs)

Particulars	Year Ended 31/03/19	Year Ended 31/03/18
Revenue	309.55	154.38
(Loss) for the year	(144.89)	(234.52)
Other comprehensive income for the year	(0.33)	(1.98)
Total comprehensive income for the year	(145.22)	(236.50)
Dividends received from the other related parties during the year	-	-

**The above profit/(loss) for the year include the followings:**

Depreciation and amortisation	53.81	41.77
Interest income	-	-
Interest expenses	37.61	73.78
Income tax expenses	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in recognised in the consolidated financial statements:

(₹ in Lakhs)

	As at 31/03/19	As at 31/03/18
Net assets of the joint venture	112.89	258.11
Add/(Less) Consolidation Adjustments/Impact of gain on downstream transactions	37.63	37.63
Proportion of the Group's ownership interest in	49.00%	49.00%
Carrying amount of the Group's interest in Joint venture	75.25	220.48
Obligation towards Joint venture	-	-

**38** The group have one Joint venture with no significant material transactions. Notes to accounts as required in accordance Schedule III and Companies (Indian accounting standard) Rules 2015 being similar to that disclosed holding company in their standalone financial statements, are not been appended hereto.

**39** Previous years' figures have been regrouped/reclassified whenever necessary to conform to current years' classification.

Signatures to Notes 1 to 39 which form an integral part of the financial statements.

**For and on behalf of the Board of Directors**
**Raghu Mody**  
 Chairman  
 (DIN 00053329)

**P.K. Choudhary**  
 Managing Director  
 (DIN 00535670)

**Vikram Soni**  
 Company Secretary & Compliance Officer  
 Membership No. A36705

**Sunil Jindal**  
 Chief Financial Officer

 Place: Mumbai  
 Date: 6<sup>th</sup> May 2019

### Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

Not Applicable as the Company does not have any subsidiaries

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

		(₹ in Lakhs)
Sr. No.	Name of Joint Ventures	Compo Advics (India) Private Limited
1	Latest audited Balance Sheet Date	31-03-19
2	Shares of Associate/Joint Ventures held by the company on the year end	
	i) No. of shares held as on 31 <sup>st</sup> March, 2018	49,00,000
	ii) No. of compulsory convertible preference shares held as on 31 <sup>st</sup> March 2019	49,00,000
	iii) Amount of Investment in Joint Venture	980
	iv) Extend of Holding %	49%
3	Description of how there is significant influence Holding 49% voting powers and as per Joint Venture Agreement	
4	Reason why the joint venture is not consolidated	
	N.A.	
5	Net Worth attributable to Shareholding as per latest audited Balance Sheet	112.89
6	Profit / Loss for the year	
	i) Considered in Consolidation	(145.22)
	ii) Not Considered in Consolidation (Unaudited)	Nil

1. Names of associates or joint ventures which are yet to commence operations: **None**

2. Names of associates or joint ventures which have been liquidated or sold during the year: **None**

**For and on behalf of the Board of Directors**

**Raghu Mody**  
Chairman  
(DIN 00053329)

**P.K. Choudhary**  
Managing Director  
(DIN 00535670)

**Vikram Soni**  
Company Secretary & Compliance Officer  
Membership No. A36705

**Sunil Jindal**  
Chief Financial Officer

Place: Mumbai  
Date: 6<sup>th</sup> May 2019



**Hindustan Composites Limited**

CIN: L29120MH1964PLC012955

Peninsula Business Park, "A" Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

Tel.: 022 6688 0100, Fax: 022 6688 0105, E-mail: [hcl@hindcompo.com](mailto:hcl@hindcompo.com), Website: [www.hindcompo.com](http://www.hindcompo.com)

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**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]

**55<sup>th</sup> Annual General Meeting – 29<sup>th</sup> August, 2019**

Name of the Member (s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_  
\_\_\_\_\_

Email Id : \_\_\_\_\_

Folio No/Client Id : \_\_\_\_\_

DP ID : \_\_\_\_\_

\*Applicable to shareholders holding shares in electronic form.

I/We, being a Member (s) of \_\_\_\_\_ 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 poll) for me/us and on my /our behalf at the 55<sup>th</sup> Annual General Meeting of the Company, to be held on 29<sup>th</sup> day of August, 2019 at 11.30 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolutions	Vote (Optional see note 3) Please mention no. of Shares	
		For	Against
<b>Ordinary Business:</b>			
1	Ordinary Resolutions for adoption of: (a) The Standalone Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019 together with the reports of the Directors' and Auditors' thereon; and (b) The Consolidated Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019 together with the reports of Auditors' thereon.		
2	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended 31 <sup>st</sup> March, 2019.		
3	Ordinary Resolution for appointment of a director in place of Mr. Raghu Mody (DIN: 00053329), who retires by rotation and being eligible, offers himself for re-appointment.		
<b>Special Business:</b>			
4	Special Resolution for re-appointment of Mr. Deepak Sethi (DIN: 07165462) as an Independent Non –Executive Director of the Company, for a second term of five consecutive years w.e.f. 23 <sup>rd</sup> April, 2020 to 22 <sup>nd</sup> April, 2025.		
5	Ordinary Resolution for revision in remuneration payable to Mr. Raghu Mody, (DIN: 00053329), Executive Chairman and Whole Time Director of the Company, w.e.f. 1 <sup>st</sup> April, 2019 for the remaining period of his tenure.		
6	Ordinary Resolution for revision in remuneration payable to Mr. P. K. Choudhary (DIN: 00535670), Managing Director of the Company, w.e.f. 1 <sup>st</sup> April, 2019 for the remaining period of his tenure.		
7	Ordinary Resolution for re-appointment of Mr. P. K. Choudhary (DIN: 00535670), as Managing Director of the Company for a further period of 5 years w.e.f. 1 <sup>st</sup> July 2019 till 30 <sup>th</sup> June 2024		
8	Ordinary Resolution for revision in remuneration payable to Mr. Varunn Mody, President – Treasury and Strategy of the Company, w.e.f. 1 <sup>st</sup> July, 2019.		
9	Ordinary Resolution for payment of commission to all Independent Directors of the Company for the financial year ended 31 <sup>st</sup> March, 2019.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Member: \_\_\_\_\_

Affixe Revenue Stamp of Re.1
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**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.**
- A Proxy need not be a member of the Company.**
- It is optional to indicate your preference. If you leave the 'FOR' or 'AGAINST' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deemed appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



CIN: L29120MH1964PLC012955

Peninsula Business Park, "A" Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.  
Tel.: 022 6688 0100, Fax: 022 6688 0105, E-mail: [hcl@hindcompo.com](mailto:hcl@hindcompo.com), Website: [www.hindcompo.com](http://www.hindcompo.com)

### ATTENDANCE SLIP

#### 55<sup>TH</sup> ANNUAL GENERAL MEETING ON 29<sup>TH</sup> AUGUST, 2019

(To be completed and presented at the Entrance of the Meeting Hall)

<b>Registered Folio/ DP ID &amp; Client ID</b>	
<b>Name and address of the shareholder(s)</b>  <b>Joint Holder 1</b> <b>Joint Holder 2</b>	
<b>No. of Share(s) held</b>	

I/We hereby record my/our presence at the 55<sup>th</sup> **ANNUAL GENERAL MEETING** of the Company, to be held on Thursday, 29<sup>th</sup> August, 2019 at 11.30 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

\_\_\_\_\_  
**Member's / Proxy's  
Authorised Representative's Name**

(in Block Letters)

\_\_\_\_\_  
**Member's / Proxy's  
Authorised Representative's Signature**

**Note:**

- PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL.
- Please fill in the Folio/ DP ID Client ID No., name and sign the attendance slip and hand it over at the attendance verification counter at the **ENTRANCE OF THE MEETING HALL**.

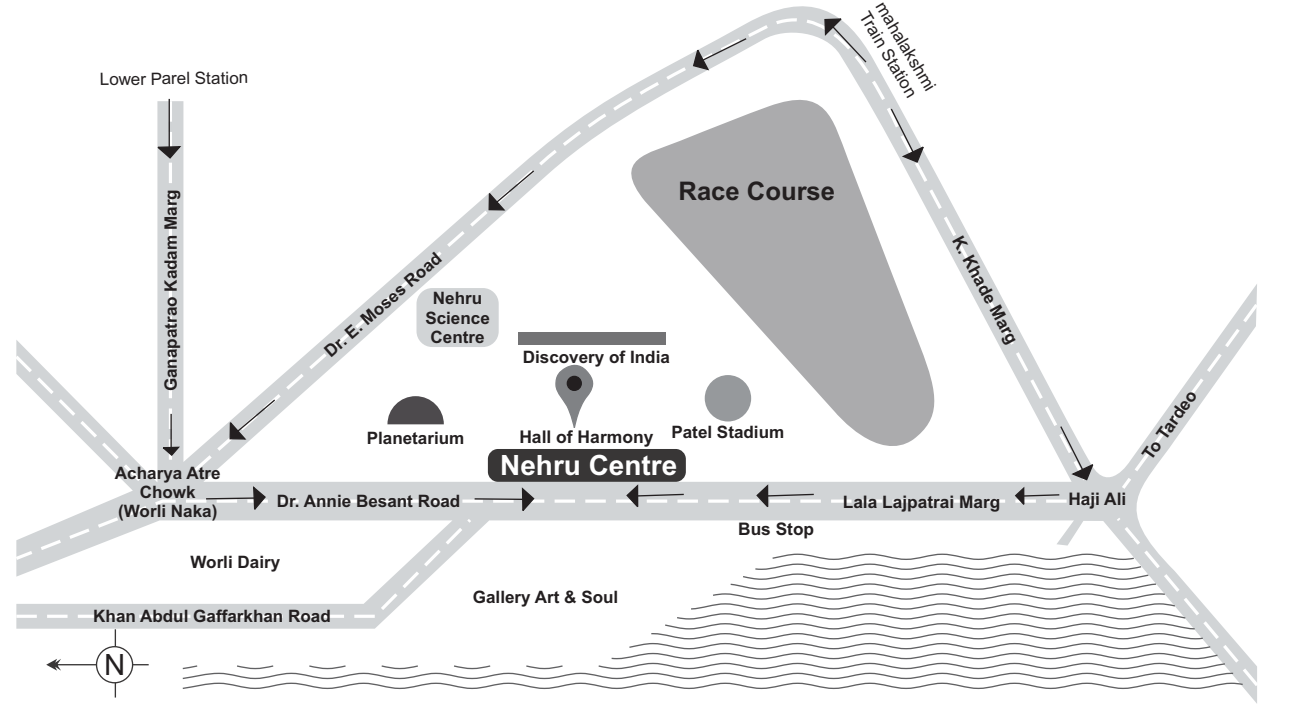
#### ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number (EVEN)	User ID	Password

Note: Please read the instructions for e-voting given along with Annual Report. The remote e-voting period starts from Monday, 26<sup>th</sup> August, 2019 (9:00 am) and ends on Wednesday, 28<sup>th</sup> August, 2019 (5:00 pm). The voting module shall be disabled by CDSL for voting thereafter.



**Route Map of the Venue of 55<sup>th</sup> Annual General Meeting of Hindustan Composites Limited**



**Venue :** Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018



## Hindustan Composites Limited

CIN: L29120MH1964PLC012955

Peninsula Business Park, "A" Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

Tel.: 022 6688 0100, Fax: 022 6688 0105, E-mail: [hcl@hindcompo.com](mailto:hcl@hindcompo.com), Website: [www.hindcompo.com](http://www.hindcompo.com)

### FOR KIND ATTENTION OF SHAREHOLDERS

#### Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

Folio No.	
Name of the Member	
Name of Joint holders, if any	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail Id	
PAN	
CIN/Registration No.	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor,	
(i) Name of Guardian	
(ii) Date of birth of minor	

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature of the Member**

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz. "**LINK INTIME INDIA PRIVATE LIMITED, C-101, 247 PARK, LBS MARG, VIKHROLI (WEST), MUMBAI - 400083.**" Member(s) are requested to submit photocopy of PAN card and Aadhar Card duly self-attested along with this form.

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

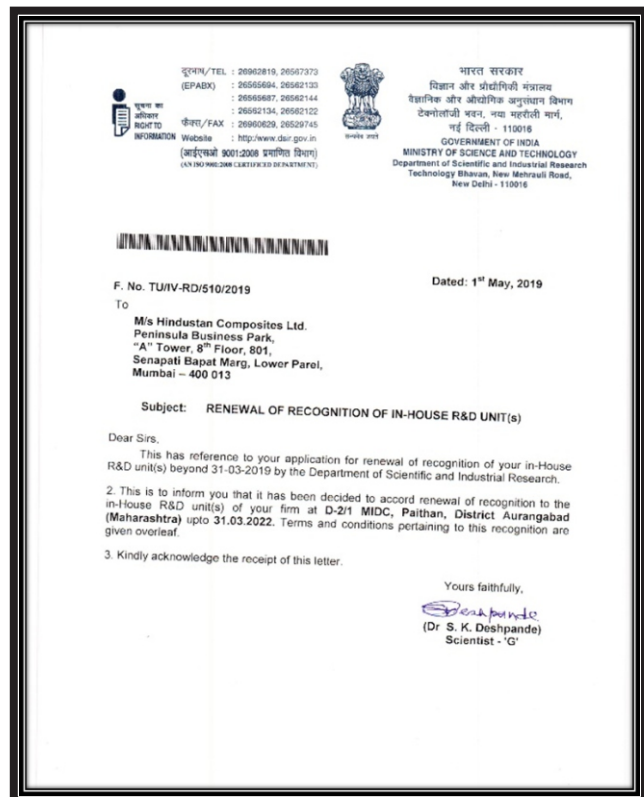
Thanking you,

**For Hindustan Composites Limited**

**Vikram Soni**

Company Secretary & Compliance Officer

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If undelivered, please return to:



Peninsula Business Park, 'A' Tower,  
8th Floor, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400013.