

# Annual Report 2020-21



**Hindusthan Engineering & Industries Limited**

(An enterprise of THE HINDUSTHAN GROUP)



## **Hindusthan Engineering & Industries Limited**

### **DIRECTORS**

Shri V A Mody, Chairman  
Shri Satish Kapur  
Dr. Ranjan Ghosh  
Smt. Archana Agarwal  
Shri A K D Singh, Executive Director (Technical)

### **CHIEF FINANCIAL OFFICER**

Shri P K Himatsingka

### **COMPANY SECRETARY**

Shri R K Agarwal

### **AUDITORS**

M/s. S Rastogi & Associates, Chartered Accountants

### **BANKERS**

Punjab National Bank  
Axis Bank Limited  
ICICI Bank

### **REGISTERED OFFICE**

"Mody Building"  
27, Sir R N Mukherjee Road  
Kolkata 700001  
Phone: (033) 2248 0166 / 2248 0167  
Fax: (033) 2248 1922  
Email: ho@heilindia.com

Website: [www.heilindia.com](http://www.heilindia.com)

CIN: U93000WB1998PLC086303

### **WORKS**

Bamunari (West Bengal)  
Bharatpur (Rajasthan)  
Champdany (West Bengal)  
Faridabad (Haryana)  
Kolkata (West Bengal)  
Malanpur (Madhya Pradesh)  
Olpad (Gujarat)  
Santragachi (West Bengal)

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**Directors' Report**

To,

The Members,

The Directors are pleased to present the Twenty Fourth Annual Report and Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2021.

**The Operating Results (Standalone) of the Company for the year are as follows:**

	(Rs '000)	
	<u>2020-2021</u>	<u>2019-2020</u>
The profit for the year after meeting all expenses but before providing for depreciation and taxation	89 63 98	51 60 93
From which have to be deducted: Depreciation for the current year	<u>33 21 23</u>	<u>32 57 53</u>
Profit Before Tax	56 42 75	19 03 40
Provision for Income Tax - Current Tax	17 92 11	8 28 80
- Tax Related to earlier Year	13 92	(17 41)
- Deferred Tax	<u>(1 78 60)</u>	<u>(11 63 59)</u>
Net Profit after Tax	40 15 32	22 55 60
Other Comprehensive Income (Net of Tax)	<u>(5 71 20)</u>	<u>1 75 99</u>
Total Comprehensive Income	<u>34 44 12</u>	<u>24 31 59</u>

**Dividend:**

The Board, in order to conserve the resources of the Company, do not recommend any dividend for the year ended 31<sup>st</sup> March, 2021.

**Reserves:**

During the year under review no amount of profit has been transferred to any reserve.

**Operational Performance:**

The Company has adopted Indian Accounting Standards (IND AS) with effect from 1<sup>st</sup> April, 2016, pursuant to the notification of the Companies (Indian Accounting Standard) Rules, 2015 issued by the Ministry of Corporate Affairs.

The Engineering Division of the Company has achieved lower sales & lower profit as compared to last year.

Hindusthan Chemicals Company, the company's chemical division at Olpad, Dist. Surat (Gujarat) has achieved higher sales and higher profit as compared to last year.

Dalhousie Jute Company, the company's jute division at Champdany, West Bengal has achieved higher sales and lower profit as compared to last year.

**GLOBAL PANDEMIC – COVID-19**

With the Covid-19 pandemic impacting people across the globe, socially and economically, the Company also witnessed severe disruption in its operations, which impacted the annual performance of the Company. The financial year under review began amidst nation-wide lockdowns imposed by the Central Government to contain the spread of Covid-19 and the lockdowns were followed by systematic/gradual removal of restrictions on the free movement of people by the Central and/or the State movements. The Country also witnessed a second wave of the pandemic beginning in the last quarter of the financial year under review. While the novel Corona virus has had a terrible humanitarian impact, it is also taking a heavy toll of economies across the world.

**Directors' Report (Contd.)****Share Capital**

The paid-up equity share capital as on 31<sup>st</sup> March, 2021 was Rs.15,00,07,820. There has been no change in the equity share capital of the Company during the year.

**Subsidiary & Associate Companies:**

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014 the Board's Report has been prepared on a Standalone basis. The Company has one Subsidiary Company.

Hindusthan Vidyut Corporation Limited (HVCL) is a wholly owned Subsidiary of the Company. The Company was formed for setting up a power plant. The HVCL has not yet commenced any business activities.

**Consolidated Financial Statement:**

In accordance with Section 129 (3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and its Subsidiary which forms part of the Annual Report. A statement containing the salient features of the financial statement of the Subsidiary in Form AOC-1 is given in notes to the Consolidated Results of the Company.

As per Section 136 of the Companies Act, 2013, the Audited Financial Statements of the Subsidiary Company is available at the Company's website ([www.heilindia.com](http://www.heilindia.com)).

**Deposits:**

During the year under review, the Company has not accepted any deposit from the public within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

**Directors' Responsibility Statement:**

As required under Section 134 of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they 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 as at 31<sup>st</sup> March, 2021 and of the profit and loss of the Company for the year ended 31<sup>st</sup> March, 2021;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Annual Return:**

The Annual Return as required under Section 92(3) of the Companies Act, 2013 is placed on the Company's website at [www.heilindia.com](http://www.heilindia.com) under Investors Section and the weblink is [www.heilindia.com/pdf/HEIL\\_Annual\\_Return\\_2021.pdf](http://www.heilindia.com/pdf/HEIL_Annual_Return_2021.pdf).

**Directors:****a) Changes in Directors and Key Managerial Personnel:**

Shri R P Mody, Chairman of the Company retired with effect from 1<sup>st</sup> July 2020. Your Directors put on record their deep appreciation for the valuable services rendered by Shri R P Mody during his tenure.

Pursuant to the provision of Section 152 (6) of the Companies Act, 2013 Shri Vikram Aditya Mody retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

In the 23<sup>rd</sup> Annual General Meeting held on 31.12.2020, the shareholders approved the re-appointment of Shri Anil Kumar Damari Singh [Executive Director (Technical)] for a further period of 3 (Three) Years w.e.f 16<sup>th</sup> April, 2021.

Shri Biswajit Choudhuri, Independent Director of the company passed away on 22<sup>nd</sup> October, 2021. Your directors express their sincere condolences on the demise of Shri Biswajit Choudhuri and place on record their deep appreciation for his

**Directors' Report (Contd.)**

valuable advices to the company.

Appropriate Resolution seeking the re-appointment of Director retiring by rotation forms part of the Notice convening the ensuing Annual General Meeting of the Company.

The details of the above Directors about their qualification, other directorship, etc., as required in Secretarial Standard on General Meetings (SS-2) are provided in the explanatory statement under Section 102 of the Companies Act, 2013 forms part of the Notice.

**b) Declaration by Independent Directors:**

The Independent Directors have submitted the declaration of Independence under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

**Number of Board Meetings:**

The Board of Directors met 4 (four) times during the year. The meetings of the Board of Directors were held on 30.06.2020, 01.09.2020, 18.11.2020, and 15.03.2021. The details of the attendance of the Directors in the Board Meeting are as hereunder.

Sl. No.	Name of the Director	Category	No of Board Meeting attended
1	Shri Rajendra Prasad Mody	Non-Executive Director	1
2	Shri Vikram Aditya Mody	Non-Executive Director	4
3	Shri Biswajit Choudhuri	Non-Executive Independent Director	4
4	Shri Satish Kapur	Non-Executive Independent Director	4
5	Dr. Ranjan Ghosh	Non-Executive Independent Director	4
6	Smt. Archana Agarwal	Non-Executive Independent Director	4
7	Shri Anil Kumar Damari Singh	Executive Director (Technical)	4

**Committee of the Board:**

The Board of Directors has constituted Board Committees to deal with the specific areas and activities which concern the Company and require a closer review. The minutes of the Committee meetings are placed before the Board for noting. The Board currently has the following Committees:

**a) Audit Committee****Composition and attendance**

The Audit Committee met 2 (two) times during the year. The meetings of the Audit Committee were held on 18.11.2020 and on 15.03.2021. All the recommendations made by the Audit Committee were accepted by the Board. The table below highlights the composition and attendance of the members of the Committee:

Sl. No.	Name of the Director	Position	Category	No. of Meeting attended
1	Shri Biswajit Choudhuri	Chairman	Non-Executive Independent Director	2
2	Shri Satish Kapur	Member	Non-Executive Independent Director	2
3	Dr. Ranjan Ghosh	Member	Non-Executive Independent Director	2
4	Shri Anil Kumar Damari Singh	Member	Executive Director (Technical)	2

**b) Nomination & Remuneration Committee****Composition and attendance**

The Committee met 2 (two) times during the year. The meetings of the Nomination and Remuneration Committee were held on 18.11.2020 and on 15.03.2021. All the recommendations made by the Nomination and Remuneration Committee were accepted by the Board. The table below highlights the composition and attendance of the members of the Committee:

Sl. No.	Name of the Director	Position	Category	No. of Meeting attended
1	Shri Biswajit Choudhuri	Chairman	Non-Executive Independent Director	2
2	Shri Satish Kapur	Member	Non-Executive Independent Director	2
3	Dr. Ranjan Ghosh	Member	Non-Executive Independent Director	2

**Directors' Report (Contd.)****c) Stakeholders Relationship Committee****Composition and attendance**

The Stakeholders Relationship Committee met 2 (two) times during the year on 18.11.2020 and 15.03.2021. The table below highlights the composition and attendance of the members of the Committee:

Sl. No.	Name of the Director	Position	Category	No. of Meeting attended
1	Shri Biswajit Choudhuri	Chairman	Non-Executive Independent Director	2
2	Shri Satish Kapur	Member	Non-Executive Independent Director	2
3	Dr. Ranjan Ghosh	Member	Non-Executive Independent Director	2
4	Shri Anil Kumar Damari Singh	Member	Executive Director (Technical)	2

**d) Corporate Social Responsibility Committee****Composition and attendance:**

The Corporate Social Responsibility Committee met 2 (two) times during the year on 18.11.2020 and 15.03.2021. The table below highlights the composition and attendance of the members of the Committee:

Sl. No.	Name of the Director	Position	Category	No. of meeting attended
1	Shri Biswajit Choudhuri	Chairman	Non-Executive Independent Director	2
2	Shri Satish Kapur	Member	Non-Executive Independent Director	2
3	Dr. Ranjan Ghosh	Member	Non-Executive Independent Director	2

**Independent Director's Meeting:**

As required under section 149(8) & Schedule IV of the Companies Act, 2013 a Separate meeting of the Independent Directors was held on 15.03.2021.

**Corporate Social Responsibility (CSR):**

The Corporate Social Responsibility Committee (CSR) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link: [www.heilindia.com/pdf/HEIL\\_CSR\\_Policy.pdf](http://www.heilindia.com/pdf/HEIL_CSR_Policy.pdf). The Company has identified education as its focus area of engagement. The Company would also undertake other need based initiatives in compliance with Section 135 and Schedule VII of the Companies Act, 2013.

Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR in the prescribed format is attached as **Annexure-1** and forms an integral part of this report.

**Auditors & Auditors' Report:**

M/s. S. Rastogi & Associates, Chartered Accountants, having Firm Registration No. 318123E (Proprietor:-CA. S. Rastogi, FCA, having CA Membership No. 053823) of 42, Kali Krishna Tagore Street, 1<sup>st</sup> Floor, Kolkata – 700007 were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years, from the conclusion of the 21<sup>st</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September 2018 till the conclusion of 26<sup>th</sup> Annual General Meeting of the Company to be held in the year 2023.

As per the requirement of Section 134 of the Companies Act, 2013, in relation to the matter qualified by the Auditors in their Report, our explanation are as here under:

- (i) **Auditor's Report - Clause(a):** Malanpur Steel Ltd. (MSL) had been merged with the Company with retrospective effect from 1<sup>st</sup> April 2009 as per scheme sanctioned by the Hon'ble Board for Industrial & Financial Reconstruction (BIFR) vide its Order dated 4<sup>th</sup> September 2012. Certain amounts claimed by different authorities against which the necessary provision had been made in the scheme have not been provided for in the accounts as these are claimed but not payable by the Company & are under reconciliation with respective authorities. The same have been disclosed as contingent liability in the accounts. Reliefs / Concessions claimed from various statutory authorities viz. Income Tax, Sales Tax & Excise etc. are under consideration of respective authorities & approval of the same are awaited. However, the effects thereof have been taken in the accounts. Necessary adjustment, if required, shall be made on disposal thereof by respective authorities.

**Directors' Report (Contd.)**

(ii) **Clause(b) and 1(iii):**The Company is taking necessary steps to recover the Loans given, Trade Receivables and Advances. The Management is confident of recovery of the same in full and as such no provision has been made.

(iii) **Clause 1(viii):** Loan from WBIDC is adjustable against power subsidy receivable from Govt. of West Bengal, claim for which has been lodged by the Company. The Company has filed a Writ Petition before the Hon'ble Calcutta High Court and the matter is pending for adjudication and the adjustment if any, shall be made accordingly on final adjudication.

The management is taking necessary steps for payment of the stipulated instalments of interest free sales tax loan.

**Fraud Reporting:**

As required under Section 134(3)(ca), No frauds were reported by Auditors in terms of Section 143(2) of the Companies Act, 2013 and Rules, if any, made thereunder.

**Cost Auditors:**

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. S. K. Sahu & Associates and Shri Than Mal Rathi, as Cost Auditors to audit the cost records of the Company for the financial year 2021-2022. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the Annual General Meeting for their ratification. The Cost Audit report for the year 2020-2021 will be submitted to the Central Government within the period stipulated under the Companies Act, 2013.

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

**Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s MKB & Associates, Kolkata a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **Annexure-2** and forms an integral part of this report.

The Secretarial Audit Report do not contain any qualification, reservation, adverse remark or disclaimer by the Secretarial Auditors.

**Compliance with Secretarial Standards**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

**Nomination & Remuneration Policy:**

The Board has, on the recommendation of the Nomination & Remuneration Committee adopted a Nomination & Remuneration Policy, which interalia includes policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel and their remuneration. The highlight of the Policy is as follows:

**Procedure for selection and appointment of the Board Members****Board membership criteria:**

The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member, KMP and SMP for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the area of complex issues facing the Company.

Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.



**Directors' Report (Contd.)**

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In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

**Annual Evaluation of Board and Directors**

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

The Independent Directors in a separate meeting held on 15<sup>th</sup> March, 2021 reviewed and evaluated the performance of Non-Independent Directors, Board as a whole and the performance of the Chairman of the Company.

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

The performance of the Chairman and Executive Director was evaluated by Independent Directors for leadership and direction to the Company judging as per the parameters of the evaluation criteria and it was noted that their performance was satisfactory. It was further noted that the Chairman took proper initiative in policy decision making with the senior executives and Board.

The Board carried out the performance evaluations of its committees.

**Selection of Board Members/ extending invitation to a potential director to join the Board:**

One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board then shall make an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

**Procedure for selection and nomination of KMPs and SMPs**

The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel and produce a written document thereon;

The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity and on the human resources market;

The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;

A meeting of the Committee shall be convened and the qualifications, experience, skills and other capability of the initial candidates shall be examined. After such examination recommendation for appointment of KMP and SMP together with the relevant information about the appropriate candidate(s) shall be submitted to the Board of Directors;

The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

**Remuneration to Non-Executive Directors:**

The Non-executive Directors of the company are paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees and the commission. The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees thereof may be modified from time to time only with the approval of the

**Directors' Report (Contd.)**

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Board in due compliance of the provisions of Companies Act, 2013 and amended from time to time.

**Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):**

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director/Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

The Nomination & Remuneration Policy can be accessed at the [www.heilindia.com/pdf/HEIL\\_NR\\_Policy.pdf](http://www.heilindia.com/pdf/HEIL_NR_Policy.pdf)

**Annual Evaluation of Board and it's Committees Performance:**

During the financial year, the Board evaluated its own performance as well as that of its Committees and individual Directors. The exercise was carried out covering various aspects of the Boards functioning such as composition of the Board & committees, qualification, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Non-Independent Directors. The performance of Independent Directors has been evaluated based on the guidelines as provided under Schedule IV of the Act. The evaluation of the Independent Directors was carried out by the entire Board except by the Director being evaluated. The directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**Managerial Remuneration:**

The Company had no employee during the year who was in receipt of the remuneration in excess of the limit prescribed in Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**Material Changes and Commitments after the Balance Sheet date:**

No material changes and commitments affecting the financial position of the Company have occurred from the close of the financial year ended 31.03.2021 till the date of this report.

**Going Concern Status/ Material Orders of Judicial Bodies/ Regulators:**

There was no instance of any material order passed by any regulator/court/tribunal impacting the going concern status of the Company and its future operations.

**Changes in the nature of Business:**

There is no change in the nature of Business of the Company during the financial year 2020-2021.

**Internal Financial Control Systems and their Adequacy:**

The Company has an adequate internal financial control which provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding assets, prevention and detection of fraud, accuracy and completeness of accounting records. The Internal Auditors monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies.

**Related Party Transactions:**

All the related party transactions that were entered into during the year under review were in ordinary course of business and on arm's length basis and do not attract the provision of section 188 of the Companies Act, 2013. There were no material related party transactions during the year. Hence AOC - 2 is not required. The details of transactions with related parties are provided in Note No- 41 of the standalone financial statements.

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

The information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as **Annexure -3** and forms an integral part of this report.

**Directors' Report (Contd.)****Details of establishment of Vigil Mechanism for Directors and Employees:**

The Company has formulated a Vigil Mechanism Policy for its Directors and employees to report genuine concerns. The policy provides adequate safeguards against victimization of persons who use such mechanism and provides direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The policy is posted on the website of the Company. No Director or employee has been denied access to the Chairman of the Audit Committee during the financial year 2020-2021.

**Particulars of Loans, Guarantees or Investments:**

The particular of Loan & Investments made by the Company has been disclosed in the Financial Statement.

**Risk Management Policy:**

As per the requirement of Section 134 of the Companies Act, 2013, the Company has formulated a Risk Management Policy to identify and then manage various elements of risk which, in the opinion of the Board could threaten or severally impact or bring down the organization and the strategy to mitigate such risks. The policy involves reviewing the operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

**Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

As required under the provision of The Sexual Harassment of Women at the workplace (Prevention & Redressal) Act, 2013 read with rule made thereunder, the Company has constituted an internal complaint Committee for redressal of the complaint related to sexual harassment. During the year under review there were no complaints of sexual harassment.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Details of application made or any proceeding pending under the Insolvency & Bankruptcy Code, 2016.**

As required under section 134 read with rule 8(5)(XI) of the Companies (Accounts) Rules, 2014 as amended, we confirm that no application has been made and no proceeding is pending under the Insolvency & Bankruptcy Code, 2016.

**Details of difference between amount of valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions.**

As required under section 134 read with rule 8(5)(XII) of the Companies (Accounts) Rules, 2014 as amended, we confirm that company has not availed any one time settlement, so this do not apply.

For and on behalf of the Board of Directors

Place: Kolkata

Date: the 2<sup>nd</sup> day of November, 2021

A.K.D. Singh  
Executive Director (Technical)  
DIN: 07160198

V.A. Mody  
Director  
DIN: 00193192

**Annual Report on Corporate Social Responsibility (CSR) Activities for the year ended 31st March, 2021**

*[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014]*

**1. Brief outline on CSR Policy of the Company:**

As per the provisions of the Companies Act, 2013 and rules framed thereunder, the Company has formulated its CSR Policy with the vision to actively contribute for education of Girl Child.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Biswajit Choudhuri	Chairman / Independent Director	2	2
2	Shri Satish Kapur	Member / Independent Director	2	2
3	Dr. Ranjan Ghosh	Member / Independent Director	2	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

[www.heilindia.com/pdf/HEIL\\_CSR\\_Policy.pdf](http://www.heilindia.com/pdf/HEIL_CSR_Policy.pdf)

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Not Applicable

**6. Average net profit of the Company as per section 135(5): Rs. 4117.44 Lacs**

**7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 82.35 Lacs**

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : NIL**

**(c) Amount required to be set off for the financial year, if any: NIL**

**(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 82.35 Lacs**

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (Rs. in Lacs)	Amount Unspent (Rs. in Lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
82.50	NIL	N.A.	N.A.	NIL	N.A.

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

Not Applicable

**Directors' Report (Contd.)**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (Rs. in Lacs).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Promoting Education of Girl Child	Promoting Education of Girl Child	No	Rajasthan / Lakshmangarh, Sikar		82.50	No	Mody Education Foundation	CSR00014752
	<b>Total</b>					82.50			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 82.50 Lacs

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (Rs. in Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	82.35
(ii)	Total amount spent for the Financial Year	82.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.15
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.15

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company has spent the prescribed amount in the financial year 2020-21.

For and on behalf of the Board of Directors

Place: Kolkata

Date: the 2<sup>nd</sup> day of November, 2021

A.K.D. Singh  
Executive Director (Technical)  
DIN: 07160198

V.A. Mody  
Director  
DIN: 00193192

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

*[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,  
**HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED**

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

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (as amended) (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder(**Not applicable to the Company during the Audit Period**);
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The 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;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI (**Not applicable to the Company during the Audit Period**);
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:

**For Jute Unit-**

- (a) The Jute Packaging Materials (Compulsory use in Packaging Commodities) Act, 1987
- (b) The Jute Manufactures Development Council Act, 1983
- (c) The Jute Manufactures Cess Act, 1983
- (d) The National Jute Board Act, 2008
- (e) The Jute Manufacturer's Development Council (Procedural) Rules, 1984
- (f) The Indian Boilers Act, 1923

**Directors' Report (Contd.)****For Chemical Unit-**

- (a) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 and Amendment Rule, 2000
- (b) The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996
- (c) The Public Liability Insurance Act, 1991 and 1992
- (d) The Hazardous Waste (Management and Handling) Rule, 1989 (Amended 2000 & 2003)
- (e) The Batteries (Management and handling) Rules, 2001
- (f) The Static & Mobile Pressure Vessels (SMPV) Rules, 1981
- (g) The Petroleum Act, 1934 & Petroleum Rules, 2002
- (h) The Gas Cylinder Rules, 2004

We have also examined compliance with the applicable clauses of the Secretarial Standards 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, Standards, etc. mentioned above.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

We further report that during the audit period, the Company had passed the following special resolutions which needs mention:

- a) re-appointment of Shri Anil Kumar Damari Singh as Executive Director (Technical) of the Company for a period of 3 (Three) years commencing from 16th April, 2021 to 15th April, 2024.
- b) to approve Capital Reduction under the provisions of Companies Act, 2013

This report is to be read with our letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

For MKB & Associates  
Company Secretaries  
Firm Reg No: P2010WB042700

Sonal Sarda  
Partner  
ACS No. 60192  
COP No. 23418

Date: 01.11.2021  
Place: Kolkata  
UDIN: A060192C001350679

Annexure – I

To  
The Members,

**HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED**

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process 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. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

*Note: Due to continuing COVID-19 pandemic, for carrying on and completion of the Audit, documents/details have been provided by the company through electronic mode and the same have been verified by us.*

For MKB & Associates  
Company Secretaries  
Firm Reg No: P2010WB042700

Date: 01.11.2021  
Place: Kolkata  
UDIN: A060192C001350679

Sonal Sarda  
Partner  
ACS No. 60192  
COP No. 23418



**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**A) CONSERVATION OF ENERGY:**

i) the steps taken or impact on conservation of energy:

The Company is continued to give major emphasis for conservation of energy and the measures taken in the previous year were continued. The significant energy conservation measures during the year were as follows:

Old motors replaced by energy efficient Motors, Installation of new capacitors has resulted in the improvement of the average power factor. Replacement of High Watt MLL well luminaries with Low Watt LED luminaries. Installation of Variable Frequency Drive at Cooling water pump to save energy by reducing the RPM at desired load. The old transformer replaced with new energy efficient transformer. Substitution of Natural Gas in Boilers instead of Furnace Oil has resulted in savings. Improvement in energy efficiency by replacement of lighting equipment with more efficient LED Luminaries.

ii) The steps taken by the company for utilising alternate sources of energy: The Company is exploring the possibilities for use of solar power.

iii) The capital investment on energy conservation equipment's: NIL

**B) TECHNOLOGY ABSORPTION:**

i) Efforts made towards technology absorption

The Company has successfully absorbed and adapted the technology for the manufacture of Hydrogen Cyanide, Sodium Cyanide, Potassium Cyanide and Diphenyl Guanidine. The products manufactured by us meet the international standards of quality and are well accepted in local as well as international market. We are continuously working on improvement of yield, Specific Consumption & Quality. We have successfully exploited our own R&D based processes for the manufacture of various HCN and Sodium Cyanide based products, e.g. Sodium/ Potassium Ferrocyanide, Sodium Dicyanamide, Mandelonitrile, Meta Phenoxy Benzaldehyde Cyanohydrin, Methyl Ethyl Ketone Cyanohydrin, Cyclo Hexanone Cyanohydrin, Acetone Cyanohydrin etc.

Company has also successfully implemented the R&D based processes for the treatment of effluent generated in the manufacturing processes & at Utility plant and reuse the treated effluent in the cooling tower and in the manufacturing process.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution.

New products based on Hydrogen Cyanide and Cyanide based chemicals has been added in the product line of the Company which will increase turnover and profitability of the Company. Product improvement & effective cost reduction enabled us to pass on substantial benefits to customers, improvement of quality, consumption and yield of finished goods, saving in energy consumption and development of some new products etc.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Sl. No.	Technology Imported	Year of Import	Status regarding absorption	If not fully absorbed ,areas where absorption has not taken place and the reason thereof
N.A	N.A	N.A	N.A	N.A

**Directors' Report (Contd.)**

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iv) The expenditure incurred on Research and Development (Rs. '000)

i) Capital	Nil
ii) Recurring	26 59
iii) Total	26 59
iv) Total R&D expenditure as % of turnover	0.03 %

**C) FOREIGN EXCHANGE EARNING AND OUTGO:**

Foreign Exchanged earned in terms of actual inflows	Rs.NIL
Foreign Exchange outgo in terms of actual outflows	Rs. 73 09 50

For and on behalf of the Board of Directors

Place: Kolkata

Date: the 2<sup>nd</sup> day of November, 2021

A.K.D. Singh  
Executive Director (Technical)  
DIN: 07160198

V.A. Mody  
Director  
DIN: 00193192

**INDEPENDENT AUDITORS' REPORT**

TO

THE MEMBERS OF

**HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED****Report on the Standalone Financial Statements****Qualified Opinion**

We have audited the accompanying Standalone Financial Statements of **Hindusthan Engineering & Industries Limited** ("the company"), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph the aforesaid Standalone Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at **31<sup>st</sup> March, 2021**, and its Statement of Profit and Loss (including other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

- a. Note No. 29 in respect of accounting of effect of certain reliefs/concessions which are yet to be approved by respective authorities. In view of pendency in disposal of such claims, we are unable to comment the impact, if any, thereof on the profit for the year & reserve & surplus at the year end.
- b. Note No. 34 in respect of Loan to the subsidiary company, Note No. 36 in respect of Loans given, Note No. 38 in respect of Trade Receivables & Advances, whereby the extent of amounts recoverable there against is presently not ascertainable & therefore provision there against & consequential impact thereof, if any, on the profit for the year & reserves & surplus could not be ascertained & commented upon by us.

These matters were also qualified in our report on the financial statements for the year ended 31<sup>st</sup> March, 2020.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 Qualified opinion.

**Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and Statement of changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) rules, 2015 as amended. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management 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 is also responsible for overseeing the Company's financial reporting process.

**INDEPENDENT AUDITORS' REPORT (Contd.)****Auditors' Responsibilities for the Audit of the Financial Statements**

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

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable, as under:
  - i) The company is maintaining proper records showing full particulars including quantitative details & situation of fixed assets. On the basis of available records checked by us as well as according to information available, the physical verification of fixed assets has been carried out by the management during the year in a phased manner according to a regular programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As far as verified & reconciled during the year, no material discrepancies have been noticed on such verification. Based on the audit procedure applied by us & as per information available and explanations given to us, we report that the title deeds of immovable properties are held in the name of the company.
  - ii) The management has conducted physical verification of inventory at reasonable intervals. Discrepancies noticed on such verification of inventory as compared to book records, which were not material, have been appropriately adjusted in the accounts.
  - iii) The company has given loans to companies, firms & other parties covered in the register maintained under section 189 of the Companies Act, 2013. Based on the audit procedure applied by us & as per information available and explanations given to us, we are of the opinion that the terms & conditions of such loans granted during the year are not prejudicial to the interest of the company. According to the information available & explanation given to us, the repayment of principal amount & interest is not being received regularly. The total amount of loan & interest thereon remaining overdue for more than 90 days was Rs. 92 53.38 lakh. We have been told that necessary persuasive & other steps for recovery of the same are being taken by the company for recovery of the same.
  - iv) According to the information available & explanations given to us, the company has complied with the provisions of Section 185 & 186 of the Act, wherever applicable, in respect of loans given and investments made during the year. We have been told that no guarantee or security has been issued by the company.
  - v) According to the information available & explanations given to us, the company has not accepted any deposit from public within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
  - vi) Based on the audit procedure applied by us & as per information available and explanations given to us, we report that the company has been maintaining cost records pursuant to the Companies (Cost Records and Audit) Rules 2014 specified by the Central Government of India under section 148 (1) of the Companies Act, 2013. We have, however, not made detailed examination of the same to determine whether they are complete & accurate.
  - vii) a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including Income Tax, Provident Fund, ESI, Custom Duty, GST with appropriate authorities. According to the information available & explanation given to us, there are no undisputed statutory dues outstanding as at the year-end for a period of more than six months from the date of the same becoming payable.

**INDEPENDENT AUDITORS' REPORT (Contd.)**

- b) According to the information available & explanations given to us, following statutory dues were outstanding as at the year end on account of disputes pending before appropriate authorities:

Name of Statute	Nature of dues	Amount (Rupees in 000)	Period to which the amount relates	Forum where dispute is pending
W. B. Sales Tax Act, 1941	Sales Tax	1 09 54	1993-94	Appellate & Revisional Board
W. B. Sales Tax Act, 1994	Sales Tax	2 15 49	2000-01, 2003-04	Appellate & Revisional Board
W. B. Sales Tax Act, 1994	Sales Tax	1 21 78	2004-05	Additional Commissioner
Maharashtra VAT Act, 2002	Sales Tax	30 54	2012-13,14-15 & 16-17	Commissioner Appeal
W.B. VAT Act, 2003	Sales Tax	5 20 12	2014-15 & 2016-18	Additional Commissioner/ Sr. JCCT/DC
W.B. VAT Act, 2003	Sales Tax	11 51 88	2011-16	Appellate & Revisional Board
CST Act, 1956	Sales Tax	6 14 82	1987-88, 1993-94, 1998-2000, 2003-04	Appellate & Revisional Board
CST Act, 1956	Sales Tax	5	1981-82	High Court
BFST Act, 1941	Sales Tax	1 02	1975-76,1984-85	Deputy Commissioner/ Assist. Commissioner
WBST Act, 1954	Sales Tax	77	1982-83	Appellate & Revisional Board
M.P. Sales Tax Act	Sales Tax	2 35 93	1990-97	Appellate Authorities
Central Excise Act, 1944	Excise Duty	59 75	1998-99,2001-02,2010-2014	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	15 89 21	1986-88,1994-2004,2008-09,2009-2017	CESTAT
Central Excise Act, 1944	Excise Duty	4 55	1992-95	High Court
Central Excise Act, 1944	Excise Duty	66 55	2011-17	Asst. Commissioner
Service Tax	Service Tax	46 56	2007-12	CESTAT
Income Tax Act,1961	Income Tax	2 14 15	2009-10 & 2015-16	Assesing Officer

- viii) Based on the audit procedures applied by us & as per the information available & explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders except as under:
- Rs. 100.55 lakhs payable to WBIDC which were due for more than one year and were not repaid for the reasons mentioned in Footnote (ii) to Note No. 13 attached to the financial statements
  - Rs. 223.25 lakhs payable on account of interest free sales tax loan which was repayable in equal half yearly instalments w.e.f. 4<sup>th</sup> September 2015.
- ix) According to the information available & explanations given to us, the company has not raised any money by way of initial public offer or further public offer. Term loans raised during the year have been utilized for the purpose for which they are obtained.
- x) During the course of our examination of the books of account and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information available & explanations given to us, we have neither come across any incidence of fraud by or on the company by its officers or employees nor have we been informed of any such case by the management.
- xi) According to the information available & explanations given to us, the company has not paid any Managerial remuneration during the year.
- xii) The company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- xiii) Based on our audit procedures applied by us & as per the information available & explanations given to us, the company has complied with provisions of section 177 & 188 of the Act in respect of transactions with the related parties and details thereof have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- xv) Based on the audit procedures applied by us & as per the information available & explanations given by the management, we are of the opinion that the company has not entered into any non-cash transactions with directors or persons connected with them and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.

**INDEPENDENT AUDITORS' REPORT (Contd.)**

- xvi) Based on the audit procedures applied by us & as per the information available & explanations given by the management, we are of the opinion that the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
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. Except for the effects of the matters described in the basis for qualified opinion paragraph above, in our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and Statement of changes in equity dealt by this report are in agreement with the books of account.
  - d. Except for the effects of the matter described in the basis for qualified opinion paragraph above, in our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 as amended.
  - e. The matters described in the basis for qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
  - f. On the basis of written representations received from the directors as on **31 March, 2021**, taken on record by the Board of Directors, none of the directors is disqualified as on **31 March, 2021**, from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. 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'.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements - Refer Note No. 30 to the Standalone Financial Statements.
    - ii. The Company did not have any long-term contracts including derivatives 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 S. RASTOGI & ASSOCIATES,  
Chartered Accountants  
(Firm Registration no. – 318123E)**

**Place: Kolkata  
Dated: 2nd day of November, 2021**

**(S. RASTOGI)  
PROPRIETOR  
Membership No. – 053823**

**INDEPENDENT AUDITORS' REPORT (Contd.)****Annexure- A to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) sub –section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of **Hindusthan Engineering & Industries Limited** ('the Company') as of **31<sup>st</sup> March, 2021** in conjunction with our audit of the standalone financial statements of the Company for the year ended on the date.

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

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and 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 controls 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 Company asset; (2) provide reasonable assurance that transaction 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 the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements,

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**INDEPENDENT AUDITORS' REPORT (Contd.)**

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**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March, 2021**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. RASTOGI & ASSOCIATES,  
Chartered Accountants  
(Firm Registration no. – 318123E)**

**Place: Kolkata**

**Dated: 2nd day of November, 2021**

**(S. RASTOGI)  
PROPRIETOR  
Membership No. – 053823**



**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021**

(Rupees in '000)

PARTICULARS	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	2	3 22 15 50	3 17 69 79
Capital Work-in-Progress	3	22 79 92	39 36 52
Intangible Assets	2	14 12 60	13 91 70
Financial Assets			
- Investments	4	1 10 22 90	96 59 60
Other Assets	5	50 40 37	49 75 53
<b>Total Non Current Assets</b>		<b>5 19 71 29</b>	<b>5 17 33 14</b>
<b>Current Assets</b>			
Inventories	6	2 83 81 99	2 40 20 21
Financial Assets			
- Investments	4	11 40	6 30
- Trade Receivables	7	1 58 65 16	1 54 73 41
- Cash and Cash Equivalents	8	2 43 56 24	2 26 18 49
- Loans	9	1 27 34 79	1 30 34 65
- Other Financial Assets	10	1 16 47 77	1 11 44 85
Other Assets	5	59 81 66	61 88 52
<b>Total Current Assets</b>		<b>9 89 79 01</b>	<b>9 24 86 43</b>
<b>Total Assets</b>		<b>15 09 50 30</b>	<b>14 42 19 57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	15 00 08	15 00 08
Other Equity	12	10 79 44 26	10 45 00 14
<b>Total Equity</b>		<b>10 94 44 34</b>	<b>10 60 00 22</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
- Borrowings	13	1 23 83	47 84
Deferred Tax Liabilities (Net)	16	21 53 11	23 31 71
Provisions	17	63 03 20	59 46 21
<b>Total Non Current Liabilities</b>		<b>85 80 14</b>	<b>83 25 76</b>
<b>Current Liabilities</b>			
Financial Liabilities			
- Borrowings	13	1 72 29 76	1 42 63 13
- Trade Payables	14		
-Dues to micro & small enterprises		-	-
-Dues to others		90 54 45	86 35 33
- Other Financial Liabilities	15	34 13 76	41 54 92
Provisions	17	7 84 93	7 96 41
Other Liabilities	18	24 42 92	20 43 80
<b>Total Current Liabilities</b>		<b>3 29 25 82</b>	<b>2 98 93 59</b>
<b>Total Liabilities</b>		<b>4 15 05 96</b>	<b>3 82 19 35</b>
<b>Total Equity &amp; Liabilities</b>		<b>15 09 50 30</b>	<b>14 42 19 57</b>

**Significant Accounting Policies**

1

The accompanying Notes No.2 to 51 are an integral part of these Standalone Financial Statements.

As per our Report of even date  
For S Rastogi & Associates  
Chartered Accountants  
Firm Registration No. 318123E

For and on behalf of the Board of Directors

V A Mody  
Director  
DIN : 00193192

CA S. Rastogi  
Proprietor  
Membership No: 053823  
Place: Kolkata  
Dated the 2nd day of November, 2021

P K Himatsingka  
CFO

R K Agarwal  
Co. Secretary

A K D Singh  
Executive Director (Tech.)  
DIN : 07160198

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

(Rupees in '000)

PARTICULARS	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>INCOME</b>			
Revenue from Operations	19	8 00 12 08	8 10 18 52
Other Income	20	29 03 77	21 50 88
<b>Total Income</b>		<b>8 29 15 85</b>	<b>8 31 69 40</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	4 65 13 55	4 70 71 78
Purchase of Stock-in-Trade	22	18 15 04	35 69 82
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	23	(18 87 01)	(39 24 17)
Employee Benefit Expenses	24	1 13 52 93	1 24 79 46
Finance Cost	25	10 82 52	14 24 07
Depreciation and Amortisation Expenses	26	33 21 23	32 57 53
Other Expenses	27	1 50 74 84	1 73 87 51
<b>Total Expenses</b>		<b>7 72 73 10</b>	<b>8 12 66 00</b>
<b>Profit/(Loss) before tax</b>		<b>56 42 75</b>	<b>19 03 40</b>
Income Tax Expense			
- Income Tax related to earlier years		13 92	(17 41)
- Current Tax		17 92 11	8 28 80
- Deferred Tax		(1 78 60)	(11 63 59)
<b>Total Tax Expense</b>		<b>16 27 43</b>	<b>(3 52 20)</b>
<b>Profit/(Loss) after tax</b>		<b>40 15 32</b>	<b>22 55 60</b>
<b>Other Comprehensive Income</b>			
Items that may be reclassified to the Statement of Profit and Loss		-	-
Items that will not be reclassified to the Statement of Profit and Loss:			
- Remeasurements of the Defined Benefit Plans		(2 18 81)	2 35 19
- Remeasurements of Fair value of Investments		(5 44 50)	-
- Income tax relating to items that will not be reclassified to the Statement of Profit and Loss		1 92 11	(59 20)
<b>Other Comprehensive Income/(Loss) for the year, Net of Tax</b>		<b>(5 71 20)</b>	<b>1 75 99</b>
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>34 44 12</b>	<b>24 31 59</b>
<b>Earnings per Equity Share (in Rupees)</b> (Nominal value of shares Rs.10 each)	28		
- Basic		26.77	15.04
- Diluted		26.77	15.04

Significant Accounting Policies

1

The accompanying Notes No.2 to 51 are an integral part of these Standalone Financial Statements

As per our Report of even date  
For S Rastogi & Associates  
Chartered Accountants  
Firm Registration No. 318123E

For and on behalf of the Board of Directors

V A Mody  
Director  
DIN : 00193192

CA S. Rastogi  
Proprietor  
Membership No: 053823  
Place: Kolkata  
Dated the 2nd day of November, 2021

P K Himatsingka  
CFO

R K Agarwal  
Co. Secretary

A K D Singh  
Executive Director (Tech.)  
DIN : 07160198

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(Rupees in '000)

PARTICULARS	Year ended March 31, 2021		Year ended March 31, 2020	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/(Loss) before tax		56 42 75		19 03 40
Adjustment for :				
Depreciation & Amortization Expenses	33 21 23		32 57 53	
(Profit)/Loss on sale/discard of Fixed Assets (net)	(70 05)		(3 72)	
(Gain)/Loss on Foreign Exchange Fluctuation	8 46		(22 70)	
Interest Component in Preference shares	(4 07 80)		-	
Change in Fair Value of Investments	(5 10)		-	
Interest Paid/(Received) (net)	(10 45 58)		(6 79 53)	
(Gain)/Loss on Sale of Investments (Net)	-	18 01 16	4 36 03	29 87 61
<b>Operating Profit before working capital changes</b>		74 43 91		48 91 01
Adjustment for :				
Trade and other receivables	(6 89 66)		(19 85 91)	
Inventories	(43 61 78)		16 46 58	
Trade and other payables	2 03 78		(7 28 42)	
Direct Taxes paid (net of refunds)	(19 76 91)	(68 24 57)	(6 74 52)	(17 42 27)
<b>Net Cash flow from operating activities</b>		<b>6 19 34</b>		<b>31 48 74</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Increase)/Decrease in Capital Work-in-Progress		16 56 60		(13 25 45)
Purchase of Fixed Assets		(39 67 01)		(5 22 38)
Sale / discard of Fixed Assets		2 49 22		90 05
Purchase of Investments		(15 00 00)		(6 30)
Sale of Investments		-		20 97 79
Loan/Deposit (Given)/Repayment Received (Net)		5 99 86		(9 01 03)
Interest Received		21 28 10		21 03 60
Gain/(Loss) on Foreign Exchange Fluctuation		(8 46)		22 70
<b>Net Cash flow from investing activities</b>		<b>(8 41 69)</b>		<b>15 58 98</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Changes in Share Capital		-		-
Receipt/(Repayment) of Borrowings (Net)		30 42 62		27 05 30
Interest Paid		(10 82 52)		(14 24 07)
<b>Net Cash flow from financing activities</b>		<b>19 60 10</b>		<b>12 81 23</b>
<b>Net increase in Cash and Cash Equivalents</b>		<b>17 37 75</b>		<b>59 88 95</b>
Cash and Cash Equivalents : Opening Balance		2 26 18 49		1 66 29 54
<b>Cash and Cash Equivalents : Closing Balance (Note No.8)</b>		<b>2 43 56 24</b>		<b>2 26 18 49</b>
<b>Supplementary Information:</b>				
<b>Restricted Cash &amp; Cash Equivalents</b>		1 47 00 63		1 43 23 03

As per our Report of even date  
For S Rastogi & Associates  
Chartered Accountants  
Firm Registration No. 318123E

For and on behalf of the Board of Directors

CA S. Rastogi  
Proprietor  
Membership No: 053823  
Place: Kolkata  
Dated the 2nd day of November, 2021

P K Himatsingka  
CFO

R K Agarwal  
Co. Secretary

V A Mody  
Director  
DIN : 00193192  
A K D Singh  
Executive Director (Tech.)  
DIN : 07160198

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021****A. EQUITY SHARE CAPITAL**

(Rupees in '000)

PARTICULARS	Equity Shares	
	No. of Shares	Amount in Rupees
<b>Balance as at April 1, 2019</b>	<b>15 00 07 82</b>	<b>15 00 08</b>
Changes in Equity Share Capital during the year	-	-
<b>Balance as at March 31,2020</b>	<b>15 00 07 82</b>	<b>15 00 08</b>
Changes in Equity Share Capital during the year	-	-
<b>Balance as at March 31,2021</b>	<b>15 00 07 82</b>	<b>15 00 08</b>

**B. OTHER EQUITY**

(Rupees in '000)

PARTICULARS	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total
<b>Balance as at April 1, 2019</b>	10 41 36	4 36 31 30	1 87 44 03	3 88 52 52	(20 066)	10 20 68 55
Other Comprehensive Income/(Loss) for the year	-	-	-	-	1 75 99	1 75 99
Profit for the year	-	-	-	22 55 60	-	22 55 60
<b>Balance as at March 31,2020</b>	10 41 36	4 36 31 30	1 87 44 03	4 11 08 12	(2 467)	10 45 00 14
Other Comprehensive Income/(Loss) for the year	-	-	-	-	(57 120)	(57 120)
Profit for the year	-	-	-	40 15 32	-	40 15 32
<b>Balance as at March 31,2021</b>	10 41 36	4 36 31 30	1 87 44 03	4 51 23 44	(59 587)	10 79 44 26

**Footnote:**

For purpose &amp; nature of Other Equity, refer Footnote to Note No. 12

As per our Report of even date  
For S Rastogi & Associates  
Chartered Accountants  
Firm Registration No. 318123E

For and on behalf of the Board of Directors

V A Mody  
Director  
DIN : 00193192

CA S. Rastogi  
Proprietor  
Membership No: 053823  
Place: Kolkata  
Dated the 2nd day of November, 2021

P K Himatsingka  
CFO

R K Agarwal  
Co. Secretary

A K D Singh  
Executive Director (Tech.)  
DIN : 07160198

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Corporate Information**

Hindusthan Engineering Industries Limited is a public Company domiciled in India & incorporated under the provision of the erstwhile Companies Act, 1956. It is mainly engaged in production of Jute goods, Chemicals, Railway Wagons & Railway Rolling Stock.

The Registered Office of the Company is situated at 27, Sir R N Mukherjee Road, Kolkata - 700 001

**Statement of Compliance**

These financial statements comply in all material aspects with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accountings Standard) Rules, 2015 (as amended) read with section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

**Basis of Preparation**

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

The standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest thousands except otherwise stated.

**Fair Value Measurement**

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 under current market conditions.

The company categorizes Assets and Liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c) Level 3: inputs for the assets or liability which are not based on observable market data.

**Property, Plant and Equipment**

Property, Plant and Equipment (PPE) are stated at cost of acquisition or deemed cost on date of transition less accumulated depreciation and impairment losses, if any. Cost of an asset comprises of purchase price, borrowing cost and any other cost directly attributable to bringing the asset to its working condition for its intended use.

Capital work in progress includes machinery to be installed, construction and erection materials, borrowing costs, unallocated pre-operative and other expenditures directly attributable towards construction and erection of the assets.

Depreciation on PPE commences when the assets are ready for their intended use. Depreciation has been provided on straight line method as per the useful life determined which is similar to that specified under Schedule II to the Companies Act, 2013. Depreciation on incremental cost arising on account of exchange difference is computed prospectively with respect to the residual life of respective asset.

Leasehold Land is amortised over the period of lease.

**Intangible Assets**

Intangible assets are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same. Accordingly, Intangible assets have been amortized over a period of 3 to 5 years on straight line basis.

**Impairment of Tangible and Intangible Assets**

Impairment of assets are assessed at each Balance Sheet date and loss is recognised whenever the recoverable amount of an asset is less than its carrying amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**Financial Assets and Liabilities**

Financial assets and financial liabilities (financial instruments) are recognized when company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company which is generally taken as 12 month otherwise these are classified as non-current.

**Financial Assets and Liabilities**

The classification of financial instruments whether to be measured at amortized cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate.

Classification of financial instruments are determined on initial recognition.

**(i) Financial assets and financial liabilities measured at Amortized Cost**

Financial assets held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows are measured at amortized cost.

The financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

**(ii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

**(iii) Financial Assets or Liabilities at Fair Value Through Profit or Loss (FVTPL)**

Financial instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are measured at Fair Value through Profit or Loss.

**Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

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

However, for trade receivable or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

**De-recognition of financial instruments**

The company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities are derecognized if the company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability/assets derecognized and the consideration there against is recognized in Statement of Profit and Loss.

**Inventories**

Inventories are stated at lower of cost & net realisable value. Inventory of finished goods, where the products are made under specific orders, are recognized only on approval of the product by the prospective buyer. The cost for the purpose of valuation of raw materials is being computed on FIFO basis except in case of Jute & Chemical Units where weighted average method is being followed. Cost for the purpose of valuation of stores and spares is computed on weighted average method. Cost of work-in-progress and finished goods represents estimated cost of raw materials, direct labour and appropriate portion of factory overhead in most of the cases.

The liability for GST on the bonded materials as at the end of the year are duly provided for. No provision is made of GST on finished goods as at the year end.

**Foreign Currency Transactions**

Transactions in foreign currencies are accounted for at the exchange rate prevailing at the time of the transaction. Foreign currency monetary assets and liabilities at the year end are translated using closing exchange rates. The loss or gain thereon and also on the exchange differences on settlement of foreign currency transactions during the year (except those relating to the fixed assets which are adjusted to the cost of the assets) are recognised as income or expense and are adjusted to the Statement of Profit and Loss

**Revenue****Sales**

Sales exclude GST and are accounted for on passing of property of goods irrespective of actual despatches. Rebates, discounts, claims and other non-recoverables are excluded therefrom.

**Interest, Dividend and Claims**

Dividend income is recognized when the right to receive payment is established. Interest income is accounted on time proportion basis taking into account amount outstanding & rate applicable unless otherwise stated. Insurance claims/ other claims are accounted as and when admitted/determined.

**GST Credit**

GST Credit admissible against GST paid on goods / Fixed Assets are accounted for by reducing the purchase cost of the related goods / Fixed Assets.

**Employee Benefits**

Contributions to defined Schemes such as Provident Fund / Pension Fund, Employees State Insurance Scheme are charged to Statement of Profit & Loss on accrual basis. The Company also provides for gratuity and leave encashment in accordance with projected Unit Credit Method based on actuarial valuation carried out as at the balance sheet date.

**Borrowing Cost**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

**Research and Development**

Expenditure on research and development except capital expenses which are shown as additions to fixed assets, are charged to Statement of Profit and Loss in the year in which these are incurred.

**Leases****Determining whether an arrangement contains a lease**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as lessor**Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

**Company as Lessee**

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

**Right of Use Assets**

The Company recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment loss, if any, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right of use assets are also subject to impairment.

**Government Grants**

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise for acquisition of non current assets are credited to respective assets.

**Taxes on Income**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws enacted or substantively enacted on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future. Deferred Tax Assets & Deferred Tax Liabilities have been offset as they relate to the same governing tax laws.

**Provisions, Contingent liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

**Earning Per Share**

Basic earning per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**Cash Flow**

Cash flows are reported using indirect method, whereby profit for the year is adjusted for the effects of transactions of non-cash nature and/or for items of income & expenses associated with investing and financing activities. The cash flows from operating, investing & financing activities of the company are segregated.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Particulars	PROPERTY, PLANT AND EQUIPMENT											INTANGIBLE ASSETS			
	Land Freehold	Land - Leasehold	Right to Use of Assets	Buildings	Machinery	Railway Siding	Electrical Installation Water & Sanitation System	Tools & Implements	Furniture & Fixture	Motor Cars & Vehicles	Total Tangible Assets	Computer Software	Goodwill on Merger	Total Intangible Assets	
Gross Carrying amount as at March 31, 2019	13 61 28	1 97 11	-	25 64 21	4 22 61 55	18 84	1 00 90	10 74	1 32 47	5 11 34	4 71 58 44	28 38	13 90 62	14 19 00	
Reclassified on adoption of Ind AS 116 "Leases"	-	(1 97 11)	1 85 69	-	-	-	-	-	-	-	(11 42)	-	-	-	
Addition	-	-	-	5 37	4 76 12	-	10 19	1 62	4 51	23 78	5 21 59	79	-	79	
Disposal/Adjustments	-	-	-	-	1 59 04	-	-	-	-	25 81	1 84 85	-	-	-	
Gross Carrying amount as at March 31, 2020	13 61 28	-	1 85 69	25 69 58	4 25 78 63	18 84	1 11 09	12 36	1 36 98	5 09 31	4 74 83 76	29 17	13 90 62	14 19 79	
Addition	-	-	-	5 41 34	32 65 86	-	77 47	36 17	1 23	23 69	39 45 76	21 25	-	21 25	
Disposal/Adjustments	-	-	-	9	12 42 00	-	-	-	-	67 63	13 09 72	-	-	-	
Gross Carrying amount as at March 31, 2021	13 61 28	-	1 85 69	31 10 83	4 46 02 49	18 84	1 88 56	48 53	1 38 21	4 65 37	5 01 19 80	50 42	13 90 62	14 41 04	
Depreciation & Amortization As at April 1, 2019	-	11 42	-	7 30 88	1 15 41 14	3 60	13 64	2 69	45 44	2 17 85	1 25 66 66	27 81	-	27 81	
Reclassified on adoption of Ind AS 116 "Leases"	-	(11 42)	-	-	-	-	-	-	-	-	(11 42)	-	-	-	
Charge for the year	-	-	2 77	1 71 74	30 00 53	65	6 94	83	13 18	60 61	32 57 25	28	-	28	
Disposal/Adjustments	-	-	-	-	77 55	-	-	-	-	20 97	98 52	-	-	-	
Total Depreciation/Amortisation upto March 31, 2020	-	-	2 77	9 02 62	1 44 64 12	4 25	20 58	3 52	58 62	2 57 49	1 57 13 97	28 09	-	28 09	
Reclassified on adoption of Ind AS 116 "Leases"	-	-	2 77	1 85 35	30 53 13	65	10 11	97	13 21	54 70	33 20 88	35	-	35	
Charge for the year	-	-	-	-	10 66 34	-	-	-	-	64 21	11 30 55	-	-	-	
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Depreciation/Amortisation upto March 31, 2021	-	-	5 54	10 87 97	1 64 50 91	4 90	30 69	4 49	71 83	2 47 98	1 79 04 30	28 44	-	28 44	
Net Block															
As at March 31, 2020	13 61 28	-	1 82 92	16 66 96	2 81 14 51	14 59	90 51	8 84	78 36	2 51 82	3 17 69 79	1 08	13 90 62	13 91 70	
As at March 31, 2021	13 61 28	-	1 80 15	20 22 86	2 81 51 58	13 94	1 57 87	44 04	66 38	2 17 39	3 22 15 50	21 98	13 90 62	14 12 60	

Footnote :

- i) Land includes 49 acres which is jointly held with The North Brook Jute Co Ltd in which the Company's share is approx 50% i.e. 24.462 acres. The proportionate original cost of jointly held land is Rs 4 71.
- ii) Capital Subsidy received during the year Rs. 96 85 (PY: Rs. 77 40) in respect of acquisition/construction of Building and Machinery has been included in disposal/adjustment and depreciation for the year has been calculated on the reduced value of respective assets.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 3 CAPITAL WORK IN PROGRESS**

(Rupees in '000)

PARTICULARS	Non-Current	
	As at March 31, 2021	As at March 31, 2020
Capital Work-in-Progress	22 79 92	39 36 52
<b>Total</b>	<b>22 79 92</b>	<b>39 36 52</b>

**Note : 4 INVESTMENTS**

(Rupees in '000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
<b>Non-Current Investments</b>		
<b>A. Investment Carried at Cost</b>		
<b>Unquoted Equity Shares</b>		
<b>Subsidiary Company</b>		
14,01,520 (PY: 14,01,520) Equity Shares of Rs.10/- each in Hindusthan Vidyut Corporation Ltd.	1 40 50	1 40 50
<b>B. Investment Carried at Fair Value Through Profit &amp; Loss</b>		
<b>Unquoted Preference Shares</b>		
9,51,89,700 ( PY: 9,51,89,700 ) Redeemable 1% non-cumulative , non-convertible Preference Share of Rs. 10/ each in Hindusthan Urban Infrastructure Ltd.	26 48 69	22 40 89
<b>Equity Component in Preference Shares</b>		
Hindusthan Urban Infrastructure Ltd.	72 78 08	72 78 08
<b>C. Investments Carried at Fair Value Through OCI</b>		
<b>Unquoted Equity Shares</b>		
1,50,00,000 (PY: Nil) Equity Shares of Rs. 10 /- each in Hindustan Speciality Chemicals Ltd	9 55 50	-
1,250 (PY: 1,250) equity shares of Rs.10/- each in Woodland Multispeciality Hospital Ltd.	13	13
<b>Total</b>	<b>1 10 22 90</b>	<b>96 59 60</b>
<b>Current Investments</b>		
<b>B. Investment Carried at Fair Value Through Profit &amp; Loss</b>		
<b>Investment in Units of Mutual Fund (Unquoted)</b>		
HDFC Growth Opportunities Fund- Regular Plan- Growth (Units -7,800: PY: 7,800)	11 40	6 30
<b>Total</b>	<b>11 40</b>	<b>6 30</b>

**Note : 5 OTHER ASSETS**

(Rupees in '000)

PARTICULARS	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Security Deposits				
- To Related Parties (Note No. 41)	2 03 17	2 13 97	10 80	10 80
- To Others	12 82 24	15 66 99	-	-
Loans & Advances				
- To Employees	46 69	70 83	72 31	74 91
- To Suppliers	-	-	13 17 15	14 15 78
- To Others	2 56	6	3 18 44	2 49 19
Other Receivable	-	-	1 84 80	1 60 69
Prepaid Expenses	19 95	91	1 76 47	77 98
Assets held for Disposal	-	-	8 66	8 66
Payment of Income Tax (Net of Provision)	34 85 62	31 22 63	-	-
Balance with Statutory Authorities	14	14	38 93 03	41 90 51
<b>Total</b>	<b>50 40 37</b>	<b>49 75 53</b>	<b>59 81 66</b>	<b>61 88 52</b>

Footnote:

Payment of Income Tax (Net of Provisions) includes Rs.10 32 (PY: Rs.10 32 ) on account of TDS credit of which is subject to admittance by the Tax Authorities & is net of Rs.1 81 69 (P.Y.Rs. 1 81 69) on account of tax refund received details for which are not available. Adjustments for any short / excess received & interest included therein shall be made on receipt of such details.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 6 INVENTORIES**

(Rupees in '000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
(At lower of cost & net realisable value; as taken, valued and certified by the Management)		
- Raw Materials	1 14 06 34	92 03 17
- Stores and Spares	23 03 63	20 27 80
- Loose Tools	3 49 54	3 53 77
- Work-In-Progress	1 05 93 45	1 09 00 10
- Finished Goods	35 05 87	15 34 71
- Stock in Trade	2 23 16	66
<b>Total</b>	<b>2 83 81 99</b>	<b>2 40 20 21</b>

**Note : 7 TRADE RECEIVABLES**

(Rupees in '000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good	1 58 65 16	1 54 73 41
<b>Total</b>	<b>1 58 65 16</b>	<b>1 54 73 41</b>

**Note : 8 CASH AND CASH EQUIVALENTS**

(Rupees in '000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
- In Current/Cash Credit Account	7 16 68	10 58 73
- In Deposit Account (Margin Money Deposit)	1 46 98 83	1 41 23 73
- In Deposit Account	88 89 35	73 96 34
Cash in hand	51 38	39 69
<b>Total</b>	<b>2 43 56 24</b>	<b>2 26 18 49</b>

Footnote:

i) Balances in Deposit Account (including Margin Money) include Deposit with more than 12 months maturity	8 50 36	71 95 16
ii) Balance in Cash Credit / Current Account includes amount lying in accounts earmarked for redemption of Debentures/Shares.	1 32 66	1 99 30
iii) Balances with Banks subject to confirmation.	1 80	1 94 71

**Note : 9 LOANS**

(Rupees in '000)

PARTICULARS	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Loans				
- To Related Parties (Note No.41)	-	-	30 22 30	35 22 30
- To Subsidiary Company (Note No.41)	-	-	8 02 24	8 02 10
-To Others	-	-	89 10 25	87 10 25
<b>Total</b>	-	-	<b>1 27 34 79</b>	<b>1 30 34 65</b>

**Note : 10 OTHER FINANCIAL ASSETS**

(Rupees in '000)

PARTICULARS	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Deposits with Companies	-	-	8 00 00	11 00 00
Loans & Advances				
-To Others	-	-	1 61 73	1 59 64
Interest Receivable				
- from Related Parties (Note No.41)	-	-	73 39 31	72 69 35
- from Others	-	-	33 46 73	26 15 86
<b>Total</b>	-	-	<b>1 16 47 77</b>	<b>1 11 44 85</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 11 EQUITY SHARE CAPITAL**

(Rupees in '000)

	Equity Shares of Rs.10/- each		Preference Shares of Rs.10/- each	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
<b>As at April 1, 2019</b>	20 00 00 00	20 00 00	5 00 00 00	5 00 00
Increase/(decrease) during the year	-	-	-	-
<b>As at March 31, 2020</b>	20 00 00 00	20 00 00	5 00 00 00	5 00 00
Increase/(decrease) during the year	-	-	-	-
<b>As at March 31, 2021</b>	20 00 00 00	20 00 00	5 00 00 00	5 00 00
<b>Issued Share Capital</b>				
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid</b>			<b>No. of Shares</b>	<b>Amount</b>
<b>As at April 1, 2019</b>			15 00 07 82	15 00 08
Changes during the year			-	-
<b>As at March 31, 2020</b>			15 00 07 82	15 00 08
Changes during the year			-	-
<b>As at March 31, 2021</b>			15 00 07 82	15 00 08
<b>Term/Rights attached to Equity Shares</b>	The company has only one class of shares outstanding viz. Equity Shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share & is entitled to pro-rata dividend, if any, declared on equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholdings.			
<b>Details of shareholders holding more than 5% shares in the company</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of Shares</b>	<b>% holding</b>	<b>No. of Shares</b>	<b>% holding</b>
Hindusthan Consultancy & Services Ltd	6 09 29 31	40.62%	6 05 89 67	40.39%
Promain Ltd	1 43 41 27	9.56%	1 43 41 27	9.56%
Deutsche Bank Trust Company Americas	97 72 04	6.51%	97 72 04	6.51%

**Note : 12 OTHER EQUITY**

(Rupees in '000)

PARTICULARS	As at March	As at March
	31, 2021	31, 2020
<b>A. CAPITAL REDEMPTION RESERVE</b>		
Balance as at the beginning/end of the year	10 41 36	10 41 36
<b>B. SECURITIES PREMIUM</b>		
Balance as at the beginning/end of the year	4 36 31 30	4 36 31 30
<b>C. GENERAL RESERVE</b>		
Balance as at the beginning/end of the year	1 87 44 03	1 87 44 03
<b>D. RETAINED EARNINGS</b>		
Balance as at the beginning of the year	4 11 08 12	3 88 52 52
Net Profit/(Loss) for the year	40 15 32	22 55 60
Balance as at the end of the year	4 51 23 44	4 11 08 12
<b>E. OTHER COMPREHENSIVE INCOME</b>		
Balance as at the beginning of the year	(24 67)	(2 00 66)
Other Comprehensive Income for the year	(5 71 20)	1 75 99
Balance as at the end of the year	(5 95 87)	(24 67)
<b>Total</b>	<b>10 79 44 26</b>	<b>10 45 00 14</b>

Footnote :

Nature & Purpose of Other Equity:

- i) **Capital Redemption Reserve** represents amount created on account of buyback/redemption of shares.
- ii) **Securities Premium** represents amount received in excess of par value of shares issued.
- iii) **General Reserve** is used from time to time to transfer profits from Retained Earnings for appropriation purposes.
- iv) **Retained Earnings** generally represent the undistributed profits/amount of accumulated earnings of the Company. It includes Rs. 8 04 79 represented by Revaluation Reserve as on the date of the transition which is not available for distribution as dividend.
- v) **Other Comprehensive Income** represents the balance in equity relating to gain/losses on re-measurement of defined benefit obligations & remeasurement of Investments, net of taxes. This will not be reclassified to Statement of Profit and Loss.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 13 BORROWINGS**

(Rupees in '000)

PARTICULARS	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Buyer's credit in foreign currency (Secured)	-	-	7 02 95	2 59 19
Acceptance - Inland Bills Discounting (Secured)	-	-	1 28 99 11	55 59 03
Working Capital Demand Loan from Banks (Secured)	-	-	22 00 00	9 00 00
Bank Overdraft (Secured)	-	-	10 93 57	40 04 73
Interest free Sales Tax Loan (Unsecured)	15 95	47 84	2 07 30	1 75 41
Loan from WBIDC (Unsecured)	-	-	1 00 55	1 00 55
Term Loan from Bank (Secured)	-	-	-	11 22
Term Loan from Bank (Unsecured)	1 07 88	-	26 28	-
Cash Credit from Banks (Secured)	-	-	-	32 53 00
<b>Total</b>	<b>1 23 83</b>	<b>47 84</b>	<b>1 72 29 76</b>	<b>1 42 63 13</b>

Footnote:

- i) Interest free Sales Tax Loan is repayable in Half yearly equal installments over a period of 7 years w.e.f. September, 2015. Accordingly, installments falling due within next 12 months have been included as Current.
- ii) Loan from WBIDC is adjustable against power subsidy receivable from Govt. of West Bengal, claim for which has been lodged by the Company & the matter is sub-judice in the Hon'ble High Court at Kolkata. Adjustment, if any, shall be made on final adjudication.
- iii) Letter of Credits, Letter of Guarantees, Buyers' Credit, Demand Loan, Bank Overdraft & Cash Credit are secured by hypothecation of Book Debts, Inventories & pledge of fixed deposits held as margin. These are further secured by 1st charge over fixed assets of Bamunari, Tiljala & Santragachi Plants.
- iv) Term loan of Rs. NIL (PY Rs.4 40) carries interest rate of 11.95% p.a as at the year end & is repayable in twelve equal installment with effect from June 2019 and it is secured by hypothecation of fixed assets acquired out of said term loan.
- v) Term loan of Rs. NIL (PY Rs.6 82) carries interest rate of 11.00% p.a as at the year end & is repayable in twenty four equal installment with effect from July 2018 and it is secured by hypothecation of fixed assets acquired out of said term loan.
- vi) Term loan of Rs. NIL (PY Rs.24 42) carries interest rate of 11.60% p.a as at the year end & the same repayable in Twelve equal installment with effect from November 2017 and it is secured by hypothecation of fixed assets acquired out of said term loan.
- vii) Term loan of Rs. NIL (PY Rs.3 44) carries interest rate of 11.60% p.a as at the year end & the same repayable in Six equal installment with effect from November 2017 and it is secured by hypothecation of fixed assets acquired out of said term loan.
- viii) Term loan of Rs. NIL (PY Rs. 3 26) carries interest rate of 10.45% p.a as at the year end & the same repayable in Six equal installment with effect from January 2018 and it is secured by hypothecation of fixed assets acquired out of said term loan.
- ix) Term loan of Rs. 1 34 16 (PY Rs. NIL) carries interest rate of 8.10 % p.a as at the year end & is repayable in eighteen monthly installment w.e.f. January 2021

**Note : 14 TRADE PAYABLES**

(Rupees in '000)

PARTICULARS	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade Payables				
- Due to Micro, Medium and Small Enterprise	-	-	-	-
- Others	-	-	90 54 45	86 35 33
<b>Total</b>	-	-	<b>90 54 45</b>	<b>86 35 33</b>

Footnote:

On the basis of information available with the company, no supplier has given intimation to the company about registration under MSMED Act, 2006. Hence no information is available with the company about any due payable to any of such supplier or any delay in payment thereof.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 15 OTHER FINANCIAL LIABILITIES**

(Rupees in '000)

PARTICULARS	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Interest accrued & not due on Borrowings	-	-	91 52	67 77
Interest accrued and due on Borrowings	-	-	92	-
Trade Deposits Received	-	-	47 75	44 83
Other Payables	-	-	31 40 91	38 43 02
Unclaimed Debentures Redemption Proceeds	-	-	1 32 66	1 99 30
<b>Total</b>	-	-	<b>34 13 76</b>	<b>41 54 92</b>

**Note : 16 DEFERRED TAX LIABILITIES**

(Rupees in '000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
<b>I Deferred Tax Liabilities</b>		
Timing differences in respect of depreciation	38 78 75	40 92 17
<b>II Deferred Tax Assets</b>		
Timing differences in respect of Expenses/Income	17 25 64	17 60 46
<b>Deferred Tax Liability (Net) ( I - II )</b>	<b>21 53 11</b>	<b>23 31 71</b>

Footnote:

In view of virtual uncertainty of realisation , Deferred Tax Asset in respect of unabsorbed losses available under Income Tax Act has not been recognised.

**Note : 17 PROVISIONS**

(Rupees in '000)

PARTICULARS	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits				
- Gratuity	60 23 51	55 82 01	7 30 26	7 27 32
- Leave Encashment	2 79 69	3 64 20	54 67	69 09
<b>Total</b>	<b>63 03 20</b>	<b>59 46 21</b>	<b>7 84 93</b>	<b>7 96 41</b>

**Note : 18 OTHER LIABILITIES**

(Rupees in '000)

PARTICULARS	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Statutory Liabilities	-	-	5 40 98	4 29 91
Advance from Customers	-	-	13 98 85	11 12 33
Other Payables	-	-	5 03 09	5 01 56
<b>Total</b>	-	-	<b>24 42 92</b>	<b>20 43 80</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 19 REVENUE FROM OPERATIONS**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Sale of Products</b>		
<b>i) Manufactured Goods</b>		
- Ammonium Sulphate	2 12 61	45 52
- Cyanide	1 03 78 81	54 61 20
- Diphenyl Guanidine	-	6 16
- Mandelonitrile	17 53 69	19 55 60
- MPBAD Cyanohydrin	11 79 81	5 17 96
- Jute Goods	3 25 52 18	3 21 05 48
- Points & Crossing	52 79 69	45 43 17
- Railway Rolling Stock	1 95 64 74	2 69 95 33
- Steel Casting	67 37 70	40 73 03
- Others	24 35	2 87 78
	7 76 83 58	7 59 91 23
<b>ii) Traded Goods</b>		
- Cyanide	14 93 90	40 61 19
<b>Total Revenue from Contracts with Customers</b>	7 91 77 48	8 00 52 42
<b>Other Operating Revenue</b>		
- Income from Electricity Generation	1 69 66	2 38 57
- Export-Import Benefit/Incentive	-	5 35
- Scrap / Raw Material Sales	6 64 94	7 22 18
<b>Total</b>	<b>8 00 12 08</b>	<b>8 10 18 52</b>
<b>Disaggregation of Revenue</b>		
<b>Revenue Based on Geography</b>		
Within India	8 00 12 08	8 10 18 52
Outside India	-	-
	8 00 12 08	8 10 18 52
<b>Revenue Based on Business Segment</b>		
Chemical	1 52 29 78	1 23 48 69
Jute	3 25 94 30	3 21 54 58
Engineering	3 21 88 00	3 65 15 25
	8 00 12 08	8 10 18 52
<b>Reconciliation of Revenue From Operation with Contract Price</b>		
Revenue as per contracted price	9 62 62 41	8 30 74 43
<b>Adjustments</b>		
Sales return	12 25 14	32 17
Rate Difference/Deesclation	5 64	19 69 84
Quantity Claim	73	3 12
Discounts	1 50 18 82	50 78
<b>Total</b>	<b>8 00 12 08</b>	<b>8 10 18 52</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 20 OTHER INCOME**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income (Gross)	21 28 10	21 03 60
Interest Component in Preference shares	4 07 80	-
Profit on Sale/Discard of Fixed Assets (Net)	70 05	3 72
Sundry Balance W/Back(Net)	1 75 38	-
Insurance Claim	94 13	-
Gain on Remeasurment of Investments in Mutual Funds	5 10	-
Net Gain on Foreign Exchange Fluctuation	-	22 70
Other Non Operating Income	23 21	20 86
<b>Total</b>	<b>29 03 77</b>	<b>21 50 88</b>

**Note : 21 COST OF MATERIALS CONSUMED**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020		
Inventory at the beginning of the year	92 03 17	1 48 95 00		
Add: Purchases during the year	4 87 16 72	4 13 79 95		
Less: Inventory at the end of the year	(1 14 06 34)	(92 03 17)		
<b>Total</b>	<b>4 65 13 55</b>	<b>4 70 71 78</b>		
<b>Details of Raw Materials Consumed</b>				
Castic Soda/Potash	12 73 40	6 89 63		
Ammonia Liquid	12 80 96	6 27 66		
Natural Gas	6 41 70	2 87 93		
Raw Jute	2 10 19 09	1 90 79 96		
Scrap	17 34 71	17 97 70		
Steel	1 82 82 47	2 30 35 46		
Others	22 81 22	15 53 44		
<b>Total</b>	<b>4 65 13 55</b>	<b>4 70 71 78</b>		
<b>Breakup of Consumption of Raw Materials</b>	%age	Amount	%age	Amount
Imported	10.81%	50 29 75	4.00%	18 82 87
Indigenous	89.19%	4 14 83 80	96.00%	4 51 88 91
	100.00%	4 65 13 55	100.00%	4 70 71 78

**Note 22 PURCHASE OF STOCK-IN-TRADE**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of Stock in Trade - Chemicals	18 15 04	35 69 82
<b>Total</b>	<b>18 15 04</b>	<b>35 69 82</b>



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories (Opening Stock)		
- Finished Goods	15 34 71	11 32 44
- Stock in Trade	66	1 75 35
- Work-in-Progress	1 09 00 10	72 03 51
	1 24 35 47	85 11 30
Inventories (Closing Stock)		
- Finished Goods	35 05 87	15 34 71
- Stock in Trade	2 23 16	66
- Work-in-Progress	1 05 93 45	1 09 00 10
	1 43 22 48	1 24 35 47
<b>Net (Increase) / Decrease</b>	<b>(18 87 01)</b>	<b>(39 24 17)</b>

**Note : 24 EMPLOYEE BENEFIT EXPENSES**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and Other Allowances	1 04 08 78	1 13 58 18
Contribution to Provident and Other Funds	8 41 76	10 12 43
Staff Welfare Expenses	1 02 39	1 08 85
<b>Total</b>	<b>1 13 52 93</b>	<b>1 24 79 46</b>

**Note : 25 FINANCE COST**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expense	10 96 20	14 25 32
Foreign Exchange rate difference applicable to borrowing cost	(13 68)	(1 25)
<b>Total</b>	<b>10 82 52</b>	<b>14 24 07</b>

**Note : 26 DEPRECIATION & AMORTISATION EXPENSES**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on Tangible Assets	33 20 88	32 57 25
Amortization of Intangible Assets	35	28
<b>Total</b>	<b>33 21 23</b>	<b>32 57 53</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 27 OTHER EXPENSES**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021		For the year ended March 31, 2020	
	%age	Amount	%age	Amount
Consumption of Stores & Spares		46 34 44		52 62 02
Power, Fuel & Water Charges		43 75 40		47 64 63
Payment to Auditors:				
- Statutory Audit Fee		2 25		2 12
Brokerage & Commission		3 95 99		2 82 10
Bank Charges		9 88 93		6 03 63
Charity & Donation		95 27		1 03 42
Director Fee		3 30		4 75
Freight & Transport (Net)		5 87 24		4 35 32
Insurance Charges		1 47 22		1 54 77
Net Loss on Foreign Exchange Fluctuation		8 46		-
Rent (Net)		86 20		89 28
Rates & Taxes		1 51 48		2 93 20
Repairs				
- Building		2 42 15		2 08 92
- Machinery		5 40 33		5 44 65
- Others		5 56 43		5 92 21
Research & Development Expenses		26 59		24 60
Jobs on Contract		13 29 28		18 33 94
Sundry Debtors/Balances Written off (Net)		-		63 69
Travelling & Conveyance		76 01		1 92 15
Net Loss on Sale of Investment		-		4 36 03
Miscellaneous Expenses		8 27 87		14 96 08
<b>Total</b>		<b>1 50 74 84</b>		<b>1 73 87 51</b>
Breakup of Consumption of Stores & Spares	%age	Amount	%age	Amount
Imported	-	-	0.05%	2 50
Indigenous	100.00%	46 34 44	99.95%	52 59 52
<b>Total</b>	100.00%	46 34 44	100.00%	52 62 02

Footnote :

i) Charity &amp; Donation includes amount paid on account of Corporate Social Responsibility (CSR) activities Rs. 82 50 (PY: Rs. 1 01 00).

**Note : 28 EARNING PER SHARE**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021		For the year ended March 31, 2020	
	%age	Amount	%age	Amount
Number of Weighted Average Equity Shares outstanding at year end		15 00 07 82		15 00 07 82
Nominal Value of each Equity Share (Rs.)		10		10
Profit attributable to equity shareholders		40 15 32		22 55 60
Earning per Share				
- Basic (Rs)		26.77		15.04
- Diluted (Rs)		26.77		15.04

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

- 29 Malanpur Steel Ltd.(MSL) had been merged with the company with retrospective effect from 1st April 2009 as per "Scheme" sanctioned by the Board for Industrial & Financial Reconstruction (BIFR) vide its Order dated 4th September 2012.

Certain amounts claimed by different authorities against which necessary provision had been made in the scheme have not been provided for in these accounts as these are claimed to be not payable by the company & are under reconciliation with respective authorities. The same have been disclosed as contingent liability in these accounts. Reliefs / concessions claimed from various statutory authorities viz. Income Tax, Sales Tax & Excise are under consideration of respective authorities & approvals of the same are awaited. However, the effects thereof have been taken in these accounts. Necessary adjustment, if required, shall be made on disposal thereof by respective authorities.

<b>30 Contingent Liabilities not Provided for</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
(Rupees in '000)		
Claims against the Company not acknowledged as debts (to the extent ascertained )		
(i) Sales Tax matters under appeal Net of payment already made & Included in Loans & Advances Rs. 2 82 45 (PY: Rs.2 75 04)	30 01 95	34 22 04
(ii) Central Excise matters under appeal Net of payment already made & Included in Loans & Advances Rs.8 24 59 (PY: Rs.8 24 59)	17 20 06	16 63 66
(iii) Service Tax matters under appeal Net of payment already made & Included in Loans & Advances	46 56	46 56
(iv) Income Tax demand under appeal/subject to rectification Net of payments	2 14 15	2 14 15
(v) Others Net of payment already made & included in Security Deposits Rs.20 00 (PY: Rs.20 00)	85 49 97	85 42 77
(vi) Raw Jute Tax matter under appeal	22 71	22 71
<b>31 Capital Commitments not provided for (Net of advances)</b>	<b>5 58 99</b>	<b>8 50 79</b>

<b>32 Expenses include following payments to Wholetime Director</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
(Rupees in '000)		
Salary and Allowances	42 34	41 36
Contribution to Provident Fund	2 19	2 19

<b>33 Research and Development expenses include :</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
(Rupees in '000)		
Employee Benefit Expenses	25 80	23 62
Stores and Spares Consumed	79	98

- 34 Loan to Subsidiary (Note No. 9) include advances given and administrative & other expenses allocated for project of Subsidiary Company. Implementation of the said project has been rendered ineffective by the Government & the matter is subjudice. Pending final adjudication, the amount is considered good & recoverable.

- 35 In terms of Orders of Hon'ble Calcutta High Court in respect of certain loans given in earlier years and remaining outstanding Rs.20 22 30 (PY: Rs.20 22 30), interest for the period from 1st April 1997 stands waived and the same has therefore not accrued. However, interest thereon already accrued and accounted for upto 31st March 1997 is being recovered where principal amounts have been fully realized and amount of such interest outstanding is Rs.72 31 08 (PY: Rs.72 31 08).

- 36 Loans to other include Rs.5 00 00 (PY: Rs. 5 00 00) which is overdue for payment. Necessary steps for recovery are being taken & pursued by the Company. Interest on such loans, considering the uncertainty as to the realization, shall be accounted for on receipt thereof.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

37 Balances of Trade Receivables, Security Deposits, Advances, Trade Payables, Statutory Dues/claims & Other Payables are subject to confirmation and consequential reconciliation / adjustments.

38 Trade Receivables and Advances aggregating to Rs.29 78 72 (PY: Rs.12 21 63), pending outcome of persuasive and other steps being taken by the company, are considered good and recoverable.

**39 a) Information about Business segments**

(Rupees in '000)

	Chemicals		Jute Goods		Engineering		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>REVENUE</b>								
External Sales/Other Income (Gross)	1 52 29 78	1 23 48 69	3 25 94 30	3 21 54 58	3 21 88 00	3 65 15 25	8 00 12 08	8 10 18 52
Inter-segment Sales/Other Income	-	-	2 02	3 35	-	-	2 02	3 35
Total Revenue	1 52 29 78	1 23 48 69	3 25 96 32	3 21 57 93	3 21 88 00	3 65 15 25	8 00 14 10	8 10 21 87
<b>RESULT</b>	46 53 66	10 78 33	5 84 20	13 19 51	9 27 28	13 07 90	61 65 14	37 05 74
Unallocated Expenses (Net of Unallocated Income)							15 67 97	20 45 84
Operating profit							45 97 17	16 59 90
Interest Expenses							10 82 52	14 24 07
Interest / Dividend Income							21 28 10	21 03 60
Net Gain/(Loss) on sale of Investments							-	(4 36 03)
<b>Income Taxes</b>								
Current Tax							18 06 03	8 11 39
Deferred Tax							(1 78 60)	(11 63 59)
<b>Net Profit</b>							<b>40 15 32</b>	<b>22 55 60</b>
<b>OTHER INFORMATION</b>								
Segment assets	1 13 52 70	92 75 57	1 11 66 06	92 89 00	4 93 72 77	4 75 72 74	7 18 91 53	6 61 37 31
Unallocated assets							7 90 58 77	7 80 82 26
<b>Total assets</b>							<b>15 09 50 30</b>	<b>14 42 19 57</b>
Segment liabilities	21 53 81	15 82 79	1 11 80 43	95 90 96	83 42 45	1 00 58 45	2 16 76 69	2 12 32 20
Unallocated Liabilities							1 98 29 27	1 69 87 15
<b>Total Liabilities</b>							<b>4 15 05 96</b>	<b>3 82 19 35</b>
Capital expenditure (Including CWIP)	3 72 58	5 85 73	12 76 29	11 62 55	6 61 54	91 49	23 10 41	18 39 77
Unallocated							-	8 06
<b>Total</b>							<b>23 10 41</b>	<b>18 47 83</b>
Depreciation	5 88 29	6 18 28	3 58 59	2 96 22	6 84 45	6 53 20	16 31 33	15 67 70
Unallocated							16 89 90	16 89 83
<b>Total</b>							<b>33 21 23</b>	<b>32 57 53</b>
<b>Break-up of Segment Revenue:-</b>								
Sales	1 50 18 82	1 20 47 63	3 25 52 18	3 21 05 47	3 16 06 48	3 58 99 32	7 91 77 48	8 00 52 42
Other Income								
Export Incentive	-	-	-	-	-	5 35	-	5 35
Other Operating Income	2 10 96	3 01 06	42 12	49 11	5 81 52	6 10 58	8 34 60	9 60 75
<b>Total Revenue</b>	<b>1 52 29 78</b>	<b>1 23 48 69</b>	<b>3 25 94 30</b>	<b>3 21 54 58</b>	<b>3 21 88 00</b>	<b>3 65 15 25</b>	<b>8 00 12 08</b>	<b>8 10 18 52</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

b) Operating segments are defined as components of an enterprise for which discrete financial information is available which is evaluated regularly by the Chief Financial Officer in deciding how to allocate resources & assess performance.

c) Based on the synergies, risks and return associated with business operation, the Company is engaged in following business segments.

**Identified Segments**

- i) Chemicals
- ii) Jute
- iii) Engineering

**Manufacturing and sale of :**

Sodium Cyanide, Ammonium Sulphate, Diphenyl Guanidine  
Jute Goods  
Castings, Points & Crossings, Railway Rolling Stock, Steel Wires

(Rupees in '000)

d) Geographical segments considered for disclosure are

**Sales**

- within India
- Outside India

	For the year ended March 31, 2021	For the year ended March 31, 2020
	7 91 77 48	8 00 52 42
	-	-
<b>Total :</b>	<b>7 91 77 48</b>	<b>8 00 52 42</b>

**Trade Receivables**

- within India
- Outside India

	For the year ended March 31, 2021	For the year ended March 31, 2020
	1 57 98 31	1 47 93 64
	66 85	6 79 77
<b>Total :</b>	<b>1 58 65 16</b>	<b>1 54 73 41</b>

**40 Gratuity & Other Post Employment Benefit Plans**

This Company has a defined benefit gratuity plan which is unfunded. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act 1972.

This company also extends benefit of compensated absence to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment. This is also unfunded.

The following tables summarizes the components of net benefit/expenses recognised in the Statement of Profit and Loss & the Balance Sheet for the respective plans.

**1. Movement In Obligation**

(Rupees in'000)

Particulars	Gratuity (Unfunded)	Leave (Unfunded)
Present Value of Obligation- April 1,2019	64 47 56	3 78 48
Current Service Cost	2 72 62	1 11 14
Interest Cost	4 90 62	28 55
Benefits/Settlement paid	(5 89 32)	(1 61 84)
Actuarial loss/(gain):	(3 12 15)	76 96
Present Value of Obligation- March 31,2020	63 09 33	4 33 29
Current Service Cost	2 78 07	76 40
Interest Cost	4 41 65	30 33
Benefits/Settlement paid	(5 39 38)	(1 60 37)
Actuarial loss/(gain):	2 64 10	(45 29)
Present Value of obligation- March 31,2021	67 53 77	3 34 36

**2. Recognised in Statement of Profit and Loss**

(Rupees in'000)

Particulars	Gratuity (Unfunded)	Leave (Unfunded)
Current Service Cost	2 72 62	1 11 14
Interest Cost	4 90 62	28 55
<b>For the year ended March 31,2020</b>	<b>7 63 24</b>	<b>1 39 69</b>
Current Service Cost	2 78 07	76 40
Interest Cost	4 41 65	30 33
<b>For the year ended March 31,2021</b>	<b>14 82 96</b>	<b>2 46 42</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****3. Recognised in Other Comprehensive Income**

(Rupees in'000)

Particulars	Gratuity (Unfunded)	Leave (Unfunded)
Remeasurement		
Actuarial loss/(gain) for the year ended March 31,2020	(3 12 15)	76 96
Actuarial loss/(gain) for the year ended March 31,2021	2 64 10	(45 29)

**4. The principal actuarial assumptions used for estimating the Company's defined benefit obligations in respect of Gratuity & Leave are set out as below:**

Weighted average actuarial assumptions	Year ended March 31,2021	Year ended March 31,2020
Attrition rate	1% to 8%	1% to 8%
Discount rate	7%	7%
Expected rate of increase in salary	6%	6%
Expected rate of return on plan assets	-	-
Mortality rate	IALM(2012-14) Table	
The assumptions of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.		

**5. Sensitivity Analysis: (a) Gratuity**

(Rupees in'000)

Particulars	Change in Assumption	Effect on Gratuity obligation	
		Year ended March 31,2021	Year ended March 31,2020
Discount rate	> 1%	(2 59 11)	(3 80 93)
	<1%	5 51 32	4 21 90
Salary Growth rate	> 1%	5 73 29	4 47 42
	<1%	(2 84 55)	(4 09 58)
Withdrawal Rate	> 1%	1 45 12	32 14
	<1%	1 04 29	(34 70)
<b>(b) Leave Encashment</b>		<b>Effect on Leave Encashment obligation</b>	
Discount rate	> 1%	(27 75)	(24 34)
	<1%	31 77	27 56
Salary Growth rate	> 1%	32 91	28 71
	<1%	(29 13)	(25 67)
Withdrawal Rate	> 1%	2 03	2 39
	<1%	(2 26)	(2 65)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied when calculating the defined benefit obligation recognised within the Balance sheet.

**6. Statement of Employee Benefit Provision**

(Rupees in'000)

Particulars	Year ended March 31,2021	Year ended March 31,2020
Gratuity	67 53 77	63 09 33
Leave Encashment	3 34 36	4 33 29
<b>Total</b>	<b>70 88 13</b>	<b>67 42 62</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****41 Related Party Disclosures**

<b>A. Names of related parties with whom transaction were being carried out during the year and their relationship</b>	
Subsidiary Company:	Hindustan Vidyut Corporation Ltd.
Associate Companies:	Nil
Key Managerial Personnel (KMPs):	Shri R P Mody (Chairman Upto 29.06.20) Shri V A Mody (Chairman w.e.f 30.06.20) Shri A K D Singh (Executive Director-Technical) Shri J K Singhania (Chief Financial Officer) ( upto 09.09.2019) Shri P K Himatsingka - (Chief Financial Officer) ( w.e.f 10.09.2019) Shri R K Agarwal (Co. Secretary)
Enterprise over which KMP/ Shareholders/ Close family have significane influence:	Anuradha Investments Ltd. Associated General Trading Society Ltd. Carbo Industrial Holdings Ltd. Foster Engineering Industries Ltd. Hindusthan Consultancy & Services Ltd. Hindisthan Speciality Chemicals Ltd. Hindusthan Urban Infrastructure Ltd. Magnum Traders Ltd. Olympic General Trading Ltd. Paramount Enterprises Ltd. Promain Ltd.
Transactions with related parties are at arms length price. Outstanding balances as at year end are unsecured & settlement occurs generally in cash. The company has not recorded any impairment in respect of outstandings with related parties during the year as well as in the preceeding year.	

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

B. Details of transactions between the Company and related parties and outstanding balances as at the year end are given below:

Amount (in 000)

Nature of Transactions	Year	Subsidiary Companies	Enterprise over which KMP/Shareholders/relatives have significant influence	KMP	Total
<b>In relation to the statement of Profit and Loss</b>					
<b>Account(Exclusive of Taxes, if any):</b>					
<b>Remuneration/Commission</b>					
Shri A K D Singh	2020-21 2019-20			42 34 41 36	42 34 41 36
<b>Director Sitting Fee</b>					
Shri R P Mody	2020-21 2019-20			10 60	10 60
Shri V A Mody	2020-21 2019-20			40 50	40 50
<b>Salary</b>					
Shri R P Mody	2020-21 2019-20			50 00 -	50 00 -
Shri J K Singhania	2020-21 2019-20			- 22 06	- 22 06
Shri P K Himatsingka	2020-21 2019-20			18 86 10 52	18 86 10 52
Shri R K Agarwal	2020-21 2019-20			19 01 22 83	19 01 22 83
<b>Rent Paid (Exclusive of taxes)</b>					
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20			65 63	65 63
Paramount Enterprises Ltd.	2020-21 2019-20			96 54 96 54	96 54 96 54
Promain Ltd.	2020-21 2019-20			20 18	20 18
Magnum Traders Ltd.	2020-21 2019-20			1 20 1 20	1 20 1 20
<b>Consultancy Service &amp; Maintenance Charges etc.</b>					
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20			92 21 95 66	92 21 95 66
Paramount Enterprises Ltd.	2020-21 2019-20			7 18 8 76	7 18 8 76
Hindusthan Urban Infrastructure Ltd.	2020-21 2019-20			4 54 -	4 54 -
<b>Interest Received</b>					
Hindusthan Urban Infrastructure Ltd.	2020-21 2019-20			7 80 2 23	7 80 2 23
Hindusthan Speciality Chemicals Ltd.	2020-21 2019-20			70 00 40 29	70 00 40 29
<b>Rent Received</b>					
Hindusthan Urban Infrastructure Ltd.	2020-21 2019-20			12 12	12 12
<b>Electricity Charges- Received</b>					
Hindusthan Urban Infrastructure Ltd.	2020-21 2019-20			3 36 3 34	3 36 3 34



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

Amount (in 000)

Nature of Transactions	Year	Subsidiary Companies	Enterprise over which KMP/Shareholders/relatives have significant influence	KMP	Total
<b><u>In relation Balance Sheet:</u></b>					
<b><u>Loan/ Advances / Security Deposits Given/ (Repayment Received) during the year</u></b>					
Hindusthan Urban Infrastructure Ltd.	2020-21 2019-20		(5 00 00) 5 00 00		(5 00 00) 5 00 00
Magnum Traders Ltd.	2020-21 2019-20		(60) (60)		(60) (60)
Promain Ltd.	2020-21 2019-20		(10 20) (10 20)		(10 20) (10 20)
Hindisthan Speciality Chemicals Ltd.	2020-21 2019-20		- 10 00 00		- 10 00 00
Hindustan Vidyut Corporation Ltd.	2020-21 2019-20	14 1 03			14 1 03
<b><u>Balance outstanding at the year end - Debit Loan Given</u></b>					
Anuradha Investments Ltd.	2020-21 2019-20		1 08 00 1 08 00		1 08 00 1 08 00
Associated General Trading Society Ltd.	2020-21 2019-20		22 00 22 00		22 00 22 00
Carbo Industrial Holdings Ltd.	2020-21 2019-20		1 22 25 1 22 25		1 22 25 1 22 25
Foster Engineering Industries Ltd.	2020-21 2019-20		1 57 25 1 57 25		1 57 25 1 57 25
Hindusthan Urban Infrastructure Ltd.	2020-21 2019-20		- 5 00 00		- 5 00 00
Promain Ltd.	2020-21 2019-20		1 19 80 1 19 80		1 19 80 1 19 80
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20		14 93 00 14 93 00		14 93 00 14 93 00
Hindisthan Speciality Chemicals Ltd.	2020-21 2019-20		10 00 00 10 00 00		10 00 00 10 00 00
Hindustan Vidyut Corporation Ltd.	2020-21 2019-20	8 02 24 8 02 10			8 02 24 8 02 10
<b><u>Balance outstanding at the year end - Debit Interest Receivables</u></b>					
Anuradha Investments Ltd.	2020-21 2019-20		4 85 07 4 85 07		4 85 07 4 85 07
Associated General Trading Society Ltd.	2020-21 2019-20		7 15 28 7 15 28		7 15 28 7 15 28
Carbo Industrial Holdings Ltd.	2020-21 2019-20		4 34 24 4 34 24		4 34 24 4 34 24
Foster Engineering Industries Ltd.	2020-21 2019-20		4 77 72 4 77 72		4 77 72 4 77 72
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20		35 68 63 35 68 63		35 68 63 35 68 63
Hindisthan Speciality Chemicals Ltd.	2020-21 2019-20		1 01 01 36 26		1 01 01 36 26
Hindusthan Urban Infrastructure Ltd.	2020-21 2019-20		7 21 2 01		7 21 2 01
Olympic General Trading Ltd.	2020-21 2019-20		4 40 00 4 40 00		4 40 00 4 40 00
Promain Ltd.	2020-21 2019-20		11 10 13 11 10 13		11 10 13 11 10 13

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

Amount (in 000)

Nature of Transactions	Year	Subsidiary Companies	Enterprise over which KMP/Shareholders/relatives have significant influence	KMP	Total
<b>Advances/Security Deposits given</b>					
Magnum Traders Ltd.	2020-21 2019-20		22 62 23 22		22 62 23 22
Promain Ltd.	2020-21 2019-20		1 91 35 2 01 55		1 91 35 2 01 55
<b>Sale of Investments</b>					
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20		- 20 97 80		- 20 97 80
<b>Balance outstanding at the year end - Credit Salary</b>					
Shri P K Himatsingka - (Chief Financial Officer)	2020-21 2019-20			1 78 1 09	1 78 1 09
Shri R K Agarwal (Co. Secretary)	2020-21 2019-20			1 99 1 30	1 99 1 30
<b>Rent Payable</b>					
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20		3 13		3 13
Magnum Traders Ltd.	2020-21 2019-20		7 65 7 05		7 65 7 05
<b>Consultancy Service &amp; Maintenance Charges etc.</b>					
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20		4 77 14 74		4 77 14 74

**42 Expenditure & Earning in Foreign currency**

(Rupees in'000)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>CIF VALUE OF IMPORTS</b>		
Raw Materials	51 00 25	10 12 40
Stores and Spare Parts	-	2 50
Finish Goods	17 25 47	32 30 32
Capital Goods	4 63 81	85 73
<b>EXPENDTURE IN FOREIGN CURRENCY</b>		
Travelling	11 31	21 40
Interest	2 05	14 25
Others	6 61	4 57
<b>EARNING IN FOREIGN CURRENCY</b>		
Export (F.O.B Value)	-	-

**43 Unhedged Foreign Currency:**

(Rupees in'000)

	As at March 31, 2021		As at March 31, 2020	
	USD	EURO	USD	EURO
<b>Payables</b>				
Buyer's Credit	9 56	-	-	9 56
Interest	4	3	3	4
Advance From Customers	1 97	-	1 97	-
<b>Receivables</b>				
Trade Receivables	33	50	84	-
Advance to Suppliers	10	-	10	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****44 FINANCIAL INSTRUMENTS DISCLOSURE**

<b>CATEGORIES OF FINANCIAL INSTRUMENTS</b>				(Rupees in '000)
<b>PARTICULARS</b>	<b>Note No:</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Financial Assets</b>				
<b>Measured at Amortised Cost</b>				
Investments - Non-Current	4	1 10 22 90	96 59 60	
Trade Receivables	7	1 58 65 16	1 54 73 41	
Cash and Cash Equivalents	8	2 43 56 24	2 26 18 49	
Loans	9	1 27 34 79	1 30 34 65	
Other Financial Assets	10	1 16 47 77	1 11 44 85	
<b>Total Financial Assets Measured at Amortised Cost</b>		<b>7 56 26 86</b>	<b>7 19 31 00</b>	

<b>Measured at Fair Value through Statement of Profit or Loss</b>	<b>Note No:</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
Investments - Current	4	11 40	6 30	
<b>Total Financial Assets measured at Fair Value through Statement of Profit or Loss</b>		<b>11 40</b>	<b>6 30</b>	

<b>Financial Liabilities</b>	<b>Note No:</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Measured at Amortised Cost</b>				
Borrowings	13	1 73 53 59	1 43 10 97	
Trade Payables	14	90 54 45	86 35 33	
Other Financial liabilities	15	34 13 76	41 54 92	
<b>Total Financial Liabilities measured at Amortised Cost</b>		<b>2 98 21 80</b>	<b>2 71 01 22</b>	

**45 (i) Class wise Fair Value of the Company's Financial Instruments:**

(Rupees in '000)

<b>PARTICULARS</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Investments in Mutual Funds	11 40	6 30
Non Current Investments, other than Investments in Subsidiary and Associates	13	13

**(ii) Fair Value Technique**

The fair values of the financial assets and liabilities are included at the amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- The fair value of cash and cash equivalents, trade receivables, trade payables, financial liabilities and borrowings approximate their carrying amount largely due to the short term nature of these instruments. The board considers that the carrying amounts of the financial assets and financial liabilities are recognised at cost/amortised costs in the financial statements approximates their fair values.
- Fair value of debt approximates their carrying value subject to adjustments made for transaction cost if any
- Investments in liquid and short-term mutual funds are measured using their net asset value at the reporting date multiplied by the quantity held.
- During the current as well as previous financial years, there were no transfers between different levels of fair value measurement

**46 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables, The main purpose of these financial liabilities is to finance the company's operations. The company's financial assets include trade and other receivables, cash and cash equivalents, investments at cost/fair value and deposit.

The Company is exposed to market risk. The company's senior management oversees the management of the risks. The Board of Directors reviews and agrees to policies for managing each of these risks, which are summarised below:

**Market Risk**

Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of risk, such as raw material price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

The table provides undiscounted cash flow towards non- derivative financial liability into relevant maturities based on the remaining period at balance sheet date to contractual maturity date.

(Rupees in '000)

PARTICULARS	Payable within 1 year	Payable in more than 1 year	Total
<b>As at 31st March 2020.</b>			
Non Current Borrowings	-	47 84	47 84
Current Borrowings	1 42 63 13	-	1 42 63 13
Trade Payables	86 35 33	-	86 35 33
Unpaid Shares/Debentures Proceeds	1 99 30	-	1 99 30
<b>As at 31st March 2021</b>			
Non Current Borrowings	-	1 23 83	1 23 83
Current Borrowings	1 72 29 76	-	1 72 29 76
Trade Payables	90 54 45	-	90 54 45
Unpaid Shares/Debentures Proceeds	1 32 66	-	1 32 66

**47 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes Issued Equity Capital, Securities Premiums and all other Equity Reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the Share holder value. The Company manages its capital structure and makes adjustments in line with changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sale assets to reduce debt. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing long term loans and borrowings less cash and cash equivalents.

**48 GEARING RATIO:**

The Company has long term debt of Rs.1 23 83 as on 31.03.2021 (PY - Rs.47 84). Accordingly the Company has 100% gearing ratio as at 31st March 2021 & 31st March 2020.

(Rupees in'000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Net Long Term debt	1 23 83	47 84
Total Equity	10 94 44 34	10 60 00 22
Net Long Term debt to Value Ratio	100%	100%

**49 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

**JUDGEMENTS****Fair value as Deemed Cost for Property Plant & Equipment.**

Property, plant and equipment has been carried in accordance with previous GAAP carrying value as deemed cost at the date of transition, which has been considered as deemed cost. On transition, previous GAAP revaluation reserve has also been transferred to retained earnings.

**Lease as Finance Lease**

Lease as Finance Lease has been included in the Property, Plant and Equipment while considering the overall context of transfer of risk and rewards incidental to ownership.

**Depreciation/Amortisation of and Impairment Loss on Property Plant and Equipment/Intangible Assets:**

Property, Plant and Equipment are depreciated and intangible assets are amortised on straight line basis over the estimated useful lives (or Lease Term if shorter) in accordance with Schedule II of the Companies Act 2013, taking into account the estimated residual value, wherever applicable. The company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation/ amortisation expense to be recorded during any reporting period. This reassessment may result in change in depreciation expense in future periods.

The Company reviews its carrying value of its Tangible and Intangible assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be made is estimated by reference to the estimated value in use or recoverable amount.

**Impairment loss on Trade Receivables:**

The Company evaluated whether there is any objective evidence that trade receivable are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivable balances, creditworthiness of the trade receivables and historical written off experience. If the financial conditions of the trade receivables were to deteriorate, actual writeoffs would be higher than estimated.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimations uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described above. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumption about the future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumption when they occur.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumption that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rate of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes.

Future salary increases are based on expected future inflation rates.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active market, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

50 Figures of the previous Year have been regrouped / rearranged whenever considered necessary.

51 These Financial statements have been approved by the Board of Directors of the Company on 2nd November, 2021 for issue to the shareholders for their adoption.

The accompanying Notes No.2 to 51 are an integral part of the Standalone Financial Statements

As per our Report of even date  
For S Rastogi & Associates  
Chartered Accountants  
Firm Registration No. 318123E

For and on behalf of the Board of Director

CA S. Rastogi  
Proprietor  
Membership No: 053823  
Place: Kolkata

P K Himatsingka  
CFO

R K Agarwal  
Co. Secretary

V A Mody  
Director  
DIN : 00193192

A K D Singh  
Executive Director  
(Tech.)  
DIN : 07160198

Dated the 2nd day of November, 2021

**INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT**

TO

THE MEMBERS OF

**HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED****Report on the Consolidated Financial Statements****Qualified Opinion**

We have audited the accompanying Consolidated Financial Statements of **Hindusthan Engineering & Industries Limited** ("the Holding Company"), its subsidiary (the Holding Company & its subsidiary together referred to as "the Group") which comprise the Balance Sheet as at **31<sup>st</sup> March, 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph the aforesaid Consolidated Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at **31<sup>st</sup> March, 2021**, and its Statement of Profit and Loss (including other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

- a. Note No. 29 in respect of accounting of effect of certain reliefs/concessions which are yet to be approved by respective authorities. In view of pendency in disposal of such claims, we are unable to comment the impact, if any, thereof on the profit for the year & reserve & surplus at the year end.
- b. Note No. 35 in respect of Loans given, Note No. 37 in respect of Trade Receivables & Advances, whereby the extent of amounts recoverable there against is presently not ascertainable & therefore provision there against & consequential impact thereof, if any, on the profit for the year & reserves & surplus could not be ascertained & commented upon by us
- c. Note No. 38 regarding the present status of Integrated Lignite Mining-cum-Power Generation Project being implemented by the subsidiary Company. The Implementation Agreement was made ineffective by the Government of Rajasthan & the matter is subjudice as described in the Note. The matter being under litigation, we are unable to comment on the realisation of the project expenditure pending allocation amounting to Rs. 11,86,52

These matters were also qualified in our report on the financial statements for the year ended 31<sup>st</sup> March,2020

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 Qualified opinion.

**Responsibility of Management for Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and Statement of changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) rules, 2015 as amended. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT (Contd.)**

In preparing the Consolidated financial statements, 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.

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

**Other Matters**

We did not audit the financial statements/financial information of the subsidiary company whose financial statements/financial information reflect total assets of Rs. 12 11.91 lakh and net assets of Rs. 1 40.15 lakh as at 31<sup>st</sup> March 2021, total revenue of Rs. Nil and net cash flows of Rs. (-) 0.37 lakh for the year ended on that date as considered in the consolidated financial statements. These financial statements/financial information 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 aforesaid subsidiary and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

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

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. Except for the effects of the matters described in the basis for qualified opinion paragraph above, in our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and Statement of changes in equity dealt by this report are in agreement with the books of account.
- d. Except for the effects of the matter described in the basis for qualified opinion paragraph above, in our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 as amended.
- e. The matters described in the basis for qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
- f. On the basis of written representations received from the directors as on **31<sup>st</sup> March, 2021**, taken on record by the Board of Directors, none of the directors is disqualified as on **31<sup>st</sup> March, 2021**, from being appointed as a director in terms of Section 164 (2) of the Act.
- g. 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'.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements-Refer Note No. 30 to the Consolidated Financial Statements.

**INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT (Contd.)**

- ii. The Company did not have any long-term contracts including derivatives 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 S. RASTOGI & ASSOCIATES,  
Chartered Accountants  
(Firm Registration no. – 318123E)**

**Place: Kolkata  
Dated: 2nd day of November, 2021**

**(S. RASTOGI)  
PROPRIETOR  
Membership No. – 053823**



**INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT (Contd.)**

Annexure- A to the Auditors' Report

**Report on the Internal Financial Controls under Clause (i) sub –section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of **Hindusthan Engineering & Industries Limited** (“the Holding Company”), its subsidiary (the Holding Company & its subsidiary together referred to as “the Group”) as of **31<sup>st</sup> March, 2021** in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on the date.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31<sup>st</sup> March, 2021**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and 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 controls 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 Company asset; (2) provide reasonable assurance that transaction 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 the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements,

**INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT (Contd.)**

**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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For S. RASTOGI & ASSOCIATES,  
Chartered Accountants  
(Firm Registration no. – 318123E)**

**Place: Kolkata**

**Dated: 2nd day of November, 2021**

**(S. RASTOGI)  
PROPRIETOR  
Membership No. – 053823**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021**

(Rupees in '000)

PARTICULARS	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	2	3 22 15 52	3 17 69 84
Capital Work-in-Progress	3	34 66 44	51 22 55
Goodwill on Consolidation		35	35
Intangible Assets	2	14 12 60	13 91 70
Financial Assets			
- Investments	4	1 08 82 40	95 19 10
Other Assets	5	50 50 37	49 85 53
<b>Total Non Current Assets</b>		<b>5 30 27 68</b>	<b>5 27 89 07</b>
<b>Current Assets</b>			
Inventories	6	2 83 81 99	2 40 20 21
Financial Assets			
- Investments	4	11 40	6 30
- Trade Receivables	7	1 58 65 16	1 54 73 41
- Cash and Cash Equivalents	8	2 43 56 62	2 26 19 03
- Loans	9	1 19 32 55	1 22 32 55
- Other Financial Assets	10	1 16 47 77	1 11 44 85
Other Assets	5	59 96 66	62 03 52
<b>Total Current Assets</b>		<b>9 81 92 15</b>	<b>9 16 99 87</b>
<b>Total Assets</b>		<b>15 12 19 83</b>	<b>14 44 88 94</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	15 00 08	15 00 08
Other Equity	12	10 79 44 26	10 45 00 14
<b>Total Equity</b>		<b>10 94 44 34</b>	<b>10 60 00 22</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
- Borrowings	13	1 23 83	47 84
Deferred Tax Liabilities (Net)	16	21 53 11	23 31 71
Provisions	17	63 03 20	59 46 21
<b>Total Non Current Liabilities</b>		<b>85 80 14</b>	<b>83 25 76</b>
<b>Current Liabilities</b>			
Financial Liabilities			
- Borrowings	13	1 72 29 76	1 42 63 13
- Trade Payables	14		
-Dues to micro & small enterprises		-	-
-Dues to others		90 54 45	86 35 33
- Other Financial Liabilities	15	34 13 76	41 54 92
Provisions	17	7 84 93	7 96 41
Other Liabilities	18	27 12 45	23 13 17
<b>Total Current Liabilities</b>		<b>3 31 95 35</b>	<b>3 01 62 96</b>
<b>Total Liabilities</b>		<b>4 17 75 49</b>	<b>3 84 88 72</b>
<b>Total Equity &amp; Liabilities</b>		<b>15 12 19 83</b>	<b>14 44 88 94</b>

Significant Accounting Policies

1

The accompanying Notes No.2 to 52 are an integral part of these Consolidated Financial Statements

As per our Report of even date  
For S Rastogi & Associates  
Chartered Accountants  
Firm Registration No. 318123E

For and on behalf of the Board of Directors

V A Mody  
Director  
DIN : 00193192

CA S. Rastogi  
Proprietor  
Membership No: 053823  
Place: Kolkata  
Dated the 2nd day of November, 2021

P K Himatsingka  
CFO

R K Agarwal  
Co. Secretary

A K D Singh  
Executive Director (Tech.)  
DIN : 07160198

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

(Rupees in '000)

PARTICULARS	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>INCOME</b>			
Revenue from Operations	19	8 00 12 08	8 10 18 52
Other Income	20	29 03 77	21 50 88
<b>Total Income</b>		<b>8 29 15 85</b>	<b>8 31 69 40</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	4 65 13 55	4 70 71 78
Purchase of Stock-in-Trade	22	18 15 04	35 69 82
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	23	(18 87 01)	(39 24 17)
Employee Benefit Expenses	24	1 13 52 93	1 24 79 46
Finance Cost	25	10 82 52	14 24 07
Depreciation and Amortisation Expenses	26	33 21 23	32 57 53
Other Expenses	27	1 50 74 84	1 74 75 14
<b>Total Expenses</b>		<b>7 72 73 10</b>	<b>8 13 53 63</b>
<b>Profit/(Loss) before tax</b>		<b>56 42 75</b>	<b>18 15 77</b>
Income Tax Expense			
- Income Tax related to earlier years		13 92	(17 41)
- Current Tax		17 92 11	8 28 80
- Deferred Tax		(1 78 60)	(11 63 59)
<b>Total Tax Expense</b>		<b>16 27 43</b>	<b>(3 52 20)</b>
<b>Profit/(Loss) after tax</b>		<b>40 15 32</b>	<b>21 67 97</b>
Profit/(Loss) attribute to Owner of the Company		40 15 32	21 67 97
Profit/(Loss) attribute to Owner of Non Controlling Interest		-	-
<b>Other Comprehensive Income</b>			
Items that may be reclassified to the Statement of Profit and Loss		-	-
Items that will not be reclassified to the Statement of Profit and Loss:			
- Remeasurements of the Defined Benefit Plans		(2 18 81)	2 35 19
- Remeasurements of Fair value of Investments		(5 44 50)	(4 24)
- Income tax relating to items that will not be reclassified to the Statement of Profit and Loss		1 92 11	(59 20)
<b>Other Comprehensive Income/(Loss) for the year, Net of Tax</b>		<b>(5 71 20)</b>	<b>1 71 75</b>
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>34 44 12</b>	<b>23 39 72</b>
<b>Earnings per Equity Share (in Rupees)</b> (Nominal value of shares Rs.10 each)	28		
- Basic		26.77	14.45
- Diluted		26.77	14.45

Significant Accounting Policies

1

The accompanying Notes No.2 to 52 are an integral part of these Consolidated Financial Statements.

As per our Report of even date  
For S Rastogi & Associates  
Chartered Accountants  
Firm Registration No. 318123E

For and on behalf of the Board of Directors

V A Mody  
Director  
DIN : 00193192

CA S. Rastogi  
Proprietor  
Membership No: 053823  
Place: Kolkata  
Dated the 2nd day of November, 2021

P K Himatsingka  
CFO

R K Agarwal  
Co. Secretary

A K D Singh  
Executive Director (Tech.)  
DIN : 07160198

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(Rupees in '000)

PARTICULARS	Year ended March 31, 2021		Year ended March 31, 2020	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/(Loss) before tax		56 42 75		18 15 77
Adjustment for :				
Depreciation & Amortization Expenses	33 21 26		32 57 53	
(Profit)/Loss on sale/discard of Fixed Assets (net)	(70 05)		(3 72)	
(Gain)/Loss on Foreign Exchange Fluctuation	8 46		(22 70)	
Interest Component in Preference shares	(4 07 80)		-	
Change in Fair Value of Investments	(5 10)		(4 24)	
Interest Paid/(Received) (net)	(10 45 58)		(6 79 53)	
(Gain)/Loss on Sale of Investments (Net)	-	18 01 19	5 23 66	30 71 00
<b>Operating Profit before working capital changes</b>		74 43 94		48 86 77
Adjustment for :				
Trade and other receivables	(6 89 66)		(19 69 18)	
Inventories	(43 61 78)		16 46 58	
Trade and other payables	2 03 94		(7 45 51)	
Direct Taxes paid (net of refunds)	(19 76 91)	(68 24 41)	(6 74 52)	(17 42 63)
<b>Net Cash flow from operating activities</b>		<b>6 19 53</b>		<b>31 44 14</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Increase)/Decrease in Capital Work-in-Progress		16 56 11		(13 25 91)
Purchase of Fixed Assets		(39 67 01)		(5 22 38)
Sale / discard of Fixed Assets		2 49 22		90 05
Purchase of Investments		(15 00 00)		(6 30)
Sale of Investments		-		21 02 03
Loan/Deposit (Given)/Repayment Received (Net)		6 00 00		(9 00 00)
Interest Received		21 28 10		21 03 60
Gain/(Loss) on Foreign Exchange Fluctuation		(8 46)		22 70
<b>Net Cash flow from investing activities</b>		<b>(8 42 04)</b>		<b>15 63 79</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Changes in Share Capital		-		-
Receipt/(Repayment) of Borrowings (Net)		30 42 62		27 05 30
Interest Paid		(10 82 52)		(14 25 32)
Foreign Exchange Rate difference on borrowings				1 25
<b>Net Cash flow from financing activities</b>		<b>19 60 10</b>		<b>12 81 23</b>
<b>Net increase in Cash and Cash Equivalents</b>		<b>17 37 59</b>		<b>59 89 16</b>
Cash and Cash Equivalents : Opening Balance		2 26 19 03		1 66 29 87
<b>Cash and Cash Equivalents : Closing Balance (Note No.8)</b>		<b>2 43 56 62</b>		<b>2 26 19 03</b>
<b>Supplementary Information: Restricted Cash &amp; Cash Equivalents</b>		1 47 00 63		1 43 18 44

As per our Report of even date  
For S Rastogi & Associates  
Chartered Accountants  
Firm Registration No. 318123E

CA S. Rastogi  
Proprietor  
Membership No: 053823  
Place: Kolkata  
Dated the 2nd day of November, 2021

P K Himatsingka  
CFO

R K Agarwal  
Co. Secretary

A K D Singh  
Executive Director (Tech.)  
DIN : 07160198

For and on behalf of the Board of Directors

V A Mody  
Director  
DIN : 00193192

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021****A. EQUITY SHARE CAPITAL**

(Rupees in '000)

PARTICULARS	Equity Shares	
	No. of Shares	Amount in Rupees
<b>Balance as at April 1, 2019</b>	<b>15 00 07 82</b>	<b>15 00 08</b>
Changes in Equity Share Capital during the year	-	-
<b>Balance as at March 31,2020</b>	<b>15 00 07 82</b>	<b>15 00 08</b>
Changes in Equity Share Capital during the year	-	-
<b>Balance as at March 31,2021</b>	<b>15 00 07 82</b>	<b>15 00 08</b>

**B. OTHER EQUITY**

(Rupees in '000)

PARTICULARS	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total
<b>Balance as at April 1, 2019</b>	10 41 36	4 36 31 30	1 87 44 03	3 89 40 15	(1 96 42)	10 21 60 42
Other Comprehensive Income/(Loss) for the year	-	-	-	-	1 71 75	1 71 75
Profit for the year	-	-	-	21 67 97	-	21 67 97
<b>Balance as at March 31,2020</b>	10 41 36	4 36 31 30	1 87 44 03	4 11 08 12	(24 67)	10 45 00 14
Other Comprehensive Income/(Loss) for the year	-	-	-	-	(5 71 20)	(5 71 20)
Profit for the year	-	-	-	40 15 32	-	40 15 32
<b>Balance as at March 31,2021</b>	10 41 36	4 36 31 30	1 87 44 03	4 51 23 44	(5 95 87)	10 79 44 26

**Footnote:**

For purpose &amp; nature of Other Equity, refer Footnote to Note No. 12

As per our Report of even date  
For S Rastogi & Associates  
Chartered Accountants  
Firm Registration No. 318123E

For and on behalf of the Board of Directors

CA S. Rastogi  
Proprietor  
Membership No: 053823  
Place: Kolkata  
Dated the 2nd day of November, 2021

P K Himatsingka  
CFO

R K Agarwal  
Co. Secretary

V A Mody  
Director  
DIN : 00193192

A K D Singh  
Executive Director (Tech.)  
DIN : 07160198

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Corporate Information**

Hindusthan Engineering Industries Limited (Holding Company) is a public Company domiciled in India & incorporated under the provision of the erstwhile Companies Act, 1956. It is mainly engaged in production of Jute goods, Chemicals, Railway Wagons & Railway Rolling Stock.

The Registered Office of the Company is situated at 27, Sir R N Mukherjee Road, Kolkata - 700 001

- II The consolidated financial statements presents the Consolidated Accounts of Hindusthan Engineering & Industries Limited with its Subsidiary incorporated in India:

Particulars	Proportion of ownership As at 31, March 2021
<u>Subsidiary</u> Hindusthan Vidyut Corporation Ltd.	100%

- III Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary:

Particulars	Net Assets i.e total assets minus total Liabilities		Share in Profit/(Loss)	
	As % of Consolidated net Assets	Amount	As % of Consolidated Profit	Amount
<u>Parents</u> Hindusthan Engineering & Industries Ltd.	100.00%	10 94 44 34	100.00%	34 44 12
<u>Subsidiary ( Indian )</u> Hindusthan Vidyut Corporation Ltd.	-	-	-	-
Minority Interest in Subsidiary	-	-	-	-
<u>Consolidated</u>	<b>100.00%</b>	<b>10 94 44 34</b>	<b>100.00%</b>	<b>34 44 12</b>

**Principles of Consolidation**

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

- The financial statements of the Holding Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- The difference between the cost of investment in the subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be. However in case of consolidated financial statement of Associates companies such Goodwill/ Capital Reserve has been disclosed by way of notes only.

**Statement of Profit & Loss**

The subsidiary of the Company is yet to commence commercial production and hence does not prepare Statement of Profit & Loss.

**Statement of Compliance**

These financial statements comply in all material aspects with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accountings Standard) Rules, 2015 (as amended) read with section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

**Basis of Preparation**

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

The consolidated Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest thousands except otherwise stated.

**Fair Value Measurement**

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 under current market conditions.

The company categorizes Assets and Liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- Level 3: inputs for the assets or liability which are not based on observable market data.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Property, Plant and Equipment**

Property, Plant and Equipment (PPE) are stated at cost of acquisition or deemed cost on date of transition less accumulated depreciation and impairment losses, if any. Cost of an asset comprises of purchase price, borrowing cost and any other cost directly attributable to bringing the asset to its working condition for its intended use.

Capital work in progress includes machinery to be installed, construction and erection materials, borrowing costs, unallocated pre-operative and other expenditures directly attributable towards construction and erection of the assets.

Depreciation on PPE commences when the assets are ready for their intended use. Depreciation has been provided on straight line method as per the useful life determined which is similar to that specified under Schedule II to the Companies Act, 2013. Depreciation on incremental cost arising on account of exchange difference is computed prospectively with respect to the residual life of respective asset.

**Intangible Assets**

Intangible assets are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same. Accordingly, Intangible assets have been amortized over a period of 3 to 5 years on straight line basis.

**Impairment of Tangible and Intangible Assets**

Impairment of assets are assessed at each Balance Sheet date and loss is recognised whenever the recoverable amount of an asset is less than its carrying amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**Financial Assets and Liabilities**

Financial assets and financial liabilities (financial instruments) are recognized when company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company which is generally taken as 12 month otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at amortized cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate.

Classification of financial instruments are determined on initial recognition.

**(i) Financial assets and financial liabilities measured at Amortized Cost**

Financial assets held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows are measured at amortized cost.

The financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

**(ii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

**(iii) Financial Assets or Liabilities at Fair Value Through Profit or Loss (FVTPL)**

Financial instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are measured at Fair Value through Profit or Loss.

**Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

However, for trade receivable or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

**De-recognition of financial instruments**

The company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities are derecognized if the company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability/assets derecognized and the consideration there against is recognized in Statement of Profit and Loss.

**Inventories**

Inventories are stated at lower of cost & net realisable value. Inventory of finished goods, where the products are made under specific orders, are recognized only on approval of the product by the prospective buyer. The cost for the purpose of valuation of raw materials is being computed on FIFO basis except in case of Jute & Chemical Units where weighted average method is being followed. Cost for the purpose of valuation of stores and spares is computed on weighted average method. Cost of work-in-progress and finished goods represents estimated cost of raw materials, direct labour and appropriate portion of factory overhead in most of the cases.

The liability for GST on the bonded materials as at the end of the year are duly provided for. No provision is made of GST on finished goods as at the year end.

**Foreign Currency Transactions**

Transactions in foreign currencies are accounted for at the exchange rate prevailing at the time of the transaction. Foreign currency monetary assets and liabilities at the year end are translated using closing exchange rates. The loss or gain thereon and also on the exchange differences on settlement of foreign currency transactions during the year (except those relating to the fixed assets which are adjusted to the cost of the assets) are recognised as income or expense and are adjusted to the Statement of Profit and Loss

**Revenue****Sales**

Sales exclude GST and are accounted for on passing of property of goods irrespective of actual despatches. Rebates, discounts, claims and other non-recoverables are excluded therefrom.

**Interest, Dividend and Claims**

Dividend income is recognized when the right to receive payment is established. Interest income is accounted on time proportion basis taking into account amount outstanding & rate applicable unless otherwise stated. Insurance claims/ other claims are accounted as and when admitted/determined.

**GST Credit**

GST Credit admissible against GST paid on goods / Fixed Assets are accounted for by reducing the purchase cost of the related goods / Fixed Assets.

**Employee Benefits**

Contributions to defined Schemes such as Provident Fund / Pension Fund, Employees State Insurance Scheme are charged to Statement of Profit & Loss on accrual basis. The Company also provides for gratuity and leave encashment in accordance with projected Unit Credit Method based on actuarial valuation carried out as at the balance sheet date.

**Borrowing Cost**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

**Research and Development**

Expenditure on research and development except capital expenses which are shown as additions to fixed assets, are charged to Statement of Profit and Loss in the year in which these are incurred.

**Leases****Determining whether an arrangement contains a lease**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Company as lessor****Finance Lease**

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

**Operating Lease**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

**Company as Lessee**

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

**Right of Use Assets**

The Company recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment loss, if any, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right of use assets are also subject to impairment.

**Government Grants**

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise for acquisition of non current assets are credited to respective assets.

**Taxes on Income**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws enacted or substantively enacted on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future. Deferred Tax Assets & Deferred Tax Liabilities have been offset as they relate to the same governing tax laws.

**Provisions, Contingent liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

**Earning Per Share**

Basic earning per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**Cash Flow**

Cash flows are reported using indirect method, whereby profit for the year is adjusted for the effects of transactions of non-cash nature and/or for items of income & expenses associated with investing and financing activities. The cash flows from operating, investing & financing activities of the company are segregated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Particulars	PROPERTY, PLANT AND EQUIPMENT										INTANGIBLE ASSETS			
	Land Freehold	Land-Leasehold	Right to Use of Assets	Buildings	Machinery	Railway Siding	Electrical Installation & Sanitation System	Tools & Implements	Furniture & Fixture	Motor Cars & Vehicles	Total Tangible Assets	Computer Software	Goodwill on Merger	Total Intangible Assets
<b>Gross Carrying amount as at March 31, 2019</b>	13 61 28	1 97 11	-	25 64 21	4 22 61 89	18 84	1 00 90	10 74	1 32 47	5 11 34	4 71 58 78	28 38	13 90 62	14 19 00
<b>Reclassified on adoption of Ind AS 116 "Leases"</b>	-	(1 97 11)	1 85 69	-	-	-	-	-	-	-	(11 42)	-	-	-
Addition	-	-	-	5 37	4 76 12	-	10 19	1 62	4 51	23 78	5 21 59	79	-	79
Disposal/Adjustments	-	-	-	-	1 59 04	-	-	-	-	25 81	1 84 85	-	-	-
<b>Gross Carrying amount as at March 31, 2020</b>	13 61 28	-	1 85 69	25 69 58	4 25 78 97	18 84	1 11 09	12 36	1 36 98	5 09 31	4 74 84 10	29 17	13 90 62	14 19 79
Addition	-	-	-	5 41 34	32 65 86	-	77 47	36 17	1 23	23 69	39 45 76	21 25	-	21 25
Disposal/Adjustments	-	-	-	9	12 42 00	-	-	-	-	67 63	13 09 72	-	-	-
<b>Gross Carrying amount as at March 31, 2021</b>	13 61 28	-	1 85 69	31 10 83	4 46 02 83	18 84	1 88 56	48 53	1 38 21	4 65 37	5 01 20 14	50 42	13 90 62	14 41 04
<b>Depreciation &amp; Amortization As at April 1, 2019</b>	-	11 42	-	7 30 88	1 15 41 38	3 60	13 64	2 69	45 44	2 17 85	1 25 66 90	27 81	-	27 81
<b>Reclassified on adoption of Ind AS 116 "Leases"</b>	-	(11 42)	-	-	-	-	-	-	-	-	(11 42)	-	-	-
Charge for the year	-	-	2 77	1 71 74	30 00 58	65	6 94	83	13 18	60 61	32 57 30	28	-	28
Disposal/Adjustments	-	-	-	-	77 55	-	-	-	-	20 97	98 52	-	-	-
<b>Total Depreciation/Amortisation upto March 31, 2020</b>	-	-	2 77	9 02 62	1 44 64 41	4 25	20 58	3 52	58 62	2 57 49	1 57 14 26	28 09	-	28 09
<b>Reclassified on adoption of Ind AS 116 "Leases"</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	2 77	1 85 35	30 53 16	65	10 11	97	13 21	54 70	33 20 91	35	-	35
Disposal/Adjustments	-	-	-	-	10 66 34	-	-	-	-	64 21	11 30 55	-	-	-
<b>Total Depreciation/Amortisation upto March 31, 2021</b>	-	-	5 54	10 87 97	1 64 51 23	4 90	30 69	4 49	71 83	2 47 98	1 79 04 62	28 44	-	28 44
<b>Net Block</b>														
<b>As at March 31, 2020</b>	13 61 28	-	1 82 92	16 66 96	2 81 14 56	14 59	90 51	8 84	78 36	2 51 82	3 17 69 84	1 08	13 90 62	13 91 70
<b>As at March 31, 2021</b>	13 61 28	-	1 80 15	20 22 86	2 81 51 60	13 94	1 57 87	44 04	66 38	2 17 39	3 22 15 52	21 98	13 90 62	14 12 60

Footnote :

- i) Land includes 49 acres which is jointly held with The North Brook Jute Co Ltd in which the Company's share is approx 50% i.e. 24,462 acres. The proportionate original cost of jointly held land is Rs 4 71.
- ii) Capital Subsidy received during the year Rs.96 85 (PY: Rs.77 40) in respect of acquisition/construction of Building and Machinery has been included in disposal/adjustment and depreciation for the year has been calculated on the reduced value of respective assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 3 CAPITAL WORK IN PROGRESS**

(Rupees in '000)

PARTICULARS	Non-Current	
	As at March 31, 2021	As at March 31, 2020
Capital Work-in-Progress	34 66 44	51 22 55
<b>Total</b>	<b>34 66 44</b>	<b>51 22 55</b>

**Note : 4 INVESTMENTS**

(Rupees in '000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
<b>Non-Current Investments</b>		
<b>A. Investment Carried at Fair Value Through Profit &amp; Loss</b>		
<b>Unquoted Preference Shares</b>		
9,51,89,700 ( PY: 9,51,89,700 ) Redeemable 1% non-cumulative , non-convertible Preference Share of Rs. 10/ each in Hindusthan Urban Infrastructure Ltd.	26 48 69	22 40 89
<b>Equity Component in Preference Shares</b>		
Hindusthan Urban Infrastructure Ltd.	72 78 08	72 78 08
<b>B. Investment Carried at Fair Value Through OCI</b>		
<b>Unquoted Equity Shares</b>		
1,50,00,000 (PY: Nil) Equity Shares of Rs. 10 /- each in Hindustan Speciality Chemicals Ltd	9 55 50	-
1,250 (PY: 1,250) equity shares of Rs.10/- each in Woodland Multispeciality Hospital Ltd.	13	13
<b>Total</b>	<b>1 08 82 40</b>	<b>95 19 10</b>
<b>Current Investments</b>		
<b>Investment Carried at Fair Value Through Profit &amp; Loss</b>		
<b>Investment In Units of Mutual Fund (Unquoted)</b>		
HDFC Growth Opportunities Fund- Regular Plan- Growth (Units -7,800: PY: 7,800)	11 40	6 30
<b>Total</b>	<b>11 40</b>	<b>6 30</b>

**Note : 5 OTHER ASSETS**

(Rupees in '000)

PARTICULARS	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Security Deposits				
- To Related Parties (Note No. 42)	2 03 17	2 13 97	10 80	10 80
- To Others	12 92 24	15 76 99	15 00	15 00
Loans & Advances				
- To Employees	46 69	70 83	72 31	74 91
- To Suppliers	-	-	13 17 15	14 15 78
- To Others	2 56	6	3 18 44	2 49 19
Other Receivable	-	-	1 84 80	1 60 69
Prepaid Expenses	19 95	91	1 76 47	77 98
Assets held for Disposal	-	-	8 66	8 66
Payment of Income Tax (Net of Provision)	34 85 62	31 22 63	-	-
Balance with Statutory Authorities	14	14	38 93 03	41 90 51
<b>Total</b>	<b>50 50 37</b>	<b>49 85 53</b>	<b>59 96 66</b>	<b>62 03 52</b>

Footnote:

Payment of Income Tax (Net of Provisions) includes Rs.10 32 (PY: Rs.10 32 ) on account of TDS credit of which is subject to admittance by the Tax Authorities & is net of Rs.1 81 69 (P.Y. Rs.1 81 69) on account of tax refund received details for which are not available. Adjustments for any short / excess received & interest included therein shall be made on receipt of such details.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 6 INVENTORIES**

(Rupees in '000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
(At lower of cost & net realisable value; as taken, valued and certified by the Management)		
- Raw Materials	1 14 06 34	92 03 17
- Stores and Spares	23 03 63	20 27 80
- Loose Tools	3 49 54	3 53 77
- Work-In-Progress	1 05 93 45	1 09 00 10
- Finished Goods	35 05 87	15 34 71
- Stock in Trade	2 23 16	66
<b>Total</b>	<b>2 83 81 99</b>	<b>2 40 20 21</b>

**Note : 7 TRADE RECEIVABLES**

(Rupees in '000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good	1 58 65 16	1 54 73 41
<b>Total</b>	<b>1 58 65 16</b>	<b>1 54 73 41</b>

**Note : 8 CASH AND CASH EQUIVALENTS**

(Rupees in '000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
- In Current/Cash Credit Account	7 17 03	10 59 24
- In Deposit Account (Margin Money Deposit)	1 46 98 83	1 41 23 73
- In Deposit Account	88 89 35	73 96 34
Cash in hand	51 41	39 72
<b>Total</b>	<b>2 43 56 62</b>	<b>2 26 19 03</b>

Footnote:

i) Balances in Deposit Account (including Margin Money) include Deposit with more than 12 months maturity	8 50 36	71 95 16
ii) Balance in Cash Credit / Current Account includes amount lying in accounts earmarked for redemption of Debentures/Shares.	1 32 66	1 99 30
iii) Balances with Banks subject to confirmation.	1 80	1 94 71

**Note : 9 LOANS**

(Rupees in '000)

PARTICULARS	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Loans				
- To Related Parties (Note No.42)	-	-	30 22 30	35 22 30
-To Others	-	-	89 10 25	87 10 25
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1 19 32 55</b>	<b>1 22 32 55</b>

**Note : 10 OTHER FINANCIAL ASSETS**

(Rupees in '000)

PARTICULARS	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Deposits with Companies	-	-	8 00 00	11 00 00
Loans & Advances				
-To Others	-	-	1 61 73	1 59 64
Interest Receivable				
- from Related Parties (Note No.42)	-	-	73 39 31	72 69 35
- from Others	-	-	33 46 73	26 15 86
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1 16 47 77</b>	<b>1 11 44 85</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 11 EQUITY SHARE CAPITAL**

(Rupees in '000)

PARTICULARS	Equity Shares of Rs.10/- each		Preference Shares of Rs.10/- each	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
As at April 1, 2019	20 00 00 00	20 00 00	5 00 00 00	5 00 00
Increase/(decrease) during the year	-	-	-	-
<b>As at March 31, 2020</b>	<b>20 00 00 00</b>	<b>20 00 00</b>	<b>5 00 00 00</b>	<b>5 00 00</b>
Increase/(decrease) during the year	-	-	-	-
<b>As at March 31, 2021</b>	<b>20 00 00 00</b>	<b>20 00 00</b>	<b>5 00 00 00</b>	<b>5 00 00</b>
<b>Issued Share Capital</b>				
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid</b>			<b>No. of Shares</b>	<b>Amount</b>
As at April 1, 2019			15 00 07 82	15 00 08
Changes during the year			-	-
<b>As at March 31, 2020</b>			<b>15 00 07 82</b>	<b>15 00 08</b>
Changes during the year			-	-
<b>As at March 31, 2021</b>			<b>15 00 07 82</b>	<b>15 00 08</b>
<b>Term/Rights attached to Equity Shares</b>	The company has only one class of shares outstanding viz. Equity Shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share & is entitled to pro-rata dividend, if any, declared on equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholdings.			
<b>Details of shareholders holding more than 5% shares in the company</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of Shares</b>	<b>% holding</b>	<b>No. of Shares</b>	<b>% holding</b>
Hindusthan Consultancy & Services Ltd	6 09 29 31	40.62%	6 05 89 67	40.39%
Promain Ltd	1 43 41 27	9.56%	1 43 41 27	9.56%
Deutsche Bank Trust Company Americas	97 72 04	6.51%	97 72 04	6.51%

**Note : 12 OTHER EQUITY**

(Rupees in '000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
<b>A. CAPITAL REDEMPTION RESERVE</b>		
Balance as at the beginning/end of the year	10 41 36	10 41 36
<b>B. SECURITIES PREMIUM</b>		
Balance as at the beginning/end of the year	4 36 31 30	4 36 31 30
<b>C. GENERAL RESERVE</b>		
Balance as at the beginning/end of the year	1 87 44 03	1 87 44 03
<b>D. RETAINED EARNINGS</b>		
Balance as at the beginning of the year	4 11 08 12	3 89 40 15
Net Profit/(Loss) for the year	40 15 32	21 67 97
Balance as at the end of the year	4 51 23 44	4 11 08 12
<b>E. OTHER COMPREHENSIVE INCOME</b>		
Balance as at the beginning of the year	(24 67)	(1 96 42)
Other Comprehensive Income for the year	(5 71 20)	1 71 75
Balance as at the end of the year	(5 95 87)	(24 67)
<b>Total</b>	<b>10 79 44 26</b>	<b>10 45 00 14</b>

Footnote :

Nature &amp; Purpose of Other Equity:

- i) **Capital Redemption Reserve** represents amount created on account of buyback/redemption of shares.
- ii) **Securities Premium** represents amount received in excess of par value of shares issued.
- iii) **General Reserve** is used from time to time to transfer profits from Retained Earnings for appropriation purposes.
- iv) **Retained Earnings** generally represent the undistributed profits/amount of accumulated earnings of the Company. It includes Rs. 8 04 79 represented by Revaluation Reserve as on the date of the transition which is not available for distribution as dividend.
- v) **Other Comprehensive Income** represents the balance in equity relating to gain/losses on re-measurement of defined benefit obligations & re-measurement of Investments, net of taxes. This will not be reclassified to Statement of Profit and Loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 13 BORROWINGS**

(Rupees in '000)

PARTICULARS	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Buyer's credit in foreign currency (Secured)	-	-	7 02 95	2 59 19
Acceptance - Inland Bills Discounting (Secured)	-	-	1 28 99 11	55 59 03
Working Capital Demand Loan from Banks (Secured)	-	-	22 00 00	9 00 00
Bank Overdraft (Secured)	-	-	10 93 57	40 04 73
Interest free Sales Tax Loan (Unsecured)	15 95	47 84	2 07 30	1 75 41
Loan from WBIDC (Unsecured)	-	-	1 00 55	1 00 55
Term Loan from Bank (Secured)	-	-	-	11 22
Term Loan from Bank (Unsecured)	1 07 88	-	26 28	-
Cash Credit from Banks (Secured)	-	-	-	32 53 00
<b>Total</b>	<b>1 23 83</b>	<b>47 84</b>	<b>1 72 29 76</b>	<b>1 42 63 13</b>

Footnote:

- i) Interest free Sales Tax Loan is repayable in Half yearly equal installments over a period of 7 years w.e.f. September, 2015. Accordingly, installments falling due within next 12 months have been included as Current.
- ii) Loan from WBIDC is adjustable against power subsidy receivable from Govt. of West Bengal, claim for which has been lodged by the Company & the matter is sub-judice in the Hon'ble High Court at Kolkata. Adjustment, if any, shall be made on final adjudication.
- iii) Letter of Credits, Letter of Guarantees, Buyers' Credit, Demand Loan, Bank Overdraft & Cash Credit are secured by hypothecation of Book Debts, Inventories & pledge of fixed deposits held as margin. These are further secured by 1st charge over fixed assets of Bamunari, Tiljala & Santragachi Plants.
- iv) Term loan of Rs. NIL (PY Rs.4 40) carries interest rate of 11.95% p.a as at the year end & is repayable in twelve equal installment with effect from June 2019 and it is secured by hypothecation of fixed assets acquired out of said term loan.
- v) Term loan of Rs. NIL (PY Rs.6 82) carries interest rate of 11.00% p.a as at the year end & is repayable in twenty four equal installment with effect from July 2018 and it is secured by hypothecation of fixed assets acquired out of said term loan.
- vi) Term loan of Rs. NIL (PY Rs. 24 42) carries interest rate of 11.60% p.a as at the year end & the same repayable in Twelve equal installment with effect from November 2017 and it is secured by hypothecation of fixed assets acquired out of said term loan.
- vii) Term loan of Rs. NIL (PY Rs.3 44) carries interest rate of 11.60% p.a as at the year end & the same repayable in Six equal installment with effect from November 2017 and it is secured by hypothecation of fixed assets acquired out of said term loan.
- viii) Term loan of Rs. NIL (PY Rs. 3 26) carries interest rate of 10.45% p.a as at the year end & the same repayable in Six equal installment with effect from January 2018 and it is secured by hypothecation of fixed assets acquired out of said term loan.
- ix) Term loan of Rs. 1 34 16 (PY Rs. NIL) carries interest rate of 8.10 % p.a as at the year end & is repayable in eighteen monthly installment w.e.f. January 2021

**Note : 14 TRADE PAYABLES**

(Rupees in '000)

PARTICULARS	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade Payables				
- Due to Micro, Medium and Small Enterprise	-	-	-	-
- Others	-	-	90 54 45	86 35 33
<b>Total</b>	-	-	<b>90 54 45</b>	<b>86 35 33</b>

Footnote:

On the basis of information available with the company, no supplier has given intimation to the company about registration under MSMED Act, 2006. Hence no information is available with the company about any due payable to any of such supplier or any delay in payment thereof.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 15 OTHER FINANCIAL LIABILITIES**

(Rupees in '000)

PARTICULARS	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Interest accrued & not due on Borrowings	-	-	91 52	67 77
Interest accrued and due on Borrowings	-	-	92	-
Trade Deposits Received	-	-	47 75	44 83
Other Payables	-	-	31 40 91	38 43 02
Unclaimed Debentures Redemption Proceeds	-	-	1 32 66	1 99 30
<b>Total</b>	-	-	<b>34 13 76</b>	<b>41 54 92</b>

**Note : 16 DEFERRED TAX LIABILITIES**

(Rupees in '000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
<b>I Deferred Tax Liabilities</b>		
Timing differences in respect of depreciation	38 78 75	40 92 17
<b>II Deferred Tax Assets</b>		
Timing differences in respect of Expenses/Income	17 25 64	17 60 46
<b>Deferred Tax Liability (Net) ( I - II )</b>	<b>21 53 11</b>	<b>23 31 71</b>

Footnote:

In view of virtual uncertainty of realisation , Deferred Tax Asset in respect of unabsorbed losses available under Income Tax Act has not been recognised.

**Note : 17 PROVISIONS**

(Rupees in '000)

PARTICULARS	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits				
- Gratuity	60 23 51	55 82 01	7 30 26	7 27 32
- Leave Encashment	2 79 69	3 64 20	54 67	69 09
<b>Total</b>	<b>63 03 20</b>	<b>59 46 21</b>	<b>7 84 93</b>	<b>7 96 41</b>

**Note : 18 OTHER LIABILITIES**

(Rupees in '000)

PARTICULARS	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Statutory Liabilities	-	-	5 40 99	4 29 91
Advance from Customers	-	-	13 98 85	11 12 33
Other Payables	-	-	7 72 61	7 70 93
<b>Total</b>	-	-	<b>27 12 45</b>	<b>23 13 17</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 19 REVENUE FROM OPERATIONS**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Sale of Products</b>		
<b>i) Manufactured Goods</b>		
- Ammonium Sulphate	2 12 61	45 52
- Cyanide	1 03 78 81	54 61 20
- Diphenyl Guanidine	-	6 16
- Mandelonitrile	17 53 69	19 55 60
- MPBAD Cyanohydrin	11 79 81	5 17 96
- Jute Goods	3 25 52 18	3 21 05 48
- Points & Crossing	52 79 69	45 43 17
- Railway Rolling Stock	1 95 64 74	2 69 95 33
- Steel Casting	67 37 70	40 73 03
- Others	24 35	2 87 78
	7 76 83 58	7 59 91 23
<b>ii) Traded Goods</b>		
- Cyanide	14 93 90	40 61 19
<b>Total Revenue from Contracts with Customers</b>	7 91 77 48	8 00 52 42
<b>Other Operating Revenue</b>		
- Income from Electricity Generation	1 69 66	2 38 57
- Export-Import Benefit/Incentive	-	5 35
- Scrap / Raw Material Sales	6 64 94	7 22 18
<b>Total</b>	<b>8 00 12 08</b>	<b>8 10 18 52</b>
<b>Disaggregation of Revenue</b>		
<b>Revenue Based on Geography</b>		
Within India	8 00 12 08	8 10 18 52
Outside India	-	-
	8 00 12 08	8 10 18 52
<b>Revenue Based on Business Segment</b>		
Chemical	1 52 29 78	1 23 48 69
Jute	3 25 94 30	3 21 54 58
Engineering	3 21 88 00	3 65 15 25
	8 00 12 08	8 10 18 52
<b>Reconciliation of Revenue From Operation with Contract Price</b>		
Revenue as per contracted price	9 62 62 41	8 30 74 43
<b>Adjustments</b>		
Sales return	12 25 14	32 17
Rate Difference/Deesclation	5 64	19 69 84
Quantity Claim	73	3 12
Discounts	1 50 18 82	50 78
<b>Total</b>	<b>8 00 12 08</b>	<b>8 10 18 52</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 20 OTHER INCOME**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income (Gross)	21 28 10	21 03 60
Interest Component in Preference shares	4 07 80	-
Profit on Sale/Discard of Fixed Assets (Net)	70 05	3 72
Sundry Balance W/Back(Net)	1 75 38	-
Insurance Claim	94 13	-
Gain on Remeasurment of Investments in Mutual Funds	5 10	-
Net Gain on Foreign Exchange Fluctuation	-	22 70
Other Non Operating Income	23 21	20 86
<b>Total</b>	<b>29 03 77</b>	<b>21 50 88</b>

**Note : 21 COST OF MATERIALS CONSUMED**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021		For the year ended March 31, 2020	
Inventory at the beginning of the year		92 03 17		1 48 95 00
Add: Purchases during the year		4 87 16 72		4 13 79 95
Less: Inventory at the end of the year		(1 14 06 34)		(92 03 17)
<b>Total</b>		<b>4 65 13 55</b>		<b>4 70 71 78</b>
<b>Details of Raw Materials Consumed</b>				
Castic Soda/Potash		12 73 40		6 89 63
Ammonia Liquid		12 80 96		6 27 66
Natural Gas		6 41 70		2 87 93
Raw Jute		2 10 19 09		1 90 79 96
Scrap		17 34 71		17 97 70
Steel		1 82 82 47		2 30 35 46
Others		22 81 22		15 53 44
<b>Total</b>		<b>4 65 13 55</b>		<b>4 70 71 78</b>
<b>Breakup of Consumption of Raw Materials</b>	%age	Amount	%age	Amount
Imported	10.81%	50 29 75	4.00%	18 82 87
Indigenous	89.19%	4 14 83 80	96.00%	4 51 88 91
	100.00%	4 65 13 55	100.00%	4 70 71 78

**Note 22 PURCHASE OF STOCK-IN-TRADE**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of Stock in Trade - Chemicals	18 15 04	35 69 82
<b>Total</b>	<b>18 15 04</b>	<b>35 69 82</b>

**Note : 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories (Opening Stock)		
- Finished Goods	15 34 71	11 32 44
- Stock in Trade	66	1 75 35
- Work-in-Progress	1 09 00 10	72 03 51
	1 24 35 47	85 11 30
Inventories (Closing Stock)		
- Finished Goods	35 05 87	15 34 71
- Stock in Trade	2 23 16	66
- Work-in-Progress	1 05 93 45	1 09 00 10
	1 43 22 48	1 24 35 47
<b>Net (Increase) / Decrease</b>	<b>(18 87 01)</b>	<b>(39 24 17)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 24 EMPLOYEE BENEFIT EXPENSES**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and Other Allowances	1 04 08 78	1 13 58 18
Contribution to Provident and Other Funds	8 41 76	10 12 43
Staff Welfare Expenses	1 02 39	1 08 85
<b>Total</b>	<b>1 13 52 93</b>	<b>1 24 79 46</b>

**Note : 25 FINANCE COST**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expense	10 96 20	14 25 32
Foreign Exchange rate difference applicable to borrowing cost	( 13 68)	( 1 25)
<b>Total</b>	<b>10 82 52</b>	<b>14 24 07</b>

**Note : 26 DEPRECIATION & AMORTISATION EXPENSES**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021		For the year ended March 31, 2020	
Depreciation on Tangible Assets	33 20 91		32 57 30	
Less: Transfer to Capital Work in Progress	3	33 20 88	5	32 57 25
Amortization of Intangible Assets		35		28
<b>Total</b>		<b>33 21 23</b>		<b>32 57 53</b>

**Note : 27 OTHER EXPENSES**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021		For the year ended March 31, 2020	
Consumption of Stores & Spares		46 34 44		52 62 02
Power, Fuel & Water Charges		43 75 40		47 64 63
Payment to Auditors:				
- Statutory Audit Fee		2 25		2 12
Brokerage & Commission		3 95 99		2 82 10
Bank Charges		9 88 93		6 03 63
Charity & Donation		95 27		1 03 42
Director Fee		3 30		4 75
Freight & Transport (Net)		5 87 24		4 35 32
Insurance Charges		1 47 22		1 54 77
Net Loss on Foreign Exchange Fluctuation		8 46		-
Rent (Net)		86 20		89 28
Rates & Taxes		1 51 48		2 93 20
Repairs				
- Building		2 42 15		2 08 92
- Machinery		5 40 33		5 44 65
- Others		5 56 43		5 92 21
Research & Development Expenses		26 59		24 60
Jobs on Contract		13 29 28		18 33 94
Sundry Debtors/Balances Written off (Net)		-		63 69
Travelling & Conveyance		76 01		1 92 15
Net Loss on Sale of Investment		-		5 23 66
Miscellaneous Expenses		8 27 87		14 96 08
<b>Total</b>		<b>1 50 74 84</b>		<b>1 74 75 14</b>
Breakup of Consumption of Stores & Spares	%age	Amount	%age	Amount
Imported	-	-	0.05%	2 50
Indigenous	100.00%	46 34 44	99.95%	52 59 52
<b>Total</b>	100.00%	46 34 44	100.00%	52 62 02

Footnote :

i) Charity &amp; Donation includes amount paid on account of Corporate Social Responsibility (CSR) activities Rs. 82 50 (PY: Rs. 1 01 00).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****Note : 28 EARNING PER SHARE**

(Rupees in '000)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of Weighted Average Equity Shares outstanding at year end	15 00 07 82	15 00 07 82
Nominal Value of each Equity Share (Rs.)	10	10
Profit attributable to equity shareholders	40 15 32	21 67 97
Earning per Share		
- Basic (Rs)	26.77	14.45
- Diluted (Rs)	26.77	14.45

**29** Malanpur Steel Ltd.(MSL) had been merged with the company with retrospective effect from 1st April 2009 as per "Scheme" sanctioned by the Board for Industrial & Financial Reconstruction (BIFR) vide its Order dated 4th September 2012.

Certain amounts claimed by different authorities against which necessary provision had been made in the scheme have not been provided for in these accounts as these are claimed to be not payable by the company & are under reconciliation with respective authorities. The same have been disclosed as contingent liability in these accounts. Reliefs / concessions claimed from various statutory authorities viz. Income Tax, Sales Tax & Excise are under consideration of respective authorities & approvals of the same are awaited. However, the effects thereof have been taken in these accounts. Necessary adjustment, if required, shall be made on disposal thereof by respective authorities.

**30 Contingent Liabilities not Provided for**

(Rupees in '000)

Claims against the Company not acknowledged as debts (to the extent ascertained )	As at March 31, 2021	As at March 31, 2020
(i) Sales Tax matters under appeal Net of payment already made & Included in Loans & Advances Rs.2 82 45 (PY: Rs.2 75 04)	30 01 95	34 22 04
(ii) Central Excise matters under appeal Net of payment already made & Included in Loans & Advances Rs.8 24 59 (PY: Rs.8 24 59)	17 20 06	16 63 66
(iii) Service Tax matters under appeal Net of payment already made & Included in Loans & Advances	46 56	46 56
(iv) Income Tax demand under appeal/subject to rectification Net of payments	2 14 15	2 14 15
(v) Others Net of payment already made & included in Security Deposits Rs. 20 00 (PY: Rs.20 00)	85 49 97	85 42 77
(vi) Raw Jute Tax matter under appeal	22 71	22 71
<b>31 Capital Commitments not provided for (Net of advances)</b>	<b>5 58 99</b>	<b>8 50 79</b>

**32 Expenses include following payments to Wholetime Director**

(Rupees in '000)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salary and Allowances	42 34	41 36
Contribution to Provident Fund	2 19	2 19

**33 Research and Development expenses include :**

(Rupees in '000)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Employee Benefit Expenses	25 80	23 62
Stores and Spares Consumed	79	98

**34** In terms of Orders of Hon'ble Calcutta High Court in respect of certain loans given in earlier years and remaining outstanding Rs. 20 22 30 (PY: Rs. 20 22 30), interest for the period from 1st April 1997 stands waived and the same has therefore not accrued. However, interest thereon already accrued and accounted for upto 31st March 1997 is being recovered where principal amounts have been fully realized and amount of such interest outstanding is Rs.72 31 08 (PY: Rs.72 31 08).

**35** Loans to other include Rs.5 00 00 (PY: Rs.5 00 00) which is overdue for payment. Necessary steps for recovery are being taken & pursued by the Company. Interest on such loans, considering the uncertainty as to the realization, shall be accounted for on receipt thereof.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

- 36** Balances of Trade Receivables, Security Deposits, Advances, Trade Payables, Statutory Dues/claims & Other Payables are subject to confirmation and consequential reconciliation / adjustments.
- 37** Trade Receivables and Advances aggregating to Rs. 29 78 72 (PY: Rs. 12 21 63), pending outcome of persuasive and other steps being taken by the company, are considered good and recoverable.
- 38** The Subsidiary of the Company was awarded Integrated Lignite Mining-cum-Power Generation Project through International Competitive Bidding by Government of Rajasthan (GOR) in 1996. Necessary 'Implementation Agreement' and 'Power Purchase Agreement' were signed by the Company with the concerned Authorities. The Company obtained all the approvals required by making all out efforts and incurring huge expenses. However, even after a period of 4 years, GOR was unable to give the Mining Lease Approval, which was an essential pre-requisite for setting up the plant as mining was an integral part of the project as per tender conditions. This failure on the part of GOR halted the project and nothing could move further. GOR, thereafter, declared the 'Implementation Agreement' ineffective. The matter was referred to arbitration between the Company and GOR. The Arbitral Tribunal vide its Award dated 02.01.2007, has awarded a sum of Rs.11 40 33 to the company with future interest against GOR. The objections filed by GOR in the court of District Judge, Jaipur City, Jaipur have been rejected and award has been upheld by the court. GOR has filed an appeal before Hon'ble High Court of Rajasthan at Jaipur & the matter is still sub-judice. Necessary adjustment shall be carried out on final adjudication.

**39** Investment in Subsidiary**Statement containing salient features of the financial statement of Subsidiary Company**

(Rupees in '000)

Name of the Subsidiary	Hindusthan Vidyut Corporation Limited
The date since when subsidiary was acquired	05.03.2014
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	No
Reporting currency and Exchange rate as on the last date of the relevant financial year in case of Foreign Subsidiary	NA
Share Capital	1 40 15
Reserves & Surplus	-
Total Assets	12 11 92
Total Liabilities	10 71 76
Investments	-
Turnover	-
Profit before taxation	-
Provision for taxation	-
Profit after taxation	-
Proposed Dividend	-
% of shareholding	100
Notes	
Name of the Subsidiary which are yet to commence the operation	Hindusthan Vidyut Corporation Limited
Name of the Subsidiary which have been liquidated or sold during the year	None

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****40 a) Information about Business segments**

(Rupees in '000)

	Chemicals		Jute Goods		Engineering		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>REVENUE</b>								
External Sales/Other Income (Gross)	1 52 29 78	1 23 48 69	3 25 94 30	3 21 54 58	3 21 88 00	3 65 15 25	8 00 12 08	8 10 18 52
Inter-segment Sales/Other Income	-	-	2 02	3 35	-	-	2 02	3 35
Total Revenue	1 52 29 78	1 23 48 69	3 25 96 32	3 21 57 93	3 21 88 00	3 65 15 25	8 00 14 10	8 10 21 87
<b>RESULT</b>	46 53 66	10 78 33	5 84 20	13 19 51	9 27 28	13 07 90	61 65 14	37 05 74
Unallocated Expenses (Net of Unallocated Income)							15 67 97	20 45 84
Operating profit							45 97 17	16 59 90
Interest Expenses							10 82 52	14 24 07
Interest / Dividend Income							21 28 10	21 03 60
Net Gain/(Loss) on sale of Investments							-	(5 23 66)
<b>Income Taxes</b>								
Current Tax							18 06 03	8 11 39
Deferred Tax							(1 78 60)	(11 63 59)
<b>Net Profit</b>							<b>40 15 32</b>	<b>21 67 97</b>
<b>OTHER INFORMATION</b>								
Segment assets	1 13 52 70	92 75 57	1 11 66 06	92 89 00	4 93 72 77	4 75 72 74	7 18 91 53	6 61 37 31
Unallocated assets							7 93 28 30	7 83 51 63
<b>Total assets</b>							<b>15 12 19 83</b>	<b>14 44 88 94</b>
Segment liabilities	21 53 81	15 82 79	1 11 80 43	95 90 96	83 42 45	1 00 58 45	2 16 76 69	2 12 32 20
Unallocated Liabilities							2 00 98 80	1 72 56 52
<b>Total Liabilities</b>							<b>4 17 75 49</b>	<b>3 84 88 72</b>
Capital expenditure (Including CWIP)	3 72 58	5 85 73	12 76 29	11 62 55	6 61 54	91 49	23 10 41	18 39 77
Unallocated							49	8 06
<b>Total</b>							<b>23 10 90</b>	<b>18 47 83</b>
Depreciation	5 88 29	6 18 28	3 58 59	2 96 22	6 84 45	6 53 20	16 31 33	15 67 70
Unallocated							16 89 90	16 89 83
<b>Total</b>							<b>33 21 23</b>	<b>32 57 53</b>
<b>Break-up of Segment Revenue:-</b>								
Sales	1 50 18 82	1 20 47 63	3 25 52 18	3 21 05 47	3 16 06 48	3 58 99 32	7 91 77 48	8 00 52 42
Other Income								
Export Incentive	-	-	-	-	-	5 35	-	5 35
Other Operating Income	2 10 96	3 01 06	42 12	49 11	5 81 52	6 10 58	8 34 60	9 60 75
<b>Total Revenue</b>	<b>1 52 29 78</b>	<b>1 23 48 69</b>	<b>3 25 94 30</b>	<b>3 21 54 58</b>	<b>3 21 88 00</b>	<b>3 65 15 25</b>	<b>8 00 12 08</b>	<b>8 10 18 52</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

b) Operating segments are defined as components of an enterprise for which discrete financial information is available which is evaluated regularly by the Chief Financial Officer in deciding how to allocate resources & assess performance.

c) Based on the synergies, risks and return associated with business operation, the Company is engaged in following business segments.

**Identified Segments**

- i) Chemicals
- ii) Jute
- iii) Engineering

**Manufacturing and sale of :**

Sodium Cyanide, Ammonium Sulphate, Diphenyl Guanidine  
Jute Goods  
Castings, Points & Crossings, Railway Rolling Stock, Steel Wires

(Rupees in '000)

d) Geographical segments considered for disclosure are

## Sales

- within India
- Outside India

	For the year ended March 31, 2021	For the year ended March 31, 2020
- within India	7 91 77 48	8 00 52 42
- Outside India	-	-
<b>Total :</b>	<b>7 91 77 48</b>	<b>8 00 52 42</b>

## Trade Receivables

- within India
- Outside India

	As at March 31, 2021	As at March 31, 2020
- within India	1 57 98 31	1 47 93 64
- Outside India	66 85	6 79 77
<b>Total :</b>	<b>1 58 65 16</b>	<b>1 54 73 41</b>

**41 Gratuity & Other Post Employment Benefit Plans**

This Company has a defined benefit gratuity plan which is unfunded. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act 1972.

This company also extends benefit of compensated absense to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment. This is also unfunded.

The following tables summarizes the components of net benefit/expenses recognised in the Statement of Profit and Loss & the Balance Sheet for the respective plans.

**1. Movement In Obligation**

(Rupees in'000)

Particulars	Gratuity (Unfunded)	Leave (Unfunded)
Present Value of Obligation- April 1,2019	64 47 56	3 78 48
Current Service Cost	2 72 62	1 11 14
Interest Cost	4 90 62	28 55
Benefits/Settlement paid	(5 89 32)	(1 61 84)
Actuarial loss/(gain):	(3 12 15)	76 96
Present Value of Obligation- March 31,2020	63 09 33	4 33 29
Current Service Cost	2 78 07	76 40
Interest Cost	4 41 65	30 33
Benefits/Settlement paid	(5 39 38)	(1 60 37)
Actuarial loss/(gain):	2 64 10	( 45 29)
Present Value of obligation- March 31,2021	67 53 77	3 34 36

**2. Recognised in Statement of Profit and Loss**

(Rupees in'000)

Particulars	Gratuity (Unfunded)	Leave (Unfunded)
Current Service Cost	2 72 62	1 11 14
Interest Cost	4 90 62	28 55
<b>For the year ended March 31,2020</b>	<b>7 63 24</b>	<b>1 39 69</b>
Current Service Cost	2 78 07	76 40
Interest Cost	4 41 65	30 33
<b>For the year ended March 31,2021</b>	<b>14 82 96</b>	<b>2 46 42</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****3. Recognised in Other Comprehensive Income**

(Rupees in'000)

Particulars	Gratuity (Unfunded)	Leave (Unfunded)
Remeasurement		
Actuarial loss/(gain) for the year ended March 31,2020	(3 12 15)	76 96
Actuarial loss/(gain) for the year ended March 31,2021	2 64 10	( 45 29)

**4. The principal actuarial assumptions used for estimating the Company's defined benefit obligations in respect of Gratuity & Leave are set out as below:**

Weighted average actuarial assumptions	Year ended March 31,2021	Year ended March 31,2020
Attrition rate	1% to 8%	1% to 8%
Discount rate	7.00%	7.70%
Expected rate of increase in salary	6.00%	6.00%
Expected rate of return on plan assets	-	-
Mortality rate	IALM(2012-14) Table	

The assumptions of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

**5. Sensitivity Analysis:**

(Rupees in'000)

Particulars	Change in Assumption	Effect on Gratuity obligation	
		Year ended March 31,2021	Year ended March 31,2020
<b>(a) Gratuity</b>			
Discount rate	> 1%	(2 59 11)	(3 80 93)
	<1%	5 51 32	4 21 90
Salary Growth rate	> 1%	5 73 29	4 47 42
	<1%	(2 84 55)	(4 09 58)
Withdrawal Rate	> 1%	1 45 12	32 14
	<1%	1 04 29	( 34 70)
<b>(b) Leave Encashment</b>			
Discount rate	> 1%	( 27 75)	( 24 34)
	<1%	31 77	27 56
Salary Growth rate	> 1%	32 91	28 71
	<1%	( 29 13)	( 25 67)
Withdrawal Rate	> 1%	2 03	2 39
	<1%	( 2 26)	( 2 65)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied when calculating the defined benefit obligation recognised within the Balance sheet.

**6. Statement of Employee Benefit Provision**

(Rupees in'000)

Particulars	Year ended March 31,2021	Year ended March 31,2020
Gratuity	67 53 77	63 09 33
Leave Encashment	3 34 36	4 33 29
<b>Total</b>	<b>70 88 13</b>	<b>67 42 62</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****42 Related Party Disclosures**

<b>A. Names of related parties with whom transaction were being carried out during the year and their relationship</b>	
Subsidiary Company:	Hindustan Vidyut Corporation Ltd.
Associate Companies:	Nil
Key Managerial Personnel (KMPs):	Shri R P Mody (Chairman Upto 29.06.20) Shri V A Mody (Chairman w.e.f 30.06.20) Shri L.K. Rungta ( Upto 18.11.20) Shri S.Dutt Shri T K Adhikary(w.e.f 18.11.20) Shri A K D Singh (Executive Director-Technical) Shri J K Singhania (Chief Financial Officer) ( upto 09.09.2019) Shri P K Himatsingka - (Chief Financial Officer) ( w.e.f 10.09.2019) Shri R K Agarwal (Co. Secretary)
Enterprise over which KMP/ Shareholders/ Close family have significane influence:	Anuradha Investments Ltd. Associated General Trading Society Ltd. Carbo Industrial Holdings Ltd. Foster Engineering Industries Ltd. Hindusthan Consultancy & Services Ltd. Hindisthan Speciality Chemicals Ltd. Hindusthan Urban Infrastructure Ltd. Magnum Traders Ltd. Olympic General Trading Ltd. Paramount Enterprises Ltd. Promain Ltd.
Transactions with related parties are at arms length price. Outstanding balances as at year end are unsecured & settlement occurs generally in cash. The company has not recorded any impairment in respect of outstandings with related parties during the year as well as in the preceeding year.	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

B. Details of transactions between the Company and related parties and outstanding balances as at the year end are given below:

(Rupees in'000)

Nature of Transactions	Year	Subsidiary Companies	Enterprise over which KMP/Shareholders/relatives have significant influence	KMP	Total
<b><u>In relation to the statement of Profit and Loss</u></b>					
<b><u>Account(Exclusive of Taxes, if any):</u></b>					
<b><u>Remuneration/Commission</u></b>					
Shri A K D Singh	2020-21 2019-20			42 34 41 36	42 34 41 36
<b><u>Director Sitting Fee</u></b>					
Shri R P Mody	2020-21 2019-20			14 64	14 64
Shri L.K. Rungta	2020-21 2019-20			3 4	3 4
Shri S.Dutt	2020-21 2019-20			4 4	4 4
Shri T K Adhikary	2020-21 2019-20			2 -	2 -
Shri V A Mody	2020-21 2019-20			41 50	41 50
<b><u>Salary</u></b>					
Shri R P Mody	2020-21 2019-20			50 00 -	50 00 -
Shri J K Singhania	2020-21 2019-20			- 22 06	- 22 06
Shri P K Himatsingka	2020-21 2019-20			18 86 10 52	18 86 10 52
Shri R K Agarwal	2020-21 2019-20			19 01 22 83	19 01 22 83
<b><u>Rent Paid (Exclusive of taxes)</u></b>					
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20			65 63	65 63
Paramount Enterprises Ltd.	2020-21 2019-20			96 54 96 54	96 54 96 54
Promain Ltd.	2020-21 2019-20			20 18	20 18
Magnum Traders Ltd.	2020-21 2019-20			1 20 1 20	1 20 1 20
<b><u>Consultancy Service &amp; Maintenance Charges etc.</u></b>					
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20			92 21 95 66	92 21 95 66
Paramount Enterprises Ltd.	2020-21 2019-20			7 18 8 76	7 18 8 76
Hindusthan Urban Infrastructure Ltd.	2020-21 2019-20			4 54 -	4 54 -
<b><u>Interest Received</u></b>					
Hindusthan Urban Infrastructure Ltd.	2020-21 2019-20			7 80 2 23	7 80 2 23
Hindusthan Speciality Chemicals Ltd.	2020-21 2019-20			70 00 40 29	70 00 40 29
<b><u>Rent Received</u></b>					
Hindusthan Urban Infrastructure Ltd.	2020-21 2019-20			12 12	12 12
<b><u>Electricity Charges- Received</u></b>					
Hindusthan Urban Infrastructure Ltd.	2020-21 2019-20			3 36 3 34	3 36 3 34

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

(Rupees in'000)

Nature of Transactions	Year	Subsidiary Companies	Enterprise over which KMP/Shareholders/relatives have significant influence	KMP	Total
<b><u>In relation Balance Sheet:</u></b>					
<b><u>Loan/ Advances / Security Deposits Given/ (Repayment Received) during the year</u></b>					
Hindusthan Urban Infrastructure Ltd.	2020-21		(5 00 00)		(5 00 00)
	2019-20		5 00 00		5 00 00
Magnum Traders Ltd.	2020-21		(60)		(60)
	2019-20		(60)		(60)
Promain Ltd.	2020-21		(10 20)		(10 20)
	2019-20		(10 20)		(10 20)
Hindisthan Speciality Chemicals Ltd.	2020-21		-		-
	2019-20		10 00 00		10 00 00
<b><u>Balance outstanding at the year end - Debit Loan Given</u></b>					
Anuradha Investments Ltd.	2020-21		1 08 00		1 08 00
	2019-20		1 08 00		1 08 00
Associated General Trading Society Ltd.	2020-21		22 00		22 00
	2019-20		22 00		22 00
Carbo Industrial Holdings Ltd.	2020-21		1 22 25		1 22 25
	2019-20		1 22 25		1 22 25
Foster Engineering Industries Ltd.	2020-21		1 57 25		1 57 25
	2019-20		1 57 25		1 57 25
Hindusthan Urban Infrastructure Ltd.	2020-21		-		-
	2019-20		5 00 00		5 00 00
Promain Ltd.	2020-21		1 19 80		1 19 80
	2019-20		1 19 80		1 19 80
Hindusthan Consultancy & Services Ltd.	2020-21		14 93 00		14 93 00
	2019-20		14 93 00		14 93 00
Hindisthan Speciality Chemicals Ltd.	2020-21		10 00 00		10 00 00
	2019-20		10 00 00		10 00 00
<b><u>Balance outstanding at the year end - Debit Interest Receivables</u></b>					
Anuradha Investments Ltd.	2020-21		4 85 07		4 85 07
	2019-20		4 85 07		4 85 07
Associated General Trading Society Ltd.	2020-21		7 15 28		7 15 28
	2019-20		7 15 28		7 15 28
Carbo Industrial Holdings Ltd.	2020-21		4 34 24		4 34 24
	2019-20		4 34 24		4 34 24
Foster Engineering Industries Ltd.	2020-21		4 77 72		4 77 72
	2019-20		4 77 72		4 77 72
Hindusthan Consultancy & Services Ltd.	2020-21		35 68 63		35 68 63
	2019-20		35 68 63		35 68 63
Hindisthan Speciality Chemicals Ltd.	2020-21		1 01 01		1 01 01
	2019-20		36 26		36 26
Hindusthan Urban Infrastructure Ltd.	2020-21		7 21		7 21
	2019-20		2 01		2 01
Olympic General Trading Ltd.	2020-21		4 40 00		4 40 00
	2019-20		4 40 00		4 40 00
Promain Ltd.	2020-21		11 10 13		11 10 13
	2019-20		11 10 13		11 10 13

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

(Rupees in'000)

Nature of Transactions	Year	Subsidiary Companies	Enterprise over which KMP/Shareholders/relatives have significant influence	KMP	Total
<b>Advances/Security Deposits given</b>					
Magnum Traders Ltd.	2020-21 2019-20		22 62 23 22		22 62 23 22
Promain Ltd.	2020-21 2019-20		1 91 35 2 01 55		1 91 35 2 01 55
<b>Sale of Investments</b>					
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20		- 20 97 80		- 20 97 80
<b>Balance outstanding at the year end - Credit Salary</b>					
Shri P K Himatsingka	2020-21 2019-20			1 78 1 09	1 78 1 09
Shri R K Agarwal	2020-21 2019-20			1 99 1 30	1 99 1 30
<b>Rent Payable</b>					
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20		3 13		3 13
Magnum Traders Ltd.	2020-21 2019-20		7 65 7 05		7 65 7 05
<b>Consultancy Service &amp; Maintenance Charges etc.</b>					
Hindusthan Consultancy & Services Ltd.	2020-21 2019-20		4 77 14 74		4 77 14 74

**43 Expenditure & Earning in Foreign currency**

(Rupees in'000)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>CIF VALUE OF IMPORTS</b>		
Raw Materials	51 00 25	10 12 40
Stores and Spare Parts	-	2 50
Finish Goods	17 25 47	32 30 32
Capital Goods	4 63 81	85 73
<b>EXPENDTURE IN FOREIGN CURRENCY</b>		
Travelling	11 31	21 40
Interest	2 05	14 25
Commission	-	-
Others	6 61	4 57
<b>EARNING IN FOREIGN CURRENCY</b>		
Export (F.O.B Value)	-	-

**44 Unhedged Foreign Currency:**

(Rupees in'000)

	As at March 31, 2021		As at March 31, 2020	
	USD	EURO	USD	EURO
<b>Payables</b>				
Buyer's Credit	9 56	-	-	9 56
Interest	4	3	3	4
Advance From Customers	1 97	-	1 97	-
Trade Payables	-	-	-	-
<b>Receivables</b>				
Trade Receivables	33	50	84	-
Cash/Bank Balances	-	-	-	-
Insurance Claim	-	-	-	-
Advance to Suppliers	10	-	10	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****45 FINANCIAL INSTRUMENTS DISCLOSURE**

<b>CATEGORIES OF FINANCIAL INSTRUMENTS</b>				(Rupees in '000)
<b>PARTICULARS</b>	<b>Note No:</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Financial Assets</b>				
<b>Measured at Amortised Cost</b>				
Investments - Non-Current	4	1 08 82 40	95 19 10	
Trade Receivables	7	1 58 65 16	1 54 73 41	
Cash and Cash Equivalents	8	2 43 56 62	2 26 19 03	
Loans	9	1 19 32 55	1 22 32 55	
Other Financial Assets	10	1 16 47 77	1 11 44 85	
<b>Total Financial Assets Measured at Amortised Cost</b>		<b>7 46 84 50</b>	<b>7 09 88 94</b>	
<b>Measured at Fair Value through Statement of Profit or Loss</b>				
Investments - Current	4	11 40	6 30	
<b>Total Financial Assets measured at Fair Value through Statement of Profit or Loss</b>		<b>11 40</b>	<b>6 30</b>	
<b>Financial Liabilities</b>				
<b>Measured at Amortised Cost</b>				
Borrowings	13	1 73 53 59	1 43 10 97	
Trade Payables	14	90 54 45	86 35 33	
Other Financial liabilities	15	34 13 76	41 54 92	
<b>Total Financial Liabilities measured at Amortised Cost</b>		<b>2 98 21 80</b>	<b>2 71 01 22</b>	

**46 (i) Class wise Fair Value of the Company's Financial Instruments:**

(Rupees in '000)

<b>PARTICULARS</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Investments in Mutual Funds	11 40	6 30
Non Current Investments, other than Investments in Subsidiary and Associates	13	13

**(ii) Fair Value Technique**

The fair values of the financial assets and liabilities are included at the amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- The fair value of cash and cash equivalents, trade receivables, trade payables, financial liabilities and borrowings approximate their carrying amount largely due to the short term nature of these instruments. The board considers that the carrying amounts of the financial assets and financial liabilities are recognised at cost/amortised costs in the financial statements approximates their fair values.
- Fair value of debt approximates their carrying value subject to adjustments made for transaction cost if any.
- Investments in liquid and short-term mutual funds are measured using their net asset value at the reporting date multiplied by the quantity held.
- During the current as well as previous financial years, there were no transfers between different levels of fair value measurement.

**47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables, The main purpose of these financial liabilities is to finance the company's operations. The company's financial assets include trade and other receivables, cash and cash equivalents, investments at cost/fair value and deposit.

The Company is exposed to market risk. The company's senior management oversees the management of the risks. The Board of Directors reviews and agrees to policies for managing each of these risks, which are summarised below:

**Market Risk**

Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of risk, such as raw material price risk. Financial instruments affected by market risk include FVTPL investments, trade paybles, trade receivables, etc.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)****47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES CONTD..**

The table provides undiscounted cash flow towards non- derivative financial liability into relevant maturities based on the remaining period at balance sheet date to contractual maturity date.

(Rupees in '000)

PARTICULARS	Payable within 1 year	Payable in more than 1 year	Total
<b>As at 31st March 2020.</b>			
Non Current Borrowings	-	47 84	47 84
Current Borrowings	1 42 63 13	-	1 42 63 13
Trade Payables	86 35 33	-	86 35 33
Unpaid Shares/Debentures Proceeds	1 99 30	-	1 99 30
<b>As at 31st March 2021</b>			
Non Current Borrowings	-	1 23 83	1 23 83
Current Borrowings	1 72 29 76	-	1 72 29 76
Trade Payables	90 54 45	-	90 54 45
Unpaid Shares/Debentures Proceeds	1 32 66	-	1 32 66

**48 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes Issued Equity Capital, Securities Premiums and all other Equity Reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the Share holder value. The Company manages its capital structure and makes adjustments in line with changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sale assets to reduce debt. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing long term loans and borrowings less cash and cash equivalents.

**49 GEARING RATIO:**

The Company has long term debt of Rs.1 23 83 as on 31.03.2021 (PY - Rs.47 84). Accordingly the Company has 100% gearing ratio as at 31st March 2021 & 31st March 2020.

(Rupees in'000)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Net Long Term debt	1 23 83	47 84
Total Equity	10 94 44 34	10 60 00 22
Net Long Term debt to Value Ratio	100%	100%

**50 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

**JUDGEMENTS****Fair value as Deemed Cost for Property Plant & Equipment.**

Property, plant and equipment has been carried in accordance with previous GAAP carrying value as deemed cost at the date of transition , which has been considered as deemed cost. On transition, previous GAAP revaluation reserve has also been transferred to retained earnings.

**Lease as Finance Lease**

Lease as Finance Lease has been included in the Property, Plant and Equipment while considering the overall context of transfer of risk and rewards incidental to ownership.

**Depreciation/Amortisation of and Impairment Loss on Property Plant and Equipment/Intangible Assets:**

Property, Plant and Equipment are depreciated and intangible assets are amortised on straight line basis over the estimated useful lives (or Lease Term if shorter) in accordance with Schedule II of the Companies Act 2013, taking into account the estimated residual value, wherever applicable. The company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation/ amortisation expense to be recorded during any reporting period. This reassessment may result in change in depreciation expense in future periods.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

The Company reviews its carrying value of its Tangible and Intangible assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be made is estimated by reference to the estimated value in use or recoverable amount.

**Impairment loss on Trade Receivables:**

The Company evaluated whether there is any objective evidence that trade receivable are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivable balances, creditworthiness of the trade receivables and historical written off experience. If the financial conditions of the trade receivables were to deteriorate, actual writeoffs would be higher than estimated.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimations uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described above. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumption about the future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumption when they occur.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumption that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rate of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes.

Future salary increases are based on expected future inflation rates.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active market, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

51 Figures of the previous Year have been regrouped / rearranged whenever considered necessary.

52 These Financial statements have been approved by the Board of Directors of the Company on 2nd November, 2021 for issue to the shareholders for their adoption.

The accompanying Notes No.2 to 52 are an integral part of the Consolidated Financial Statements

As per our Report of even date  
For S Rastogi & Associates  
Chartered Accountants  
Firm Registration No. 318123E

CA S. Rastogi  
Proprietor  
Membership No: 053823  
Place: Kolkata  
Dated the 2nd day of November, 2021

P K Himatsingka  
CFO

R K Agarwal  
Co. Secretary

A K D Singh  
Executive Director (Tech.)  
DIN : 07160198

For and on behalf of the Board of Directors

V A Mody  
Director  
DIN : 00193192

**NOTICE**

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of Hindusthan Engineering & Industries Ltd. will be held on Friday, the 31st December, 2021 at 02.00 P.M. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

**As Ordinary Business:**

1. To receive, consider and adopt:
  - (a) the audited standalone Financial Statements of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the Report of Auditors thereon.
2. To appoint a Director in place of Shri Vikram Aditya Mody (DIN: 00193192), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

**As Special Business:**

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration as approved by the Board of Directors and details below, to be paid (apart from taxes as applicable and reimbursement of actual travel and out-of-pocket expenses) to the Cost Auditors M/s S.K. Sahu & Associates and Shri Than Mal Rathi, to conduct the Cost Audit for the financial year ending 31st March, 2022 be and is hereby ratified and approved."

Name of the Industry	Name of the Manufacturing Units and their locations	Name of the Cost Auditors	Remuneration (in Rs.)
Engineering	Bamunari Plant, Santragachi Plant & Tiljala Plant, West Bengal	M/s. S K Sahu & Associates	40,000
Jute	Dalhousie Jute Company, Champdany, West Bengal	M/s. S K Sahu & Associates	15,000
Chemical	Hindusthan Chemicals Company, Olpad, District: Surat, Gujarat	Shri Than Mal Rathi	40,000

"FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

Registered Office  
 'Mody Building'  
 27, Sir R.N. Mukherjee Road  
 Kolkata – 700 001  
 Date: 2<sup>nd</sup> Day of November, 2021

By Order of the Board of Directors

CIN: U93000WB1998PLC086303  
 Phone: 033 2248 0166  
 Fax: 033 2248 1922  
 Email: ho@heilindia.com  
 Website: [www.heilindia.com](http://www.heilindia.com)

R.K.Agarwal  
 Company Secretary  
 Membership No.FCS-5047



**NOTICE (Contd.)****NOTES**

1. The Explanatory Statements setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 14/2020 Dated : 8th April, 2020, General Circular No. 17/2020 Dated : 13th April, 2020, General Circular No. 20/2020 Dated : 5th May, 2020 and General Circular No. 02/2021 Dated :13th January, 2021 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. M/s. S. Rastogi & Associates, Chartered Accountants, having Firm Registration No. 318123E (Proprietor:–CA. S. Rastogi, FCA, having CA Membership No. 053823) of 42, Kali Krishna Tagore Street, 1st Floor, Kolkata – 700007, have been appointed as the Statutory Auditors at the 21st Annual General Meeting of the Company for a period of five years. As per Companies (Amendment) Act, 2017 (Section 139 of the Companies Act, 2013), notified on 07 May, 2018, the requirement of ratification of appointment of the Statutory Auditor at every Annual General Meeting has been done away with. As such, resolution for ratification of appointment of Auditor is no longer required to be passed at the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 25<sup>th</sup> December, 2021 to 31<sup>st</sup> December, 2021 (both days inclusive) for the purpose of AGM.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
9. In compliance with the MCA Circulars the Annual Report for the financial year 2020-2021, Notice of the 24th AGM and instruction for remote e-voting are being sent by electronic mode to all members whose email IDs are registered with the Company/Depository Participants(s). In view of the current COVID – 19 pandemic physical copies of Annual Report and Notice for this AGM will not be sent in physical. The same is also available on the Company’s website [www.heilindia.com](http://www.heilindia.com). The Notice shall also be available on the e-Voting website of NSDL viz. [www.evoting.nsdli.com](http://www.evoting.nsdli.com).
10. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least 10 (ten) days in advance of the Annual General Meeting through email on [ho@heilindia.com](mailto:ho@heilindia.com). The same will be replied by the Company suitably.
11. **The name and address of the Company’s Registrar and Share Transfer Agent is C.B. Management Services (P) Ltd., P-22, Bondel Road, Kolkata 700019. Hence, any correspondence relating to shares and debentures may be made with them only.**

**NOTICE (Contd.,)**

12. Members holding shares in physical form, who have multiple accounts in identical names or joint accounts in the same order, are requested to send the Share Certificates to the Company's Share Transfer Agent for consolidation of such shareholdings in one account to facilitate better service.
13. To support the 'Green Initiative', the Members who have not registered their e-mail addresses, are requested to register the same with the Registrar in case of shares held in certificate form and with the Depositories in case of shares held in demat form. Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014 requires a Company to provide advance opportunity at least once in a financial year, to the Member to register his email address and any changes therein. In compliance with the same, we request the Members who do not have their email id registered with the Company to get the same registered with the Company. Members are also requested to intimate to the Company the changes, if any in their email address.
- 14. Members are requested to avail the dematerialization facility of Company's shares. Demat ISIN No. allotted by National Securities Depository Ltd. and Central Depository Services (India) Ltd. is INE 665C01026. The address of the Company's interface Registrar is C.B. Management Services (P) Ltd., P-22, Bondel Road, Kolkata- 700019.**
15. 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 dematerialised form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company at its Registered Office or to the Registrar and Share Transfer Agents.
16. Pursuant to Section 113 of the Act and Rules framed thereunder, the Institutional/ Corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the purpose of participation and voting during the AGM. In this regard, the corporate members are requested to send a certified true copy of the board resolution together with attested specimen signature of authorized representative to the scrutinizer through email at [scrutinizermkb@gmail.com](mailto:scrutinizermkb@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
17. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names as per the Register of Members will be entitled to vote. The voting rights of the member shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date.
18. Members are also requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, PAN, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, in case the shares are held by them in physical form.
19. Non-resident Indian members are requested to inform CB Management Services (P) Ltd., immediately of any change in their residential status on return to India for permanent settlement.
20. All documents referred to in the Notice and the Explanatory Statement shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at [ho@heilindia.com](mailto:ho@heilindia.com) from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers.

During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection upon login at NSDL e-Voting system at <https://www.evoting.nsdl.com>

21. Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed hereto
22. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amended Rules, 2015, the Company is pleased to provide its members facility to exercise their right to vote on the resolution proposed to be considered at the AGM by electronic means and the business may be transacted through e -Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

**NOTICE (Contd.)**

- II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. The remote e-voting period will commence on 28<sup>th</sup> December, 2021 (9.00 am) and end on 30<sup>th</sup> December, 2021 (5.00 pm). 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. 24<sup>th</sup> December, 2021 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

**IV. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on 28<sup>th</sup> December, 2021 at 09:00 A.M. and ends on 30<sup>th</sup> December, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 24<sup>th</sup> December, 2021, may cast their vote electronically. The voting right 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, being 24<sup>th</sup> December, 2021.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**





**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

**NOTICE (Contd.,)**

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <p style="text-align: center;">  App Store      Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**NOTICE (Contd.)****B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.****How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a. Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. **Physical User Reset Password?** ” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

**NOTICE (Contd.,)**

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.****How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinizermkb@gmail.com](mailto:scrutinizermkb@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **24<sup>th</sup> December, 2021**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. **1800 1020 990 and 1800 22 44 30** . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **24<sup>th</sup> December, 2021** may follow steps mentioned in the Notice of the AGM under Step 1:“Access to NSDL e-Voting system” (Above).
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**NOTICE (Contd.)****Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [rta@cbmsl.com](mailto:rta@cbmsl.com) & to [ho@heilindia.com](mailto:ho@heilindia.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [rta@cbmsl.com](mailto:rta@cbmsl.com) & to [ho@heilindia.com](mailto:ho@heilindia.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**NOTICE (Contd.,)**

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5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at ho@heilindia.com from Tuesday, 21st December, 2021 (9:00 A.M.) to Thursday, 23rd December, 2021 (5:00 PM).
  6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Chairman of the Meeting/the Company reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.
  7. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
  8. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
  9. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.
- V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VI. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 24th December, 2021.
- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at AGM.
- IX. The Company has appointed Shri Raj Kumar Banthia, (Membership No. ACS 17190 & CP No. 18428) Partner, M/s MKB & Associates, Company Secretaries, Kolkata as the Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner.
- X. The Scrutinizer shall after the conclusion of the voting at the Annual General Meeting, will first count the votes cast at the meeting and there after unblock the votes cast through remote e-voting in presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
- XI. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.heilindia.com and on the website of NSDL immediately after the declaration of the result by the Chairman or a person authorised by him in writing.
- XII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the meeting i.e., 31<sup>st</sup> December, 2021.



**NOTICE (Contd.,)****ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.

**Resolution at Item No. 2**

**Details of Directors seeking Appointment / Re-appointment in the ensuing Annual General Meeting scheduled to be held on 31st December, 2021.**

Name	Shri Vikram Aditya Mody
DIN	00193192
Date of Birth	17.11.1961
Age	60 Years
Nationality	Indian
Qualification	Graduate in Commerce
Experience and Expertise in specific functional area	Wide business experience across the variety of industries.
Terms and Condition of appointment / reappointment	Liable to Retire by Rotation
Remuneration sought to be paid	Shall be paid Sitting fees for the meeting of Board and Committees.
Remuneration last drawn by such person	Rs. 40,000
Date of Appointment	06.10.2017
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Shri Vikram Aditya Mody is the son of Shri Rajendra Prasad Mody and hence they are related to each other.
Number of Meetings of the Board attended during the Financial Year 2020-2021	4 (Four)
List of other Directorships held	1 (One) Hindusthan Vidyut Corporation Limited
Membership/Chairmanship of the Committees of other Boards	Nil

**Resolution at Item No. 3**

In accordance with the provision of Section 148 of the Companies Act, 2013 read with and the Companies (Audit and Auditors) Rules, 2014 the remuneration of the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors shall be ratified by the members. Accordingly ratification by the member is sought to the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2022 by passing an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financial or otherwise, in the resolution.

The Board of Directors recommends the resolution for approval of Shareholders.

Registered Office

'Mody Building'  
27, Sir R.N. Mukherjee Road  
Kolkata – 700 001  
Date: 2<sup>nd</sup> Day of November, 2021

By Order of the Board of Directors

CIN: U93000WB1998PLC086303  
Phone: 033 2248 0166  
Fax: 033 2248 1922  
Email: ho@heilindia.com  
Website: www.heilindia.com

R.K.Agarwal  
Company Secretary  
Membership No.FCS-5047