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

31st August, 2018

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

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

Dear Sir,

Sub: Submission of Annual Report 2017-18 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report for the financial year 2017-18, as approved and adopted by the Members in the Annual General Meeting held on Thursday, 30th August, 2018 at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Hindustan Composites Limited

Vikram Soni
Company Secretary & Compliance Officer

Membership No.A36705

Encl.: As above

COMPO
In Control. Always.



Marching Towards Growth...

HINDUSTAN COMPOSITES LIMITED

ANNUAL REPORT 2017-2018



Mr. Raghu Mody – Chairman HCL

COMPO In Control. Always.

TBK

Celebrating HCL-TBK relationship on 19th February, 2018 at Mumbai



Mr. Takaaki Kishi, President of TBK Co.Ltd., Japan



His Excellency Mr. Kenji Hiramatsu, Ambassador of Japan in India and Mr. Kazuya Nakajo, Chief Director General of JETRO, New Delhi attended the function

BOARD OF DIRECTORS

Raghu Mody	Executive Chairman
P. K. Choudhary	Managing Director
A. B. Vaidya	Independent Director
Chakrapani B. Misra	Independent Director
Deepak Sethi	Independent Director
Lt. Gen. (Retd.) K. S. Brar	Independent Director
Sakshi Mody	Non - Executive Director
Amit Goenka	V. P. Finance, Company Secretary & Compliance Officer (upto 7th May, 2018)
Vikram Soni	Company Secretary & Compliance Officer (w.e.f. 8th May, 2018)
Sunil Jindal	Chief Financial Officer

STATUTORY AUDITORS

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

BANKERS

Bank of Baroda
ICICI Bank

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

WORKS

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

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

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54th Annual General Meeting

Day & Date : Thursday 30th August, 2018
Time : 11.30 a.m.
Venue : Hall of Harmony, Nehru, Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

Hindustan Composites Limited

CIN: L29120MH1964PLC012955
Peninsula Business Park, 'A' Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400013
Tel.:(022) 6688 0100, FAX: (022) 6688 0105, E-mail: hcl@hindcompo.com, Website: www.hindcompo.com

NOTICE

Notice is hereby given that the Fifty Fourth Annual General Meeting of the Members of Hindustan Composites Limited will be held at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 at 11:30 a.m. on Thursday, 30th August, 2018 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the reports of the Directors' and Auditors' thereon; and (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the report of Auditors' thereon and in this regard, if thought fit, pass the following resolutions as **ORDINARY RESOLUTIONS:**

   (a) "RESOLVED THAT the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors' and Auditors' thereon be and are hereby received, considered and adopted."

   (b) "RESOLVED THAT the Consolidated Audited Financial Statements for the financial year ended 31st March, 2018 together with the Auditors' Report thereon be and are hereby received, considered and adopted."

2. To declare dividend on Equity Shares for the financial year ended 31st March, 2018 and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the recommendation of the Board of Directors of the Company, dividend @ Re. 0.50 (Fifty paise only) per share on Equity shares of ₹ 5 each fully paid up for the financial year 2017-18, be and is hereby declared out of the profits of the financial year 2017-18 and that the same be paid, to those shareholders whose names appear on the Company's Register of Members as on 24th August, 2018 and that the dividend warrants be posted or direct credit through NECS be given within 30 days hereof only to those shareholders who are entitled to receive the payment of dividend."

3. To appoint a Director in place of Mrs. Sakshi Mody (DIN: 06518139), who retires by rotation and being eligible, offers herself for re-appointment as a Director and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Sakshi Mody (DIN: 06518139), Director of the Company, who retired by rotation and being eligible, had offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. A. B. Vaidya (DIN: 00246208), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 who shall not be liable to retire by rotation".

5. To consider and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, Lt. Gen. (Retd.) K. S. Brar (DIN: 01146720), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 who shall not be liable to retire by rotation".

6. To consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the revision in remuneration payable to Mr. Raghu Mody (DIN: 00053329), Executive Chairman and Whole Time Director of the Company w.e.f. 1st April, 2018 for the remaining period of his tenure as detailed in the Explanatory Statement attached to this Notice, be and is hereby approved with the authority to the Board of Directors of the Company to revise the terms on recommendation of Nomination and Remuneration Committee and approval of Audit Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution."

7. To consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the revision in remuneration payable to Mr. P. K. Choudhary (DIN: 00535670), Managing Director of the Company w.e.f. 1st April, 2018 for the remaining period of his tenure as detailed in the Explanatory Statement attached to this Notice, be and is hereby approved with the authority to the Board of Directors of the Company to revise the terms on recommendation of Nomination and Remuneration Committee and approval of Audit Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution."

8. To consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 188(1)(f) and all other applicable provisions, if any, of the Companies Act, 2013 and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors of the Company, the remuneration payable to Mr. Varunn Mody, President Treasury and Strategy of the Company, a relative of Mrs. Sakshi Mody, Non-Executive Director of the Company, be and is hereby revised with effect from 1st July, 2018 to a consolidated remuneration of ₹ 6,66,667 (Rupees Six Lakh Sixty Six Thousand Six Hundred Sixty Seven only) per month with the liberty to the Board of Directors to revise terms of remuneration payable to him from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution."

9. To consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 149, 197, 198, and all other applicable provisions of the

Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, in addition to the sitting fees paid for attending the meetings of the Board of Directors of the Company and its Committees thereof, the consent of the members of the Company be and is hereby accorded for the payment of ₹ 2,00,000 (Rupees Two Lakhs only) as Commission, to each Independent Director of the Company for the financial year 2017-18."

By Order of the Board of Directors

Vikram Soni
Company Secretary & Compliance Officer

Place: Mumbai
Date: 8th May, 2018

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

NOTES:

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

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

2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this notice.

3. Members/proxies are requested to bring their Attendance slip along with their copy of Annual Report to the Meeting.

4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting (including through e-voting).

6. Route – map to the venue of the Meeting is provided in the Annual Report for the convenience of the members.

7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

8. Brief resume of Directors proposed to be appointed/ re-appointed at the ensuing Annual General Meeting in terms of Regulations 26 (4) & 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 Secretarial Standard on General Meetings is annexed to the Notice.

9. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 24th August, 2018 to Thursday, 30th August, 2018 (both days inclusive) for determining the name of members eligible for dividend on Equity Shares, if approved by the members at the ensuing Annual General Meeting.

10. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. Listing fees for the financial year 2018-19 has been paid to both the stock exchanges.

11. Members who hold shares in dematerialized form are requested to bring their client ID and DP-ID for easier identification of attendance at the meeting.

12. Members holding shares in identical order of names in more than one folio are requested to write to the Company / Registrar and Share Transfer Agents (RTA) enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio for better services.

13. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / RTA quoting their Folio Number. Members holding shares in the Demat form may update such details with their respective Depository Participants.

14. The Company has transferred the unpaid or unclaimed dividend declared up to financial years 2009-10, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The

unclaimed dividend in respect of the financial year ended 31st March, 2011 is due for transfer to the IEPF in month of September, 2018. The shareholders whose dividend remained unclaimed for the financial year 2010-11 and for subsequent financial years are requested to claim it immediately from the Company. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 12th September, 2017 (date of the previous Annual General Meeting) under "Investor Relations" section on the website of the Company.

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

In accordance with the aforesaid provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred 1,88,195 shares in respect of which dividend declared for the financial year 2009-10 or earlier financial years remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more to the Investor Education and Protection fund via corporate action through Central Depository Services Limited.

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

Further, the Company has initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2010-11 has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.

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 electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA).

16. Queries on accounts and operations of the Company, if any, may please be sent to the Company, seven days in advance of the meeting so that the answers can be made available at the Meeting.

17. Members are requested to forward all Share Transfers and other communications to the RTA of the Company and are further requested to always quote their Folio Number / DPID-Client ID in all correspondences with the Company.

18. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.

19. The dividend on Equity shares as recommended by the Board of Directors for the year ended 31st March, 2018, if approved by the members at the Annual General Meeting, will be paid to those members whose names stands registered in the Register of Members as on Thursday, 24th August, 2018 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

20. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating some additional details of its members.

    You are thus requested to submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning the same to the RTA.

    The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.

21. The Register of Directors' and Key Managerial Personnel's Shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.

22. The Notice of the 54th Annual General Meeting along with Annual Report for the Financial year 2017-18 and instructions for e-voting, Attendance Slip and Proxy Form

are being sent by electronic mode to all members whose email address are registered with the Company/ Depository Participant(s) unless member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent through permitted mode. Members may also note that 54th Annual Report for the year 2017-18 is also available on the website of the Company at www.hindcompo.com.

23. Information and other instructions relating to the e-voting:

(a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Rules, 2015, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be passed in the 54th Annual General Meeting (AGM) by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').

(b) The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as agency to provide e-voting facility.

(c) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot paper.

(d) The members who have cast their vote by remote e-voting may also attend the Meeting, but shall not be entitled to cast their vote again.

(e) The remote e-voting shall commence on Monday, 27th August, 2018 (9.00 a.m.) and ends on Wednesday, 29th August, 2018 (5.00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 24th August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(f) The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. Friday, 24th August, 2018.

(g) 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, i.e. Friday, 24th August, 2018 only shall be entitled to avail the facility of remote e-voting and voting at meeting through ballot paper and the person who are not member as on the cut- off date should treat this notice for information purpose only.

(h) The Board of Directors of the Company has appointed CS Manish Baldeva, Proprietor of M/s. M Baldeva Associates, Company Secretaries, Thane (FCS 6180), as Scrutinizer to scrutinize the voting through remote e-voting process and ballot papers in a fair and transparent manner.

(i) Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Friday, 24th August, 2018 may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or rnt.helpdesk@linkintime.co.in. However, if the member is already registered with CDSL for remote e-voting then he can use his exiting user ID and password for casting the vote through e-voting. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com.

(j) The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot paper and through remote e-voting, will, not later than 48 hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or a person authorized by him who shall countersign the same and declare the result of the voting forthwith . The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.hindcompo.com and on the website of the CDSL www.evotingindia.com. The results shall simultaneously be communicated to the stock exchanges.

(k) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. Thursday, 30th August, 2018.

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

(I) The voting period begins on Monday, 27th August, 2018 (9.00 a.m.) and ends on Wednesday, 29th August, 2018 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Friday, 24th August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for HINDUSTAN COMPOSITES LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

(xix) Note for Non – Individual Shareholders and Custodians

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

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

General:

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

(b) If a Member is already registered with CDSL for e-voting then they can use existing login details for casting your vote.

(c) The e-voting period commences on Monday, 27th August, 2018 (9.00 a.m.) and ends on Wednesday, 29th August, 2018 (5.00 p.m.). During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Friday, 24th August, 2018 may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

(d) The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, 24th August, 2018.

(e) CS Manish Baldeva (FCS 6180), Proprietor, M/s. M Baldeva Associates, Company Secretaries, Thane, has been appointed as Scrutinizer to scrutinize the Postal Ballot process including e-voting process in a fair and transparent manner.

(f) The Scrutinizer shall within a period of not exceeding 48 hours from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman or a person authorized by him who shall countersign the same and declare the result of the voting.

(g) The Results of the e-voting along with the scrutinizer's report shall be placed on the Company's website www.hindcompo.com and on the website of CDSL immediately after the result is declared by the Chairman.

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

Item Nos. 4 & 5:

Mr. A. B. Vaidya and Lt. Gen (Retd.) K.S. Brar were appointed as Independent Directors of the Company on 28th July, 2004 and 30th September, 2008 respectively. Pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 ('the Act') which became effective from 1st April, 2014, Mr. A. B. Vaidya and Lt. Gen (Retd.) K.S. Brar, were appointed as Independent Non-Executive Directors to hold office for five consecutive years for a term upto 31st March, 2019, by the Members of the Company in the 50th AGM held on 1st September, 2014.

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

In line with the aforesaid provisions of the Act and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. A. B. Vaidya and Lt. Gen (Retd.) K. S. Brar, it is proposed to re-appoint them for a second term as Independent Directors of the Company for a period of five years from 1st April, 2019 to 31st March, 2024.

Pursuant to the provisions of Section 160(1) of the Companies Act, 2013 the Company has received notices in writing from members of the Company signifying their candidature as director for a second term of five years.

Mr. A. B. Vaidya and Lt. Gen (Retd.) K. S. Brar have given their requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and in the opinion of the Board they fulfil the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for their re-appointment as Independent Non-Executive Directors of the Company and are independent of the management. Copies of the draft letters for re-appointment of Mr. A. B. Vaidya and Lt. Gen (Retd.) K. S. Brar as Independent Non-Executive Directors setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. A. B. Vaidya and Lt. Gen (Retd.) K. S. Brar as Independent Directors. Accordingly, the Board recommends Special Resolutions as set out at item nos. 4 & 5.

Brief resumes of the Directors proposed to be reappointed as stipulated under the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 'General Meeting' are given in the annexure to the Notice. Mr. A. B. Vaidya and Lt. Gen (Retd.) K. S. Brar does not hold any shares in the Company.

Except Mr. A. B. Vaidya and Lt. Gen (Retd.) K. S. Brar, being appointees, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 4 and 5 of the accompanying Notice of the AGM.

Item No. 6:

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

Considering his experience, knowledge and contribution made in growth of the Company and as recommended by Nomination and Remuneration Committee and approved by Audit Committee of the Company, the Board of Directors revised the remuneration payable to him w.e.f. 1st April 2018 for remaining period of his tenure as follows:

Sr. No.	Particulars	Details of Revised remuneration
1.	Salary	₹ 6,25,000 per month and special allowance of ₹ 5,87,500 per month with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule V to the Companies Act, 2013.
2.	Commission	Subject to limit prescribed under the Companies Act.
3.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas, telephone and maintenance in the premises etc.
4.	Conveyance/ Motor Car	Provision of motor car with driver.
5.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding ₹ 1,50,000 per annum.
6.	Servant Allowance	Provision for Servant Allowance ₹ 25,000 p.m.
7.	Gratuity	As per rules of the Company's Scheme.
8.	Personal accident insurance	As per rules of the Company's Scheme.
9.	Club subscription	Reimbursement of club subscription fees of two clubs.
10.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.

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

Your Directors recommend the Resolution as set out at item no. 6 of the notice for approval of the Members.

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

Item No. 7.

Mr. P. K. Choudhary, Managing Director of the Company has been associated with the Company since last 27 years. He is a Chartered Accountant and Company Secretary and has vast knowledge and experience in the field of Finance, Commercial Activities and General Management.

Considering his experience, knowledge and contribution made in growth of the Company and as recommended by Nomination and Remuneration Committee and approved by Audit Committee of the Company, the Board of Directors revised the remuneration payable to him w.e.f. 1st April 2018 for remaining period of his tenure as follows:

Sr. No.	Particulars	Details of Revised remuneration
1.	Salary	₹ 3,15,000 per month and special allowance of ₹ 2,05,167 per month with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule V to the Companies Act, 2013.
2.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas and maintenance in the premises etc. not exceeding ₹ 21,000 per month. In case no accommodation is provided, the payment of HRA subject to the ceiling of sixty percent of the salary.
3.	Conveyance/ Motor Car	Provision of motor car and re-imbursement towards driver and other running expenses upto ₹ 72,000 per month.
4.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding ₹ 1,32,000 per annum.
5.	Servant Allowance	Provision for Servant Allowance ₹ 18,000 p.m.
6.	Leave Travel Concession	As per rules of the Company, not exceeding ₹ 2,40,000 per annum.
7.	Provident and other funds including superannuation and gratuity	As per rules of the Company's Scheme.
8.	Personal accident insurance	As per rules of the Company's Scheme.
9.	Club subscription	Reimbursement of club subscription fees of one club.
10.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.

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

Your Directors recommend the Ordinary Resolution as set out at item no. 7 of the notice for approval of the Members.

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

Item No. 8.

Taking into consideration the past experience and knowledge of Mr. Varunn Mody in the field of Treasury and Strategic activities and upon receipt of recommendation by the Nomination and Remuneration Committee and approval of the Audit Committee of the Company, the Board of Directors revised the remuneration payable to him w.e.f. 1st July, 2018 as follows:

Sr. No.	Particulars	Details of Revised remuneration
1.	Salary	₹ 3,50,000 per month
2.	Special Allowance	₹ 2,33,667 per month
3.	Leave Travelling Allowance	As per rules of the Company, not exceeding ₹ 10,000 per month
4.	Conveyance / Motor Car	Provision of motor car with driver.
5.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding ₹ 60,000 per annum
6.	Gas / Electricity	₹ 13,000 per month
7.	Servant Allowance	₹ 13,000 per month
8.	Provident Fund	As per rules of the Company's scheme

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

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

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

Item No. 9.

Considering the rich experience and expertise brought to the Board by the Independent Directors, it is proposed to pay a commission of ₹ 2 Lakhs to each Independent Director for the

financial year 2017-18. Such payment will be in addition to the sitting fees for attending Board/Committee meetings.

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

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

INFORMATION OF DIRECTORS BEING PROPOSED FOR APPOINTMENT/RE-APPOINTMENT AS PER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD – 2 'GENERAL MEETING' IS GIVEN BELOW:

Particulars	Name of Directors		
	Mrs. Sakshi Mody	**Mr. A. B. Vaidya**	**Lt. Gen. (Retd.) K. S. Brar**
Age	33 years	78 years	84 years
Qualifications	Bachelor's Degree from the University of Virginia, USA,	Bachelor's Degree in Civil Engineering	MSC in Defence Studies
Experience (including expertise in specific functional area) / Brief Resume	She possesses wide range of experience, working in different types of media like print, television, online and Public Relations.	He possesses rich experience in Banking, Insurance & Realty Sector.	He possesses rich and varied management experience
Terms and Conditions of Reappointment	In terms of Section 152(6) of the Companies Act, 2013, Mrs. Sakshi Mody is liable to retire by rotation.	As per the resolution at item no. 4 of the Notice convening this Meeting read with explanatory statement thereto, Mr. A. B. Vaidya is proposed to be re-appointed as an Independent Director for a period of 5 years.	As per the resolution at item no.5 of the Notice convening this Meeting read with explanatory statement thereto, Lt. Gen. (Retd.) K. S. Brar is proposed to be re-appointed as an Independent Director for a period of 5 years.
Remuneration last drawn (including Sitting fees, Commission if any)	₹ 0.4 lakhs	₹ 3.15 Lakhs	₹ 3.20Lakhs
Remuneration proposed to be paid	Sitting fees as approved	Sitting fees as approved	Sitting fees as approved
Date of first appointment on the Board	02.09.2014	28.07.2004	30.09.2008
Shareholding in the Company as on March 31, 2018	Nil	Nil	Nil
Relationship with other Directors / Key Managerial Personnel	She is not related inter-se to any Director(s) /Key Managerial Personnel(s) of the Company within the meaning of Section 2(77) of the Companies Act, 2013	He is not related inter-se to any Director(s) /Key Managerial Personnel(s) of the Company within the meaning of Section 2(77) of the Companies Act, 2013	He is not related inter-se to any Director(s) /Key Managerial Personnel(s) of the Company within the meaning of Section 2(77) of the Companies Act, 2013
Number of meetings of the Board attended during the financial year (2017-18)	5 (Five)	6 (Six)	5 (Five)
Directorships of other Boards as on March 31, 2018	1) J. L. Morison (India) Ltd. 2) Rasoi Ltd.	Nil	Al Kabeer Exports Private Limited

Particulars	Mrs. Sakshi Mody	Mr. A. B. Vaidya	Lt. Gen. (Retd.) K. S. Brar
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	Nil	Nil	Nil
Summary of Performance Evaluation	Not applicable	As per the policy devised by the Board of Directors for evaluating the performance of Independent Directors and after considering participation of Mr. A. B. Vaidya at the Board and Committee Meetings, Managing Relationship with fellow Board Members and Senior Management, Knowledge and Skills and his Personal Attributes he has received a positive evaluation by the Board.	As per the policy devised by the Board of Directors for evaluating the performance of Independent Directors and after considering participation of Lt. Gen. (Retd.) K. S. Brar at the Board and Committee Meetings, Managing Relationship with fellow Board Members and Senior Management, Knowledge and Skills and his Personal Attributes he has received a positive evaluation by the Board.

By Order of the Board of Directors

Vikram Soni
Company Secretary & Compliance Officer

Place: Mumbai
Date: 8th May, 2018

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

DIRECTORS' REPORT

To the Members,
Hindustan Composites Limited,

Your Directors are pleased to present the Fifty Fourth Annual Report together with the Standalone and Consolidated Audited Financial Statements for the year ended 31st March, 2018.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended 31st March, 2018 is summarized below:

(₹ in Lakhs)

	Standalone		Consolidated	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Revenue from Operations	**20,335.95**	**18,162.38**	**20,335.95**	**18,162.38**
Other Income	44.77	110.54	44.77	110.54
Profit before Interest, Depreciation and Taxes	3,723.55	3,990.76	3,487.05	3,823.68
Less: Interest	30.82	19.75	30.82	19.75
Less: Depreciation (Net)	863.52	771.04	863.52	771.04
Profit Before Tax	**2,829.21**	**3,199.97**	**2,592.71**	**3,032.89**
Less: Provision for Tax	**291.85**	**711.44**	**291.85**	**711.44**
Profit After Tax	**2,537.36**	**2,488.53**	**2,300.86**	**2,321.45**
Other Comprehensive				
Other Comprehensive Income/(Loss)/(Net of Tax)	**2,241.76**	**3,396.15**	**2,241.76**	**3,396.14**
Total Comprehensive Income/(Loss)	**4,779.12**	**5,884.68**	**4,542.62**	**5,717.59**

The Financial Statements have been prepared in accordance with the applicable Indian Accounting Standards ("IndAS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

2. OPERATIONAL PERFORMANCE

The Company achieved a total revenue of ₹ 20,335.95 Lakhs, representing a growth of 12% over the previous year. The manufacturing revenue increased by 14% from ₹ 14,043.45 Lakhs to ₹ 16,013.58 Lakhs. This was achieved despite challenging market condition in the first half of the year, with implementation of GST from 1st July, 2017. However the situation improved in the second half of the year.

Investment income during the year was also higher at ₹ 4,322.38 Lakhs, as against ₹ 4,118.92 Lakhs in the previous year. This was achieved with judicious deployment of funds in various asset classes, despite volatile interest rate conditions.

The gross profit of the Company was slightly lower at ₹ 3,723.55 Lakhs, as against ₹ 3,990.76 Lakhs. After considering interest of ₹ 30.82 Lakhs and depreciation of ₹ 863.52 Lakhs, Profit Before Tax was ₹ 2,829.21 Lakhs and net Profit After Tax was ₹ 2,537.36 Lakhs. Other Comprehensive Income (OCI) net of Tax was ₹ 2,241.76 Lakhs, as against ₹ 3,396.15 Lakhs. The total comprehensive income after tax during the year was ₹ 4,779.12 Lakhs, as against ₹ 5,884.68 Lakhs in the previous year.

The profitability was impacted mainly due to continuous cost pressures with commodity prices going-up. This impact could not be fully passed on to the customers because of competitive market conditions and fixed rate contracts with the Railway and other customers.

The Indian Automotive Industry posted a healthy growth with most segments reporting double digit increase in sales. While Passenger Vehicles grew at 7.89%, other segments including Commercial Vehicles, 2/3 Wheelers, Tractors have grown in double digits and their sales hit a new record during the year. Ban on over-loading, market shift to higher tonnage vehicles and a positive effect of GST also boosted the commercial vehicle sales.

The forecast from Industry body SIAM expects Passenger Vehicle Sales to grow at a high single digit rate in 2018-19, while Commercial Vehicle are likely to grow at low double digits.

Although, economic scenario appears positive, there are concerns relating to increase in international prices of Crude and other commodity prices, resulting inflationary pressure

in the Company's raw material cost. Challenging and competitive market conditions may prevent the Company from passing on the entire burden of cost increase to its customers. However, company will continue to emphasis on improvement in operational efficiencies, higher productivity with prudent cost control measures.

The Company's Railway business has shown slight increase in Sales, but price realisation remain low due to highly competitive conditions on account of many approved manufacturers with surplus capacity. With continuous pressure on price realisation, coupled with increase in manufacturing costs, the Company expects this segment to remain under stress.

In the Investment segment, the situation is likely to remain challenging with fluctuation in Interest rates, volatile stock market and fear of Bank NPA's. The Company will continue to maintain its conservative approach towards deployment of its funds, keeping capital protection in focus.

The Company participated in Aftermarket Auto-Expo 2018 at Guwahati in December, 2017, the Auto-Expo show at Pragati Maidan, New Delhi in February, 2018 and 10th Indonesia International Auto Parts, Accessories and Equipment Exhibition 2018 at Jakarta in March 2018. The response from Domestic and International customers was encouraging. The Company continues to carry-out several sales promotion initiatives, including Retailer Meet, Garage Campaigning and Road Shows, both in India and Overseas to improve its market position.

The Company entered into a long-term settlement with workmen at its Bhandara Plant for a period of 3 years, effective from August, 2017.

During the year the Company entered into a long-term Technical Assistance Agreement with TBK Co. Ltd., headquartered in Tokyo, Japan and having a largest shareholding of ISUZU Motors Ltd., to obtain Technical Assistance for manufacture of Commercial Vehicle Brake Friction Materials in India.

This association with TBK Co. Ltd., will help us to bring innovative technology for Brake Lining and Disc Brake Pad for Commercial Vehicles in India.

The working of Company's Joint Venture viz. Compo-Advics (India) Pvt. Ltd. was lower than the plan, mainly due to highly competitive market condition.

Based on the above positive scenario, the Company remains optimistic for the increase in demand of its products. Accordingly, the Company has geared to meet the demand through continuous investment in capacity expansion, introduction of new products and improvement in quality.

There was no change in the nature of business of the Company during the year under review. Similarly, there have been no material changes and commitments affecting the financial position of the Company between the end of the Company's financial year to which the financial statements relate and upto the date of this report.

3. SHARE CAPITAL OF THE COMPANY

During the year under review, the Company has obtained the shareholders' approval for the following matters through postal ballot process, the results of which were declared on 13th May, 2017:

1) Sub-division of existing 1 equity share having face value of ₹ 10 each fully paid-up into 2 equity shares having face value of ₹ 5 each;

2) Increase in Authorized Share Capital of the Company from ₹ 6 crore to ₹ 8 crore divided into 1.6 crore equity shares of ₹ 5 each and subsequent alteration of Capital Clause of Memorandum of Association to give effect to the sub-division of shares and increase in the authorized share capital; and

3) Issue of 49,23,000 bonus equity shares in proportion of 1:2 (i.e. 1 new bonus equity share of ₹ 5 each for every 2 equity shares of ₹ 5 each held) (Post split face value per equity share).

After giving effect to the above, the issued, subscribed and paid up share capital of your Company as on 31st March, 2018 was ₹ 7,38,45,000 (Rupees Seven Crore Thirty Eight Lakhs Forty Five Thousand only) divided into 1,47,69,000 equity shares of the face value of ₹ 5 (Rupees Five) each fully paid up.

4. DIVIDEND

Your Directors have recommended a dividend of ₹ 0.50 per share, being 10% of equity share capital for the year ended 31st March, 2018. The Corporate Dividend Tax of ₹ 15.03 Lakhs (previous year 15.03 Lakhs) will be payable on the total dividend amount of ₹ 73.85 Lakhs (previous year 73.85 Lakhs).

5. RESERVES

During the year under review 1,500.00 Lakhs (previous year 1,500.00 Lakhs) was transferred to the General Reserve.

6. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

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

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

7. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the provisions of Sections 129 and 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared Consolidated Financial Statements consolidating financial statements of its Joint venture Company namely "Compo Advics (India) Private Limited" in its financial statements in accordance with the applicable provisions of Indian Accounting Standards ("IndAS").

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

The summarised consolidated Financial position is provided above in point no. 1 of this Report.

8. RISKS AND AREAS OF CONCERN

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

9. EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT 9 is annexed to this Report as **"Annexure - A"** and forms a part of this report.

10. DIRECTORS AND KMP

a) Retirement by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Articles of Association of the Company, Mrs. Sakshi Mody (DIN: 06518139), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment and your Board recommends her re-appointment.

b) Appointment

The Members, in its 53rd Annual General Meeting held on 12th September, 2017, approved the re-appointment of Mr. Raghu Mody (DIN: 00053329) as Executive Chairman and Whole time Director of the Company for a period of three years commencing from 1st October, 2017 to 30th September, 2020 and appointment of Mr. Chakrapani B. Misra (DIN: 07184034) as (Non-Executive) Independent Director of the Company to hold office for a term up to 22nd May, 2022.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mr. A. B. Vaidya (DIN 00246208) and Lt. Gen. (Retd.) K. S. Brar (DIN: 01146720) were appointed as (Non- Executive) Independent Directors for five consecutive years by the members of the Company in its 50th Annual General Meeting held on 1st September, 2014 and holds office upto 31st March, 2019.

Mr. A. B. Vaidya and Lt. Gen. (Retd.) K. S. Brar are eligible for re-appointment as (Non-Executive) Independent Directors for another term of 5 consecutive years. Pursuant to the provisions of Section 149(10) of the Companies Act, 2013 and based on the recommendations of Nomination and Remuneration Committee of the Company, the Board recommends for approval of members through Special Resolutions in 54th Annual General Meeting for their re-appointment as (Non – Executive) Independent Directors for another five consecutive years from 1st April, 2019 to 31st March, 2024.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 is given in the Notice convening the 54th Annual General Meeting of the Company.

Mr. Vikram Soni has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 8th May, 2018. The appointment of Mr. Vikram Soni as Company Secretary and Compliance Officer of the Company is pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c) Cessation

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

Mr. K M Robinson, (DIN: 02353919) (Non –Executive) Independent Director of the Company expired on 11th January, 2018, accordingly he ceased to be director of the Company from that date. The Board places on record its sincere appreciation for the valuable contribution made by him during his tenure as director of the Company.

d) Declaration from Independent Directors

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) Annual Performance and Board Evaluation

The Board has devised a policy pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for performance evaluation of the Chairman, Board and individual Directors (including Independent Directors) and Committees which includes criteria for performance evaluation of Non-executive Directors and Executive Directors.

The Board has devised questionnaire to evaluate the performances of Board, Board Committees and individual Directors and Chairperson. The Chairman of respective Board Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Board Committees. The reports on performance evaluation of the individual Directors were reviewed by the Chairman of the Board.

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

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

The details of the programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: http://www.hindcompo.com/investorrelations/documents/familiarisation-programes-forindependent directors.pdf

f) Key managerial Personnels (KMP)

The Key Managerial Personnel of the Company are as follows:

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

11. MANAGERIAL REMMUNERATION AND OTHER DETAILS

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

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 is provided in a separate annexure forming part of this report.

Further in terms of Section 136 of the Act, the report and accounts are being sent to the members excluding the aforesaid annexure. The said annexure is available for inspection at the registered office of the Company during the working hours and any member interested in obtaining a copy of the same may write to the Company Secretary and the same will be furnished on request.

12. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy has been placed on the website of the company viz. www.hindcompo.com.

13. AUDIT COMMITTEE AND ITS COMPOSITION

As on 31st March, 2018, the Audit Committee comprised of Mr. A. B. Vaidya, Mr. Chakrapani B. Misra, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody.

Mr. Chakrapani B. Misra is Chairman of Audit Committee of the Company. Company Secretary of the Company acts as the Secretary of the Audit Committee. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

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

14. MEETINGS OF THE BOARD

The Board met six times during the year, the details of which are given in the Corporate Governance Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. DEPOSITS

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

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

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

During the Financial Year 2017-18, the Company had entered into contracts / arrangements / transactions with related party, the details of which as referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 under Companies (Accounts) Rules, 2014 is annexed to this report as **"Annexure – C"** and forms a part of this report.

The policy on Related Party Transactions as approved by the Board of Directors is available on the Company's website at http://www.hindcompo.com/investor-relations/documents/ related-party-transaction-policy.pdf

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

The details of loans, guarantees or investments made under Section 186 of the Companies Act, 2013 are given under Notes to Accounts on financial statements forming part of this Annual Report.

19. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

Pursuant to the provisions of Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has formed Corporate Social Responsibility Committee and a Policy on Corporate Social Responsibility (CSR). As part of its initiatives under CSR, the Company has undertaken project for promoting education in accordance with Schedule VII of the Companies Act, 2013.

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

20. WHISTLE BLOWER/ VIGIL MECHANISM POLICY

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avails the same in the exceptional cases. The details of the Vigil Mechanism Policy is explained in the Corporate Governance Report and also posted on the website of the Company at www.hindcompo.com. We affirm that during the financial year 2017-18, no employees or directors were denied access to the Audit Committee.

21. STATUTORY AUDITORS

As per provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in their 53rd Annual General Meeting held on 12th September, 2017 appointed M/s. Bagaria & Co. LLP, Chartered Accountants, Mumbai, (Firm Registration No. 113447W), as the Statutory Auditors of the Company for a term of consecutive 5 years i.e. to hold office from the conclusion of 53rd Annual General Meeting till the conclusion of 58th Annual General Meeting of the Company to be held for the financial year ending 31st March, 2022, subject to the ratification by members of the Company every year.

However, the aforesaid Section 139 is amended by the Companies (Amendment) Act, 2017 w.e.f. 7th May, 2018 and as per amended section, the appointment of auditors is no more required to be ratified every year in Annual General Meeting. Accordingly, the ratification of appointment of M/s. Bagaria & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company is no more required and they will hold office upto the conclusion of 58th Annual General Meeting of the Company to be held for the financial year ending on 31st March, 2022.

M/s. Bagaria & Co. LLP, has furnished written confirmation to the effect that they are not disqualified from acting as the Statutory Auditors of the Company in terms of the provisions of Section 139 and 141 of the Companies Act, 2013 and Rules framed thereunder.

22. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. M Baldeva Associates, Company Secretaries, Thane to undertake Secretarial Audit of the Company for the year 2017-18. The Secretarial Audit Report is annexed to this report as **"Annexure - E"** and forms a part of this report.

23. INTERNAL AUDITORS

The Company has appointed M/s. S M M P & Associates, Chartered Accountants, Mumbai, as its Internal Auditors. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliances with operating systems, accounting procedures and policies at all locations of the Company and report the same to the Audit Committee on quarterly basis.

24. REMARKS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS

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

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

25. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the following have been made a part of

the Annual Report and are attached to this report:

- Management Discussion and Analysis Report
- Corporate Governance Report
- Auditors' Certificate regarding compliance of conditions of Corporate Governance

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

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

27. INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

28. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 125 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India after the completion of seven years. Further, according to the said Rules, the shares on which dividend remained unpaid or unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred corresponding shares to the demat account of the IEPF Authority as per the requirements of the IEPF rules for the dividend remained unclaimed /unpaid upto the financial year 2009-10.

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

Details regarding Conservation of energy, Technology Absorption, Foreign exchange earnings and outgo is annexed to this report as **"Annexure - F"** and forms a part of this report.

30. COMPLIANCE WITH SECRETARIAL STANDARDS:

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

31. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has constituted an internal complaint committee under Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year there was no complaint filed before the said Committee.

32. DISCLOSURES PURSUANT TO REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

A. Details related to GEBS

a) Date of Shareholders' approval: Approved by the shareholders of the Company in the 51st Annual General Meeting held on 18th September 2015.

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

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

c) Beneficiaries of the Scheme:

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

d) Total assets of the Scheme:

₹ 8,79,32,856 as per the audited balance sheet of the Trust as on 31st March, 2018.

e) Quantum of holding in own shares / listed holding company shares (both absolute and in percentage):

5,26,434 (3.56%) Equity Shares of ₹ 5 each of the Company.

f) Whether scheme is in compliance of regulation 26(2)/27(3) of the regulations, as applicable: No.

g) Variation in terms of Scheme: Not Applicable

B. Details related to Trust

i. General information on all schemes

Sr. No.	Particulars	Details
1	Name of the Trust	Carnation Welfare Trust
2	Details of the Trustee(s)	**Mr. Snehal N. Muzoomdar** Practicing Chartered Accountant Address: 52, Walchand Terraces, Tardeo Air Conditioned Market, Mumbai - 400034 **Mr. Nilanjan Ghose** Practicing Advocate Address: Khaitan & Co., One Indiabulls Centre, 13th Floor, Tower 1, Elphinstone Road,Mumbai 400013 **IDBI Trusteeship Services Limited** Private Trust Address: Asian Building, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001
3	Amount of loan disbursed by the Company/ any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to the company/ any company in the group) as at the end of the year	Nil
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

ii. Brief details of transaction in shares by the Trust

Sr. No.	Particulars	Details
A	Number of shares held at the beginning of the year (2,23,963 equity shares having face value of ₹10 each were sub-divided into 2 equity shares having face value of ₹ 5 each)	4,47,926 (of ₹ 5 each)
B	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	2,23,963 (of ₹ 5 each) (Bonus shares allotted)
C	Number of shares transferred to the employees / sold along with the purpose thereof;	1,45,455 (of ₹ 5 each)
D	Number of shares held at the end of the year	5,26,434 (of ₹ 5 each)

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

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year (2,23,963 equity shares having face value of ₹ 10 each were sub-divided into 2 equity shares having face value of ₹ 5 each)	4,47,926 (of ₹ 5 each) (4.55%)
Acquired during the year – Bonus shares allotted in ratio of 1:2	2,23,963 (of ₹ 5 each)
Sold during the year	1,45,455 (0.99%) (of ₹ 5 each)
Transferred to the employees during the year	Nil
Held at the end of the year	5,26,434 (3.56%) (of ₹ 5 each)

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

Your Company has created a 'General Employee Benefits Scheme (GEBS)' under an irrevocable Trust named as

"Carnation Welfare Trust" on 20th June, 2011 for the benefit of its existing and future permanent employees, except directors and promoters. The Scheme is established for the general welfare of the beneficiaries i.e. permanent employees of the Company. Under the Scheme, the Trust has purchased 2,34,899 Equity Shares of ₹ 10 each of the Company from Secondary Market for a total consideration of ₹ 11,29,56,669. As no shares are allotted or transferred to any employee or option to purchase of these shares is given to any employee under this Scheme, no voting rights are directly exercised by employees of the Company on these shares. The trustees of the Trust are entitled to exercise vote on these shares, however as provided under Regulation 3(5) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, they have not exercised any voting right on these shares on resolutions transacted at the Annual General Meetings / Postal ballot process conducted by the Company.

34. APPRECIATIONS

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

For and on bahalf of the Board of Directors

Raghu Mody
Chairman
DIN: 00053329

Place: Mumbai
Date: 8th May, 2018

Annexure A

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1 REGISTRATION AND OTHER DETAILS:

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

2 PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1	Friction materials - Brake lining, Brake Block, Clutch facing and Button	29301	78.75
2	Investment and Treasury operations	643	21.25

3 PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

4 Share holding pattern (Equity Share Capital Breakup as % of Total Equity)

(i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year (F.V. of ₹ 10 each)				No. of shares held at the end of the year (F.V. of ₹ 5 each)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoter									
(1) Indian									
(a) Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00

Category of shareholders	No. of shares held at the beginning of the year (F.V. of ₹ 10 each)				No. of shares held at the end of the year (F.V. of ₹ 5 each)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	3691010	0	3691010	74.97	11073030	0	11073030	74.97	0.00
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1)	**3691010**	**0**	**3691010**	**74.97**	**11073030**	**0**	**11073030**	**74.97**	**0.00**
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of promoters (A)	**3691010**	**0**	**3691010**	**74.97**	**11073030**	**0**	**11073030**	**74.97**	**0.00**
B. Public									
(1) Institutions									
(a) Mutual Funds	50	0	50	0.00	150	0	150	0.00	0.00
(b) Banks / FI	1211	620	1831	0.04	1965	1814	3779	0.03	-0.01
(c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(I) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	**1261**	**620**	**1881**	**0.04**	**2115**	**1814**	**3929**	**0.03**	**-0.01**
(2) Non Institutions									
(a) Bodies Corp.									
(i) Indian	345545	6443	351988	7.15	948739	15971	964710	6.53	-0.62
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals*	0	0	0	0.00	0	0	0	0.00	0.00
(I) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	334095	341644	675739	13.73	1290098	733743	2023841	13.70	-0.02
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	0	0	0	0	110336	0	110336	0.75	0.75
(c) Others (Specify)								0.00	
(i) Non Resident Indian - Rep	3978	2434	6412	0.13	17765	5114	22879	0.15	0.02
(ii) Non Indian Resident - Non -Rep	45911	0	45911	0.93	9528	0	9528	0.06	-0.87
(iii) Clearing Members	44187	0	44187	0.90	40942	0	40942	0.28	-0.62

Category of shareholders	No. of shares held at the beginning of the year (F.V. of ₹ 10 each)				No. of shares held at the end of the year (F.V. of ₹ 5 each)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(iv) Trusts	93585	0	93585	1.90	280701	0	280701	1.90	0.00
(v) Hindu Undivided Family	12287	0	12287	0.25	50909	0	50909	0.34	0.10
(vi) IEPF	0	0	0		188195	0	188195	1.27	1.27
Sub-total (B)(2)	**879588**	**350521**	**1230109**	**24.99**	**2937213**	**754828**	**3692041**	**25.00**	**0.01**
Total Public Shareholding (B)	**880849**	**351141**	**1231990**	**25.03**	**2939328**	**756642**	**3695970**	**25.03**	**0.01**
C. Shares held by custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
Grand Total (A+B+C)	**4571859**	**351141**	**4923000**	**100**	**14012358**	**756642**	**14769000**	**100**	**0.00**

ii. Shareholding of Promoters

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year (F.V. of ₹ 10 each)			Shareholding at the end of the year (F.V. of ₹ 5 each)			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to total	No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to total	
1	Rasoi Ltd.	2050574	41.65	0	6151722	41.65	0	0.00
2	Leaders Healthcare Ltd.	825194	16.76	0	2475582	16.76	0	0.00
3	J L Morison (India) Ltd.	369234	7.50	0	1107702	7.50	0	0.00
4	Surdas Trading & Mfg. Co. Ltd.	84000	1.71	0	252000	1.71	0	0.00
5	Goodpoint Advisory Services and Investment Ltd.	66000	1.34	0	198000	1.34	0	0.00
6	Lotus Udyog Ltd.	63240	1.28	0	189720	1.28	0	0.00
7	Pallawi Resources Ltd.	60000	1.22	0	180000	1.22	0	0.00
8	Pallawi Trading & Mfg. Co. Ltd.	58000	1.18	0	174000	1.18	0	0.00
9	Axon Trading & Mfg. Co. Ltd.	36000	0.73	0	108000	0.73	0	0.00
10	Looklink Finance Ltd.	32000	0.65	0	96000	0.65	0	0.00
11	Silver Trading & Services Ltd.	28000	0.57	0	84000	0.57	0	0.00
12	Noble Trading Co. Ltd.	18768	0.38	0	56304	0.38	0	0.00
	Total	**3691010**	**74.97**	**0**	**11073030**	**74.97**	**0**	**0.00**

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Rasoi Ltd.**				
	a) At the beginning of the year	**2050574**	**41.65**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	4101148	41.65	6151722	41.65
	c) At the end of the year			**6151722**	**41.65**
2	**Leaders Healthcare Ltd.**				
	a) At the beginning of the year	**825194**	**16.76**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	1650388	16.76	2475582	16.76
	c) At the end of the year			**2475582**	**16.76**

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	**J L Morison (India) Ltd.**				
	a) At the beginning of the year	**369234**	**7.50**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	738468	7.50	1107702	7.50
	c) At the end of the year			**1107702**	**7.50**
4	**Surdas Trading & Mfg Co Ltd.**				
	a) At the beginning of the year	**84000**	**1.71**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	168000	1.71	252000	1.71
	c) At the end of the year			**252000**	**1.71**
5	**Goodpoint Advisory Services and Investments Limited**				
	a) At the beginning of the year	**66000**	**1.34**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	132000	1.34	198000	1.34
	c) At the end of the year			**198000**	**1.34**
6	**Lotus Udyog Ltd.**				
	a) At the beginning of the year	**63240**	**1.28**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	126480	1.28	189720	1.28
	c) At the end of the year			**189720**	**1.28**
7	**Pallawi Resources Ltd.**				
	a) At the beginning of the year	**60000**	**1.22**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	120000	1.22	180000	1.22
	c) At the end of the year			**180000**	**1.22**
8	**Pallawi Trading & Mfg Co Ltd**				
	a) At the beginning of the year	**58000**	**1.18**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	116000	1.18	174000	1.18
	c) At the end of the year			**174000**	**1.18**
9	**Axon Trading & Mfg Co Ltd.**				
	a) At the beginning of the year	**36000**	**0.73**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	72000	0.73	108000	0.73
	c) At the end of the year			**108000**	**0.73**
10	**Looklink Finance Ltd.**				
	a) At the beginning of the year	**32000**	**0.65**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	64000	0.65	96000	0.65
	c) At the end of the year			**96000**	**0.65**
11	**Silver Trading & Services Ltd.**				
	a) At the beginning of the year	**28000**	**0.57**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	56000	0.57	84000	0.57
	c) At the end of the year			**84000**	**0.57**

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
12	**Noble Trading Company Ltd.**				
	a) At the beginning of the year	**18768**	**0.38**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	37536	0.38	56304	0.38
	c) At the end of the year			**56304**	**0.38**

Note: The face value of equity shares of ₹ 10 each was sub-divided into fully paid-up into 2 equity shares having face value of ₹ 5 each and further, bonus equity shares issued in proportion of 1:2 .

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**IDBI Trusteeship Services Limited**				
	a) At the beginning of the year	**223963**	**4.55**		
	b) Changes during the year				
	14 Apr 2017 - Sale	-6038	-0.12	217925	4.43
	21 Apr 2017 - Sale	-14600	-0.30	203325	4.13
	28 Apr 2017 - Sale	-10995	-0.22	192330	3.91
	05 May 2017 - Sale	-10852	-0.22	181478	3.69
	12 May 2017 - Sale	-6000	-0.12	175478	3.56
	29 May 2017 - (Split + Bonus)	350956	2.38	526434	3.56
	c) At the end of the year			**526434**	**3.56**
2	**Tribeni Charitable**				
	a) At the beginning of the year	**93567**	**1.90**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	187134	1.27	280701	1.90
	c) At the end of the year			**280701**	**1.90**
3	**Investor Education and Protection Fund Authority**				
	Ministry of Corporate Affairs				
	a) At the beginning of the year	**0**	**0.00**		
	b) Changes during the year				
	30 November 2017 - transferred to IEPF	188021	1.27	188021	1.27
	08 December 2017 - transferred to IEPF	174	0.00	188195	1.27
	c) At the end of the year			**188195**	**1.27**
4	**Angel Broking Private Limited**				
	a) At the beginning of the year	**17405**	**0.35**		
	b) Changes during the year				
	07 Apr 2017 - Buy	910	0.02	18315	0.37
	14 Apr 2017 - Buy	910	0.02	19225	0.39
	21 Apr 2017 - Buy	5618	0.11	24843	0.50
	28 Apr 2017 - Buy	2530	0.05	27373	0.56
	05 May 2017 - Buy	107	0.00	27480	0.56
	12 May 2017 - Buy	1898	0.04	29378	0.60
	19 May 2017 - Sale	-5466	-0.11	23912	0.49
	26 May 2017 - Buy	3962	0.08	27874	0.57
	29 May 2017 - (Split + Bonus)	55748	0.38	83622	0.57
	02 Jun 2017 - Sale	-9293	-0.06	74329	0.50
	09 Jun 2017 - Sale	-1207	-0.01	73122	0.50

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	16 Jun 2017 - Sale	-2997	-0.02	70125	0.47
	23 Jun 2017 - Sale	-5284	-0.04	64841	0.44
	30 Jun 2017 - Sale	-13	0.00	64828	0.44
	07 Jul 2017 - Sale	-1620	-0.01	63208	0.43
	14 Jul 2017 - Sale	-4038	-0.03	59170	0.40
	21 Jul 2017 - Sale	-1620	-0.01	57550	0.39
	28 Jul 2017 - Buy	1028	0.01	58578	0.40
	04 Aug 2017 - Buy	322	0.00	58900	0.40
	11 Aug 2017 - Buy	7317	0.05	66217	0.45
	18 Aug 2017 - Buy	789	0.01	67006	0.45
	25 Aug 2017 - Buy	7503	0.05	74509	0.50
	01 Sep 2017 - Buy	1718	0.01	76227	0.52
	08 Sep 2017 - Buy	1338	0.01	77565	0.53
	15 Sep 2017 - Buy	2533	0.02	80098	0.54
	22 Sep 2017 - Buy	1412	0.01	81510	0.55
	29 Sep 2017 - Buy	4647	0.03	86157	0.58
	06 Oct 2017 - Buy	398	0.00	86555	0.59
	13 Oct 2017 - Buy	2557	0.02	89112	0.60
	20 Oct 2017 - Buy	1734	0.01	90846	0.62
	27 Oct 2017 - Buy	748	0.01	91594	0.62
	03 Nov 2017 - Buy	1487	0.01	93081	0.63
	10 Nov 2017 - Buy	266	0.00	93347	0.63
	17 Nov 2017 - Sale	-810	-0.01	92537	0.63
	24 Nov 2017 - Sale	-2811	-0.02	89726	0.61
	01 Dec 2017 - Sale	-12547	-0.08	77179	0.52
	08 Dec 2017 - Sale	-930	-0.01	76249	0.52
	15 Dec 2017 - Sale	-175	0.00	76074	0.52
	22 Dec 2017- Sale	-1251	-0.01	74823	0.51
	29 Dec 2017 - Buy	1635	0.01	76458	0.52
	05 Jan 2018 - Buy	6435	0.04	82893	0.56
	12 Jan 2018 - Buy	10261	0.07	93154	0.63
	19 Jan 2018 - Buy	2300	0.02	95454	0.65
	26 Jan 2018 - Buy	3415	0.02	98869	0.67
	02 Feb 2018 - Buy	1450	0.01	100319	0.68
	09 Feb 2018 - Sale	-6102	-0.04	94217	0.64
	16 Feb 2018 - Sale	-1121	-0.01	93096	0.63
	23 Feb 2018 - Buy	2526	0.02	95622	0.65
	02 Mar 2018 - Buy	5623	0.04	101245	0.69
	09 Mar 2018 - Buy	7668	0.05	108913	0.74
	16 Mar 2018 - Buy	7063	0.05	115976	0.79
	23 Mar 2018 - Sale	-3411	-0.02	112565	0.76
	31 Mar 2018 - Sale	-658	0.00	111907	0.76
	c) At the end of the year			**111907**	**0.76**
5	**Topgrain Corporate Services Pvt. Ltd.**				
	a) At the beginning of the year	**62101**	**1.26**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	124202	0.13	186303	1.26
	15 Dec 2017 - Sale	-64500	-0.39	121803	0.82
	22 Dec 2017 - Sale	-23000	0.00	98803	0.67
	c) At the end of the year			**98803**	**0.67**

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	**Mita Dipak Shah**				
	a) At the beginning of the year	**0**	**0.00**		
	b) Changes during the year				
	12 May 2017 - Buy	3100	0.06	3100	0.06
	19 May 2017 - Buy	1900	0.04	5000	0.10
	26 May 2017 - Buy	3000	0.06	8000	0.16
	29 May 2017 - (Split + Bonus)	16000	0.11	24000	0.16
	02 Jun 2017 - Buy	8000	0.05	32000	0.22
	09 Jun 2017 - Buy	4656	0.03	36656	0.25
	16 Jun 2017 - Buy	15000	0.10	51656	0.35
	07 Jul 2017 - Buy	540	0.00	52196	0.35
	14 Jul 2017 - Buy	16925	0.11	69121	0.47
	28 Jul 2017 - Buy	600	0.00	69721	0.47
	04 Aug 2017 - Buy	5200	0.04	74921	0.51
	11 Aug 2017 - Buy	1079	0.01	76000	0.51
	18 Aug 2017 - Buy	100	0.00	76100	0.52
	25 Aug 2017 - Buy	100	0.00	76200	0.52
	01 Sep 2017 - Buy	1000	0.01	77200	0.52
	15 Sep 2017 - Buy	100	0.00	77300	0.52
	22 Sep 2017 - Buy	2700	0.02	80000	0.54
	29 Sep 2017 - Buy	30	0.00	80030	0.54
	06 Oct 2017 - Buy	145	0.00	80175	0.54
	27 Oct 2017 - Buy	541	0.00	80716	0.55
	03 Nov 2017 - Buy	152	0.00	80868	0.55
	24 Nov 2017 - Buy	1100	0.01	81968	0.56
	01 Dec 2017 - Buy	200	0.00	82168	0.56
	22 Dec 2017 - Buy	100	0.00	82268	0.56
	19 Jan 2018 - Buy	200	0.00	82468	0.56
	02 Feb 2018 - Buy	1100	0.01	83568	0.57
	09 Feb 2018 - Buy	2000	0.01	85568	0.58
	16 Feb 2018 - Buy	1100	0.01	86668	0.59
	23 Feb 2018 - Buy	1000	0.01	87668	0.59
	c) At the end of the year			**87668**	**0.59**
7	**Monet Securities Private Ltd**				
	a) At the beginning of the year	**0**	**0.00**		
	b) Changes during the year				
	15 Dec 2017 - Buy	45552	0.31	45552	0.31
	22 Dec 2017 - Buy	17812	0.12	63364	0.43
	02 Feb 2018 - Buy	1986	0.01	65350	0.44
	09 Feb 2018 - Buy	200	0.00	65550	0.44
	31 Mar 2018 - Sale	-12300	-0.08	53250	0.36
	c) At the end of the year			**53250**	**0.36**
8	**Bonanza Trading Company Private Limited**				
	a) At the beginning of the year	**10361**	**0.21**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	20722	0.14	31083	0.21
	c) At the end of the year			**31083**	**0.21**

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	**Manoj Khanderia**				
	a) At the beginning of the year	**7584**	**0.15**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	15168	0.10	22752	0.15
	c) At the end of the year			**22752**	**0.15**
10	**Lookline Tradelinks Pvt. Ltd**				
	a) At the beginning of the year	**0**	**0.00**		
	b) Changes during the year				
	22 Dec 2017 - Buy	22678	0.15	22678	0.15
	c) At the end of the year			**22678**	**0.15**
11	**Payal Commercial Co. Ltd**				
	a) At the beginning of the year	**5914**	**0.12**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	11828	0.08	17742	0.12
	c) At the end of the year			**17742**	**0.12**
12	**Sharad Kanayalal Shah**				
	a) At the beginning of the year	**3600**	**0.07**		
	b) Changes during the year				
	21 Apr 2017 - Buy	75	0.00	3675	0.07
	28 Apr 2017 - Buy	150	0.00	3825	0.08
	29 May 2017 - (Split + Bonus)	7650	0.05	11475	0.08
	15 Sep 2017 - Buy	21475	0.15	32950	0.22
	30 Sep 2017 - Sale	-16475	-0.11	16475	0.11
	c) At the end of the year			**16475**	**0.11**
13	**Karvy Stock Broking Ltd**				
	a) At the beginning of the year	**5013**	**0.10**		
	b) Changes during the year				
	07 Apr 2017 - Sale	-1086	-0.02	3927	0.08
	14 Apr 2017 - Sale	-124	0.00	3803	0.08
	21 Apr 2017 - Sale	-217	0.00	3586	0.07
	28 Apr 2017 - Buy	290	0.01	3876	0.08
	05 May 2017 - Buy	23	0.00	3899	0.08
	12 May 2017 - Sale	-21	0.00	3878	0.08
	19 May 2017 - Sale	-398	-0.01	3480	0.07
	26 May 2017- Sale	-1337	-0.03	2143	0.04
	29 May 2017 - (Split + Bonus)	4286	0.03	6429	0.04
	02 Jun 2017 - Buy	183	0.00	6612	0.04
	09 Jun 2017 - Buy	176	0.00	6788	0.05
	16 Jun 2017 - Sale	-512	0.00	6276	0.04
	23 Jun 2017 - Buy	9	0.00	6285	0.04
	30 Jun 2017 - Sale	-136	0.00	6149	0.04
	07 Jul 2017 - Sale	-174	0.00	5975	0.04
	14 Jul 2017 - Buy	586	0.00	6561	0.04
	21 Jul 2017 - Sale	-417	0.00	6144	0.04
	28 Jul 2017 - Buy	405	0.00	6549	0.04
	04 Aug 2017 - Buy	40	0.00	6589	0.04
	11 Aug 2017 - Buy	9	0.00	6598	0.04
	18 Aug 2017 - Buy	152	0.00	6750	0.05
	25 Aug 2017 - Buy	100	0.00	6850	0.05
	01 Sep 2017 - Sale	-71	0.00	6779	0.05

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	08 Sep 2017 - Sale	-287	0.00	6492	0.04
	15 Sep 2017 - Buy	207	0.00	6699	0.05
	22 Sep 2017 - Sale	-57	0.00	6642	0.04
	29 Sep 2017 - Buy	144	0.00	6786	0.05
	06 Oct 2017 - Sale	-131	0.00	6655	0.05
	13 Oct 2017 - Sale	-108	0.00	6547	0.04
	20 Oct 2017 - Buy	10	0.00	6557	0.04
	27 Oct 2017 - Sale	-66	0.00	6491	0.04
	03 Nov 2017 - Buy	66	0.00	6557	0.04
	10 Nov 2017 - Buy	245	0.00	6802	0.05
	17 Nov 2017 - Buy	45	0.00	6847	0.05
	24 Nov 2017 - Buy	292	0.00	7139	0.05
	01 Dec 2017 - Sale	-139	0.00	7000	0.05
	08 Dec 2017 - Sale	-305	0.00	6695	0.05
	15 Dec 2017 - Sale	-278	0.00	6417	0.04
	22 Dec 2017 - Buy	43	0.00	6460	0.04
	29 Dec 2017 - Sale	-88	0.00	6372	0.04
	05 Jan 2018 - Buy	48	0.00	6420	0.04
	12 Jan 2018 - Sale	-23	0.00	6397	0.04
	19 Jan 2018 - Buy	227	0.00	6624	0.04
	26 Jan 2018 - Sale	-64	0.00	6560	0.04
	02 Feb 2018 - Buy	139	0.00	6699	0.05
	09 Feb 2018 - Buy	66	0.00	6765	0.05
	16 Feb 2018 - Sale	-24	0.00	6741	0.05
	23 Feb 2018 - Sale	-411	0.00	6330	0.04
	02 Mar 2018 - Sale	-109	0.00	6221	0.04
	09 Mar 2018 - Buy	1372	0.01	7593	0.05
	16 Mar 2018 - Sale	-31	0.00	7562	0.05
	23 Mar 2018 - Buy	7	0.00	7569	0.05
	31 Mar 2018 - Buy	202	0.00	7771	0.05
	c) At the end of the year			**7771**	**0.05**
14	**Pradeep Kumar Kheruka**				
	a) At the beginning of the year	**43652**	**0.89**		
	b) Changes during the year				
	07 Apr 2017 - Sale	-43652	-0.89	0	0.00
	26 May 2017 - Buy	19141	0.39	19141	0.39
	29 May 2017 - (Split + Bonus)	38282	0.26	57423	0.39
	18 Aug 2017- Sale	-57423	-0.39	0	0.00
	c) At the end of the year			**0**	**0.00**
15	**Bharat Bhushan Eq. Tr. Ltd**				
	a) At the beginning of the year	**9488**	**0.19**		
	b) Changes during the year				
	07 Apr 2017 - Buy	9653	0.20	19141	0.39
	14 Apr 2017 - Buy	20	0.00	19161	0.39
	21 Apr 2017 - Buy	5	0.00	19166	0.39
	28 Apr 2017 - Buy	25	0.00	19191	0.39
	12 May 2017 - Sale	-25	0.00	19166	0.39
	19 May 2017 - Sale	-25	0.00	19141	0.39
	29 May 2017 - (Split + Bonus)	38282	0.26	57423	0.39
	15 Sept 2017 - Sale	-4895	-0.03	52528	0.36
	22 Sept 2017 - Sale	-2926	-0.02	49602	0.34
	03 Nov 2017 - Sale	-2759	-0.02	46843	0.32

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	10 Nov 2017 - Sale	-26515	-0.18	20328	0.14
	17 Nov 2017 - Sale	-3756	-0.03	16572	0.11
	24 Nov 2017 - Sale	-15601	-0.11	971	0.01
	01 Dec 2017 - Sale	-971	-0.01	0	0.00
	c) At the end of the year			**0**	**0.00**

v. Shareholding of Directors and KMPs

Sr. No.	For each of the Directors and KMPs	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Mr. Amit Goenka**				
	a) At the beginning of the year	**1**	**0**		
	b) Changes during the year				
	29 May 2017 - (Split + Bonus)	2	0	3	0
	c) At the end of the year			**3**	**0**

5 INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	159.51	307.94	0	467.45
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0.15	0.00	0	0.15
Total (i+ii+iii)	**159.66**	**307.94**	**0**	**467.60**
Changes in indebtedness during the financial year				
> Addition	113.38	0	0	113.38
> Reduction	0	-87.11	0	-87.11
Net Change	**113.38**	**-87.11**	**0**	**26.27**
Indebtedness at the end of the financial year				
i) Principal Amount	272.85	220.83	0	493.68
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0.19	0	0	0.19
Total (i+ii+iii)	**273.04**	**220.83**	**0**	**493.87**

6 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to MD / WTD / Manager

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		
		1	2	Total Amount
1	**Gross Salary:**	**Mr. Raghu Mody**	**Mr. P. K. Choudhary**	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	125.00	69.08	194.08
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.29	9.91	10.20
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	0
2	Stock Option	-	-	0
3	Sweat Equity	-	-	0
4	Commission	45.00	-	45.00
	- as % of profits	-	-	0
	- others, specify	-	-	0
	(As per terms of appointment)	-	-	0
5	Others, specify	-	-	0
	Total (A)	**170.29**	**78.99**	**249.28**
	Ceiling as per the Act	**₹ 389.62 Lakhs (10% of net profits of the Company)**		

B. Remuneration to other directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of director					
		1	2	3	4	5	Total Amount
1	**Independent Directors**	**Mr. A. B. Vaidya**	**Mr. Deepak Sethi**	**Mr. K. M. Robinson**	**Lt. Gen. (Retd.) K. S. Brar**	**Mr. Chakrapani B. Misra**	
	Fees for attending board / committee meetings	1.15	0.70	0.05	1.20	0.50	3.60
	Commission	2.00	2.00	0.00	2.00	2.00	8.00
	Others, please specify	-	-	-	-		-
	Total (1)	**3.15**	**2.70**	**0.05**	**3.20**	**2.50**	**11.60**
2	Other Non-Executive Directors	**Mrs. Sakshi Mody**					
	Fees for attending board / committee meetings	0.40	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	**0.40**	**-**	**-**	**-**		**0.40**
	Total B (1+2)	**3.55**	**2.70**	**0.05**	**3.20**	**2.50**	**12.00**
	Ceiling as per the Act	**₹ 38.96 Lakhs (1% of net profits of the Company)**					
	Total Managerial Remuneration (A+B)	**₹ 261.28 Lakhs (including Sitting Fees & Commission)**					
	Overall Ceiling as per the Act	**₹ 428.58 Lakhs (11% of net profits of the Company)**					

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	KMP		
		CS	CFO	
1	**Gross Salary:**	**Mr. Amit Goenka**	**Mr. Sunil Jindal**	**Total Amount**
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	33.79	20.50	54.29
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	**Stock Option**	-		-
3	**Sweat Equity**	-		-
4	**Commission**	-	-	-
	- as % of profits	-	-	-
	- others, specify	-	-	-
5	**Others, specify**	-	-	-

7 PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

For and on bahalf of the Board of Directors

Place: Mumbai
Date: 8th May, 2018

Raghu Mody
Chairman
DIN : 00053329

Annexure B

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

Sr. No.	Name of the Director	Designation	Ratio of the remuneration to the median remuneration of the employees of the Company for the financial year 2017-18
1	Raghu Mody	Executive Chairman	51:1
2	P. K. Choudhary	Managing Director	23:1

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, are as under:

Sr. No.	Name of Director/KMP and Designation	Designation	% increase in Remuneration in the Financial Year 2017-18
1	Mr. Raghu Mody	Executive Chairman	17.24%
2	Mr. P.K. Choudhary	Managing Director	10.00%
3	Mr. Amit Goenka	V.P. Finance & Company Secretary	18.18%
4	Mr. Sunil Kumar Jindal	Chief Financial Officer	10.81%

3. The percentage increase in the median remuneration of employees in the financial year: **8.39 %**;
4. There were **536** permanent employees on the rolls of Company as on 31st March, 2018;
5. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was **10.46%** whereas the increase in the managerial remuneration for the same financial year was **15.01%** This was based on the recommendation of the Nomination and Remuneration Committee to revise the remuneration as per the remuneration policy of the Company.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on bahalf of the Board of Directors

Raghu Mody
Chairman
DIN : 00053329

Place: Mumbai
Date: 8th May, 2018

Annexure C

FORM AOC - 2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:** The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2017-18.
2. **Details of material contracts or arrangements or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	Varunn Mody (husband of Mrs. Sakshi Mody - Non- Exeucutive Director of the Company)
(b)	Nature of contracts / arrangements / transactions	Appointment Mr. Varunn Mody as President - Treasury and Strategy of the Company.
(c)	Duration of the contracts / arrangements / transactions	Has been appointed under a contract of employment pursuant to which he may function according to directions given by the company from time to time. Contract will continue as long he remains an employee as per the contract of employment
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Total remuneration of ₹ 69.00 Lakhs paid during the year.
(e)	Date(s) of approval of the Board	23rd May, 2017
(f)	Amount paid in advance, if any	NIL
(g)	Date of seeking shareholders' approval	12th November, 2017

For and on bahalf of the Board of Directors

Raghu Mody
Chairman
DIN : 00053329

Place: Mumbai
Date: 8th May, 2018

Annexure D

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2017-18

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

   The Company aims at spending a defined portion of its net profit for the betterment of society through:
   - Providing financial and other assistance to students who belong to socially economical weaker sections
   - Supporting efforts for community health in slums and areas inhabited by weaker sections
   - Supporting the programs and efforts for environment protection and enhancement
   - Promoting, encouraging and supporting the social and cultural heritage and traditions of our society
   - Taking proactive measures for the well-being of society, as per needs

   The Company has made a contribution to Nirmal Society for Education Promotion which is actively involved in promotion of education and welfare of the children of the Society. In order to promote Education, the society has developed and is running a school since April, 2005 by the name "Nirmal Bhartia School". The Nirmal Society is constructing one additional floor of approx. 15,600 Sft. with a provision of Lift with an estimated cost of ₹ 550 Lakhs The CSR policy of the company can be viewed at: http://www.hindcompo.com/investor-relations/documents/csr-Policy.pdf

2. The Composition of the CSR Committee:

Sr.No.	Name of Members	Status
1.	Lt. Gen. (Retd.) K. S. Brar	Chairman
2.	Mr. Chakrapani B. Misra (w.e.f. 14th February, 2018)	Member
3.	Mr. P. K. Choudhary	Member
4.	Mr. Raghu Mody	Member

3. Average net profit of the company for last three financial years - ₹ 3810.98 Lakhs
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) - ₹ 76.22 Lakhs
5. Details of CSR spent during the financial year.
   (a) Total amount to be spent for the financial year : ₹ 76.22 Lakhs
   (b) Amount unspent , if any : Nil
   (c) Manner in which the amount spent during the financial year is detailed below: The Company has made contribution to Nirmal Society for Education Promotion, which is engaged in promotion of education and welfare of the children of the Society.

(₹ in Lakhs)

Sr. No.	CSR project or activity Identified	Sector in which the project is covered (Refer Note)	Projects or programs (1) Local area or other (2) State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over heads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Construction of a building for Educational Institution	Education	New Delhi	100.00	100.00	100.00	Through Implementing Agency – Nirmal Society for Education Promotion

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

For and on bahalf of the Board of Directors

Place: Mumbai
Date: 8th May, 2018

P. K. Choudhary
Managing Director
DIN : 00535670

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

Annexure E

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

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

To,
The Members,
Hindustan Composites Limited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018** ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

  (iv) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);

  (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);

  (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period); and

  (ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) As informed and certified by the management, there are no laws that are specifically applicable to the business activities carried on by the Company based on its section / industry.

I have also examined compliance with the applicable clause/regulations of the following:

(i) Secretarial Standards (SS – 1 and SS – 2) issued by The Institute of Company Secretaries of India.

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

I further report that

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

Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period:

1. The Company has obtained approval of shareholders through postal ballot process result of which declared on 13th May, 2017 for
   i. Sub division and re-classification of shares;
   ii. Increase in Authorised Share Capital of the Company from ₹ 6 Crores to ₹ 8 Crores;
   iii. Alteration of Capital clause in the Memorandum of Association; and
   iv. Issue of Bonus Shares.
2. On 23rd May, 2017, the Company has issued and allotted 49,23,000 Equity Shares of ₹ 5 each as bonus shares in the ratio of 1:2.
3. The Company has obtained approval of shareholders by special resolution for re-appointment of Mr. Raghu Nandan Mody as Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f. 1st October, 2017 till 30th September, 2020 in the Annual General Meeting held on 12th September, 2017.

For **M Baldeva Associates**
Company Secretaries

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

Place : Thane
Date: 8th May, 2018

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

'Annexure I'

To,
The Members,
Hindustan Composites Limited

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

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

For **M Baldeva Associates**
Company Secretaries

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

Place : Thane
Date: 8th May, 2018

Annexure F

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

A	**Conservation of energy**	
(i)	the steps taken or impact on conservation of energy	1. Power factor maintained with addition of 150 KVAR Capacitors 2. Change in finishing line layout for efficient utilisation of Dust Collector 3. Installation of new energy efficient machines 4. LED Lightings installed inside the Shop floor, replacing old fittings 5. Roof sheets replaced with transparent sheets
(ii)	the steps taken by the company for utilising alternative sources of energy	Installation of Solar Panel under consideration
(iii)	the capital investment on energy conservation equipments	₹ 13.10 Lakhs
B	**Technology absorption**	
(i)	the efforts made towards technology absorption	1. Development of high performance Brake Block for Railway Application 2. Development of new grade Clutch Facing and Industrial Friction Material, both for Domestic & Export customers 3. Continuous focus on development of Asbestos-free Products
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Generation of additional Business
(iii)	in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):	Not Applicable
(iv)	the expenditure incurred on Research and Development	Revenue - ₹ 194.13 Lakhs (Previous year ₹ 132.10 Lakhs) Capital - Nil (Previous year ₹ 224.00 Lakhs)
C	**Foreign exchange earnings and outgo**	
(i)	The foreign exchange earned (actual inflows)	₹ 1265.92Lakhs (Previous year ₹ 990.36 Lakhs)
(ii)	The foreign exchange outgo (actual outflows)	₹ 771.34 Lakhs (Previous year ₹ 1215.00 Lakhs)

For and on bahalf of the Board of Directors

Raghu Mody
Chairman
DIN: 00053329

Place: Mumbai
Date: 8th May, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry structure and developments

Today, India is one of the largest growing economies in the world, recording healthy growth rate of over 7% on the back of consumption and increased public spending. This growth is expected to accelerate with a slew of ecosystem enablers such as Make in India, Skill India and Start-up India programs.

The Indian Automobile Industry demonstrated impressive growth despite the after-effects of demonetisation, challenges during transition to GST regime from July, 2017 and the shift to Bharat Stage IV emission norms (in case of two wheelers and commercial vehicles). The Indian Auto Industry ended the year on a positive note with almost every segment posting a decent growth. The debt markets remained volatile during the year although the equity markets performed well.

With an improving business economic system, stable macro-economic indicators and a liberal FDI regime, additional Foreign Capital in-flows have also provided impetus to the domestic demand.

2. Opportunities and threats

The global economy witnessed a positive trend due to better geo-political conditions, improvement in demand and increase in investments. Key emerging market, including Brazil, China and India also posted strong upward momentum.

The year 2017-18 was significant for the Indian economy with the introduction of key reforms of GST within a year of Demonetisation. This move towards "One Nation, One Market, One Tax" has provided a big boost towards economic inclusion of hitherto largely unorganised sectors in the country.

The threat continues to be of fast changing technology, process and global mergers and acquisitions. High volatility in both debt and equity markets are expected. Rising NPA's in banking sector remain an area of concern and could affect market sentiment.

3. Segment – wise or product-wise performance

The Company operates in two segments viz. composite products and investment. During the year under review, the revenue from composite products stood at ₹16013.58 Lakhs (previous F.Y. ₹ 14043.45 Lakhs) and from investment stood at ₹ 4,322.38 Lakhs (previous F.Y. ₹ 4,118.93 Lakhs). The net profit before tax from composite products was ₹ 813.03 Lakhs (previous F.Y. ₹ 873.16 Lakhs) and investment was ₹3383.49 Lakhs (previous F.Y. 3,321.06 Lakhs).

4. Outlook

With an upbeat outlook for both global and Indian economies, our Company foresees significant growth potential for the Company. Order-book is expected to improve from the OEM & Aftermarket, Institutional and Export customers. To meet the increased demand, the Company continues to invest in the measures to upgrade technology, improvement in quality and cost rationalisation.

5. Risks and concerns

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

6. Internal control systems and their adequacy

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

7. Discussion on financial performance with respect to operational performance

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

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

The thrust of the Company's human resource development is to create a responsive and market-driven organization with emphasis on performance. Continuous appraisal of personnel competence in line with job requirements, are carried out to provide for necessary training to personnel thereby facilitating higher levels of output and productivity. The industrial relations at Paithan and Bhandara factories remain satisfactory. As on 31st March, 2018, 536 employees were employed in the Company.

9. Cautionary Statement

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

REPORT ON CORPORATE GOVERNANCE

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

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

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

2. Corporate Ethics:

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

2.1 Code of Conduct of Board Members and Senior Management:

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

2.2 Code of Conduct for Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its management, directors, employees and other connected persons. The Code lays down guidelines and procedures to be followed and disclosures to be made by directors, top level executives and employees whilst dealing in shares. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

2.3 Vigil Mechanism:

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

2.4 SHE (Safety, Health & Environment) System:

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

3. Secretary's Responsibility Statement:

The Company Secretary confirms that the Company has:

- Maintained all the Statutory Registers required to be maintained under the Companies Act, 2013 ("the Act") and the rules made thereunder.
- Filed all the forms and returns and furnished necessary particulars in time with the Registrar of Companies (ROC), Mumbai, Maharashtra, Ministry of Corporate Affairs (MCA) and/or Authorities as required under the Act except delay in filing of some e-forms.
- Issued all notices as required to be given for convening the meeting of the Board of Directors, General Meetings of the shareholders and for conducting Postal Ballot process within the time limit prescribed by law.
- Conducted the meetings of the Board of Directors, Annual General Meeting and Postal Ballot Process as per the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors, Shareholders and Postal Ballot process.
- Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the Directors.
- Obtained necessary approvals of the Directors, Shareholders, Central Government and other authorities as per the statutory requirements.
- Given loans and made investments in accordance with the requirements of the Act.
- Not exceeded the borrowing powers of the Company.
- Registered all the particulars relating to the creation, modification and satisfaction of the charges with the Registrar of Companies, (ROC), Mumbai, Maharashtra,.
- Effected share transfers and dispatched the certificates within the time prescribed under the Act and the rules made thereunder.
- Complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreements entered into with the Stock Exchanges where the Company's shares are listed.
- The Company has also complied with the requirements prescribed by Securities and Exchange Board of India (SEBI) and other statutory authorities and also the requirements under the Act and related statutes in force.

4. Board of Directors:

- **Composition:**

As on 31st March, 2018, the Board of Directors consisted of seven Directors. The composition of the Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of directorships in other companies and Chairmanship / Membership in Committees are given below:

Name of Director	Category	No. of Board Meetings held	Attendance particulars		No. of other Director-ship(s)	Committee Positions (including Company)	
			Board Meeting	Last AGM		Member ships	Chairman
Mr. Raghu Mody	Executive Chairman, Promoter	6	3	Yes	3	3	-
Mr. P. K. Choudhary	Managing Director	6	6	Yes	1	-	-
Mr. A. B. Vaidya	Independent Director	6	6	Yes	-	1	1
Mr. Chakrapani B. Misra+	Independent Director	6	3	Yes	1	3	1
Mr. Deepak Sethi	Independent Director	6	6	Yes	-	1	-
Mr. K. M. Robinson++	Independent Director	6	1	No	-	-	-
Lt. Gen. (Retd.) K. S. Brar	Independent Director	6	5	Yes	-	2	-
Mrs. Sakshi Mody	Non-Executive Director	6	5	Yes	2	-	-

1. The directorship held by Directors as mentioned above does not include Directorships of Private Companies/Section 8 Companies/Foreign Companies as on 31st March, 2018.
2. Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies / subsidiary of public companies has been considered.

Note:

+ Appointed as an Additional (Independent) Director w.e.f. 23rd May, 2017 for a period of 5 years.

++ Ceased to be Director of the Company due to death w.e.f. 11th January, 2018.

- **Number and date of Board Meetings held:**

Six Board Meetings were held during the year 2017-2018. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors present
10th April, 2017	7	5
23rd May, 2017	8	6
29th May, 2017	8	3
14th August, 2017	8	7
14th November, 2017	8	7
14th February, 2018	7	7

- **Disclosure of relationship between directors inter se:**

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

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

As on 31st March, 2018, no Non-Executive Director held any share/convertible instruments in the Company.

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

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

5. Audit Committee:

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

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

Regulations, 2015 read with Section 177 of the Companies Act, 2013.

- **Composition:**

As on 31st March 2018, the Audit Committee comprised of Mr. Chakrapani B. Misra, Mr. A. B. Vaidya, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody as its members. Mr. Chakrapani B. Misra is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

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

During the year 2017-2018 the Audit Committee met Four times on 23rd May, 2017, 14th August, 2017, 14th November, 2017 and 14th February, 2018 . The attendance at the Committee meetings was as follows:

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

+Appointed as a Member and Chairman of the Committee w.e.f. 23rd May, 2017.

++ Chairman upto 22nd May, 2017.

6. Nomination and Remuneration Committee:

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

The terms of reference of this committee are wide enough covering the matters specified for remuneration to the Directors under Regulation 19 and Schedule II Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **Composition:**

As on 31st March 2018, the Nomination and Remuneration Committee comprised of Mr. A. B. Vaidya, Mr. Chakrapani B. Misra and Lt. Gen. (Retd.) K. S. Brar as its members. Mr. A. B. Vaidya is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

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

During the year 2017-2018, the Nomination and Remuneration Committee met twice on 23rd May, 2017 and 14th February, 2018. The attendance at the Committee meeting was as follows:

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

+ Appointed as a member of the Committee w.e.f. 14th February, 2018 and was appointed as Chairman w.e.f. 8th May, 2018.

++ Resigned from membership of the Committee w.e.f. 23rd January, 2018.

- **Performance evaluation criteria for Independent Directors:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performance of each Independent Director. The questionnaires are prepared considering the business of the Company. The evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

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

7. Remuneration to Directors:

a) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2017-2018.

b) Non-Executive Directors did not draw any remuneration from the Company. Sitting fees to Non-executive and Independent Directors is being paid at the rate of ₹ 10,000 for each meeting of the Board and Committees attended by them. The sittings fees were revised from ₹ 5,000 for each meeting of the Board and Committees to ₹ 10,000 w.e.f. 14th November, 2017.

c) Details of remuneration / fees paid / payable to the Directors are as under:

(₹ in Lakhs)

Name	Salary	Perquisites or Allowances	Contribution to PF and others	Commission	Sitting fees	Total
Mr. Raghu Mody	125.00	0.29	-	45.00	-	170.29
Mr. P. K. Choudhary	64.76	9.91	4.32	-	-	78.99
Mr. A. B. Vaidya	-	-	-	2.00	1.15	3.15
Mr. Deepak Sethi	-	-	-	2.00	0.70	2.70
Mr. Chakrapani B. Misra	-	-	-	2.00	0.50	2.50
Mr. Keith M. Robinson	-	-	-	-	0.05	0.05
Lt. Gen. (Retd.) K.S. Brar	-	-	-	2.00	1.20	3.20
Mrs. Sakshi Mody	-	-	-	-	0.40	0.40

(i) The above details of remuneration or fees paid include all elements of remuneration package of individual director summarized under major groups.

(ii) Apart from the above mentioned of remuneration or fees paid, there are no other fixed component and performance linked incentives based on the performance criteria;

(iii) There are no separate service contracts with any of the directors. The tenure of office of the Managing Director and Whole Time / Executive Directors is for three years from their respective dates of appointment, and can be terminated by either party by giving one month's notice in writing. There is no separate provision for payment of severance fees.

(iv) No stock options are offered to any of the Directors of the Company.

8. Stakeholders Relationship Committee:

As on 31st March 2018, the Stakeholders' Relationship Committee comprised of Mr. Chakrapani B. Misra, Mr. A. B. Vaidya, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody.

Mr. A. B. Vaidya, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

Mr. Amit Goenka- VP Finance & Company Secretary acted as the Compliance Officer of the Company upto 7th May, 2018

Mr. Vikram Soni – Company Secretary & Compliance Officer was appointed as the Compliance Officer w.e.f 8th May, 2018.

Status of investors' complaints/services requests:

Opening balance at the beginning of the year	:	Nil
Received during the year	:	32
Disposed during the year	:	32
Closing balance at the end of the year	:	Nil

9. Corporate Social Responsibility (CSR) Committee:

As on 31st March 2018, the Corporate Social Responsibility Committee comprises of Mr. Chakrapani B. Misra, Lt. Gen. (Retd.) K. S. Brar, Mr. P. K. Choudhary and Mr. Raghu Mody. Lt. Gen. (Retd.) K. S. Brar is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

During the year 2017-18 the CSR Committee met once on 14th November, 2017. The attendance at the Committee meeting was as follows:

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

+Appointed as member of the Committee w.e.f. 14th February, 2018.

10. General Body Meetings:

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

Financial year	Time	Date	Location
2014-15	11.30 a.m.	18th September, 2015	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2015-16	11.30 a.m.	8th September, 2016	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2016-17	11.30 a.m.	12th September, 2017	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

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

AGM	Particulars of Special Resolutions
18th September, 2015	1. Revision in remuneration payable to Mr. Raghu Mody, Executive Chairman w.e.f. 1st October, 2014 for the remaining period of his tenure. 2. Revision in remuneration payable to Mr. Varunn Mody, Executive Director, Treasury and Strategy w.e.f. 1st April, 2015 for the remaining period of his tenure.

AGM	Particulars of Special Resolutions
18th September, 2015	3. Approving changes in Employee Welfare Scheme under Carnation Trust as per SEBI (Share Based Employee Benefits) Regulations, 2014.
8th September, 2016	Nil
12th September, 2017	1. Re-appointment of Mr. Raghu Mody as Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f 1st October, 2017 till 30th September, 2020.

Postal Ballot:

During the year under review, the Company conducted postal ballot process one time. The details of the postal ballot process are as follows:

The Company dispatched Postal Ballot Notice dated 10th April, 2017 to its shareholders to seek their consent for the following matters:

Sr. No.	Particulars
1.	Ordinary Resolution u/s 61 of the Companies Act, 2013 for approval of Sub-division of existing 1 (one) Equity Share having face value of ₹ 10 (Rupees Ten only) each fully paid up into 2 (Two) Equity Shares of ₹ 5 (Rupees Five only) each and reclassification of 5,00,000 unclassified shares of ₹ 10 each into 10,00,000 Equity Shares of ₹ 5 each.
2.	Ordinary Resolution u/s 61 & 64 of the Companies Act, 2013 for increase in Authorized Share Capital of the Company from ₹ 6 Crore to ₹ 8 Crore.
3.	Special Resolution u/s 13 & 61 of the Companies Act, 2013 for alteration of the Capital Clause V of the Memorandum of Association of the Company.
4.	Ordinary Resolution u/s 63 of the Companies Act, 2013 for issue of bonus shares in proportion of 1:2 (i.e. one new bonus Equity Share of ₹ 5 each for every two Equity Shares of ₹ 5 each) held on record date.

The postal ballot process was undertaken in accordance with the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

CS Manish Baldeva, Practicing Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process. The result of the Postal Ballot was announced on 13th May, 2017. The details of resolution passed through postal ballot and the voting pattern for the same are as follows:

Resolution No. 1: Sub-division of existing 1 (one) Equity Share having face value of ₹ 10 (Rupees Ten only) each fully paid up into 2 (Two) Equity Shares of ₹ 5 (Rupees Five only) each and reclassification of 5,00,000 unclassified shares of ₹10 each into 10,00,000 Equity Shares of ₹ 5 each

Resolution Required: (Ordinary)			Ordinary Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			No					
Category	**Mode of Voting**	**No. of Shares held**	**No. of valid votes polled**	**% of Votes Polled on outstanding shares**	**No. of votes – in favour**	**No. of votes-against**	**% of votes in favour on votes polled**	**% of Votes against on votes polled**
Promoter and Promoter Group	E-Voting	3691010	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		3691010	100.00	3690110	0	100.00	0
	Total	**3691010**	**3691010**	**100.00**	**3690110**	**0**	**100.00**	**0**
Public-Institutions	E-Voting	1881	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total	**1881**	0	0	0	0	0	0
Public- Non Institutions	E-Voting	1230109	334	0.0272	312	22	0.0254	0.0018
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		3691	0.3001	3667	24	0.2981	0.0020
	Total	**1230109**	**4025**	**0.3272**	**3979**	**46**	**0.3235**	**0.0037**
Total		**4923000**	**3695035**	**75.0566**	**3694989**	**46**	**99.999**	**0.0012**

Number of invalid votes: 28.

Result: The Ordinary Resolution passed with requisite majority.

Resolution No. 2: Increase in Authorized Share Capital of the Company from ₹ 6 Crores to ₹ 8 Crores

Resolution Required: (Ordinary/Special)			Ordinary Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			No					
Category	**Mode of Voting**	**No. of Shares held**	**No. of valid votes polled**	**% of Votes Polled on outstanding shares**	**No. of votes – in favour**	**No. of votes-against**	**% of votes in favour on votes polled**	**% of Votes against on votes polled**
Promoter and Promoter Group	E-Voting	3691010	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		3691010	100.00	3691010	0	100.00	0
	Total	**3691010**	**3691010**	**100.00**	**3691010**	**0**	**100.00**	**0**
Public- Institutions	E-Voting	1881	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total	**1881**	**0**	**0**	**0**	**0**	**0**	**0**
Public- Non Institutions	E-Voting	1230109	334	0.0272	306	28	0.0249	0.0023
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		3691	0.3001	3590	56	0.2918	0.0046
	Total	**1230109**	**4025**	**0.3272**	**3896**	**84**	**0.3167**	**0.0068**
Total		**4923000**	**3695035**	**75.0566**	**3694906**	**84**	**99.9965**	**0.0023**

Number of invalid votes: 28.

Result: The Ordinary Resolution passed with requisite majority.

Resolution No. 3: Alteration of the Capital Clause V of the Memorandum of Association of the Company

Resolution Required: (Ordinary/Special)			Special Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			No					
Category	**Mode of Voting**	**No. of Shares held**	**No. of valid votes polled**	**% of Votes Polled on outstanding shares**	**No. of votes – in favour**	**No. of votes-against**	**% of votes in favour on votes polled**	**% of Votes against on votes polled**
Promoter and Promoter Group	E-Voting	3691010	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		3691010	100.00	3691010	0	100.00	0
	Total	**3691010**	**3691010**	**100.00**	**3691010**	**0**	**100.00**	**0**
Public- Institutions	E-Voting	1881	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total	**1881**	**0**	**0**	**0**	**0**	**0**	**0**
Public- Non Institutions	E-Voting	1230109	334	0.0272	312	22	0.0254	0.0018
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		3691	0.3001	3407	152	0.2770	0.0124
	Total	**1230109**	**4025**	**0.3272**	**3719**	**174**	**0.3023**	**0.0141**
Total		**4923000**	**3695035**	**75.0566**	**3694729**	**174**	**99.9917**	**0.0047**

Number of invalid votes: 28

Result: The Special Resolution passed with requisite majority.

Resolution No. 4: Issue of bonus shares in proportion of 1:2 (i.e. one new bonus Equity Share of ₹ 5 each for every two Equity Shares of ₹ 5 each)

Resolution Required: (Ordinary/Special)			Ordinary Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			No					
Category	**Mode of Voting**	**No. of Shares held**	**No. of valid votes polled**	**% of Votes Polled on outstanding shares**	**No. of votes – in favour**	**No. of votes-against**	**% of votes in favour on votes polled**	**% of Votes against on votes polled**
Promoter and Promoter Group	E-Voting	3691010	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		3691010	100.00	3691010	0	100.00	0
	Total	**3691010**	**3691010**	**100.00**	**3691010**	**0**	**100.00**	**0**
Public- Institutions	E-Voting	1881	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total	**1881**	**0**	**0**	**0**	**0**	**0**	**0**
Public- Non Institutions	E-Voting	1230109	334	0.0272	302	32	0.0246	0.0026
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		3691	0.3001	3613	8	0.2937	0.0007
	Total	**1230109**	**4025**	**0.3272**	**3915**	**40**	**0.3183**	**0.0033**
Total		**4923000**	**3695035**	**75.0566**	**3694925**	**40**	**99.997**	**0.0033**

Number of invalid votes: 28.

Result: The Ordinary Resolution passed with requisite majority.

No business is proposed to be transacted through Postal Ballot.

11. Means of communication:

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

News Papers	Date of Board Meeting	Date of Publication
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	23rd May, 2017	24th May 2017 25th May, 2017
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	14th August, 2017	15th August, 2017
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	14th November, 2017	15th November, 2017
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	14th February, 2018	15th February, 2018

Website: The Company's website viz. www.hindcompo.com contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

News releases, presentations, among others: All Corporate Announcements made to the Stock Exchanges during the year 2017-18 are available on the website of the Company.

During the year 2017-18, the Company has not made any presentations to institutional investors or analysts.

12. General Shareholders' information:

a) Annual General Meeting: Thursday, 30th August, 2018 at 11.30 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

b) Financial Year: April 1 to March 31

c) Dividend Payment Date: Credit / Dispatch between 5th September, 2018 to12th September, 2018

d) Listing on Stock Exchanges:

Equity Shares

a) BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai- 400 001

b) National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

e) Listing Fees:

The Company has paid the listing fees for the year 2017- 18 to all the stock exchanges where the shares are listed.

f) Stock Code:

BSE: 509635
NSE: HINDCOMPOS
ISIN: INE310C01029

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

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

Month	Share price of the Company on BSE (₹)*		BSE Sensex (Points)*	
	High	Low	High	Low
April, 2017	2408.00	1810.05	30184.22	29241.48
May, 2017	2140.00	594.15	31255.28	29804.12
June, 2017	645.25	572.00	31522.87	30680.66
July, 2017	697.95	572.00	32672.66	31017.11
August, 2017	608.95	501.00	32686.48	31128.02
September, 2017	539.00	455.00	32524.11	31081.83
October, 2017	489.85	472.00	33340.17	31440.48
November, 2017	571.40	450.00	33865.17	32683.59
December, 2017	550.95	450.00	34137.97	32565.16
January, 2018	585.75	470.00	36443.98	33703.37
February, 2018	498.30	420.00	36256.83	33482.81
March, 2018	458.00	390.00	34278.63	32483.84

*Source: www.bseindia.com

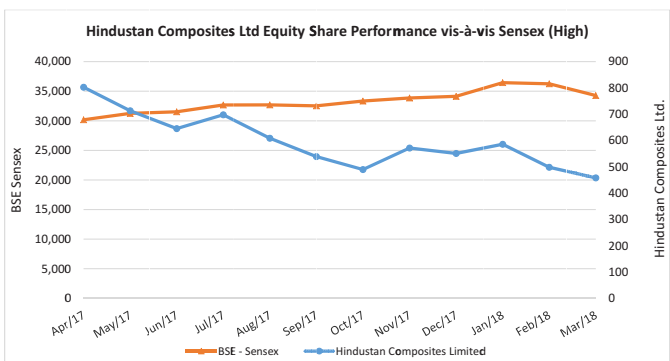
The monthly high / low quotations of shares traded on the National Stock Exchange of India Limited during each month in last financial year and performance in comparison to NSE Sensex are as follows:

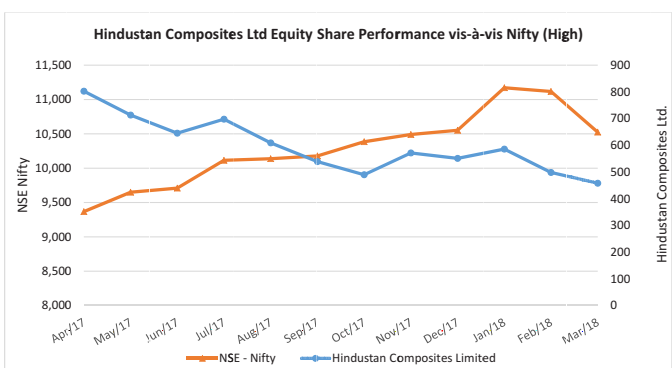
Month	Share price of the Company on NSE (₹)*		NSE NIFTY 50 (Index)*	
	High	Low	High	Low
April, 2017	2,410.00	1,809.90	9367.15	9075.15
May, 2017	2,141.00	596.60	9649.60	9269.90
June, 2017	646.00	575.00	9709.30	9448.75
July, 2017	690.00	526.10	10114.85	9543.55
August, 2017	609.00	498.00	10137.85	9685.55
September, 2017	539.00	447.25	10178.95	9687.55
October, 2017	493.50	471.00	10384.50	9831.05
November, 2017	568.00	450.00	10490.45	10094.00
December, 2017	550.00	435.25	10552.40	10033.35
January, 2018	589.90	469.00	11171.55	10404.65
February, 2018	499.00	415.60	11117.35	10276.30
March, 2018	461.90	381.10	10525.50	9951.90

*Source: www.nseindia.com

h) Stock Performance in comparison to broad based indices:

The chart below shows the comparison of the Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31st March, 2018.





i) **Trading of Securities:** The securities of the Company were not suspended from trading during the year 2017-18.

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

k) **Share Transfer System:**

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agent (RTA) within 15 days of the lodgment, if documents are found to be in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

l) **Distribution of Shareholding as on 31st March, 2018:**

Shares having nominal value of ₹ From To	No. of holders	%	No. of holders	%
1 – 500	16155	95.50	1352627	9.16
501 – 1000	463	2.74	317626	2.15
1001 – 2000	185	1.09	256369	1.74
2001 – 3000	46	0.27	119410	0.81
3001 – 4000	23	0.14	79275	0.54
4001 – 5000	6	0.04	26136	0.18
5001 – 10000	9	0.05	57934	0.39
10001 and above	29	0.17	12559623	85.04
TOTAL	**16916**	**100·00**	**14769000**	**100.00**

m) **Dematerialization of Shares:**

As on 31st March, 2018, 94.88% of the total shares of the Company were in dematerialized form.

n) **Convertible instruments:**

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

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

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

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

p) **Plant Locations:**

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

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

q) **Regd. Office & Address for correspondence:**

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

13. Disclosures:

i. **Related Party Transactions:**

None of the related party transactions was in conflict with the interests of the Company. Details on materially significant related party transactions are given in the appended financial statements under notes to the accounts. The policy on dealing with Related Party Transactions is available on Company's website at http://www.hindcompo.com/investor-relations/documents/related-party-transaction-policy.pdf

ii. **Compliance by the Company:**

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

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

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the audit committee in the exceptional cases. We affirm that during the financial year 2017-18, no employee was denied access to the Audit Committee.

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

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

(a) Audit Qualification - The Company is in the regime of unmodified audit opinion on financial statements.

(b) Separate posts of Chairman and CEO – The Company has separate Chairman and Managing Director or Chief Executive Officer.

(c) Reporting of Internal Auditor – The Internal Auditors directly report to the Audit Committee.

v. Material Subsidiaries:

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

14. Compliance of the requirement of Corporate Governance Report:

During the year 2017-18, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

15. Disclosure of the Compliance with Corporate Governance:

The Company has complied with the Regulations 17-20, 22-23, 25-27 and Clauses (b) and (i) sub-regulations 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the year 2017-18. Regulations 21 and 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

16. Disclosure of accounting treatment:

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

17. Related Party Disclosures:

The disclosures as required by Indian Accounting Standard (Ind AS - 24) on "Related Party" are given in appended financial statements under notes to accounts.

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

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2018. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

19. Compliance Certificate for Code of Conduct:

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

20. Compliance Certificate by Statutory Auditors:

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

Declaration – Code of Conduct

As per Regulation 17 and Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct during the year ended 31st March, 2018.

For Hindustan Composites Limited

Place: Mumbai
Date : 8th May, 2018

P. K. Choudhary
Managing Director
DIN : 00535670

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
THE HINDUSTAN COMPOSITES LIMITED

1. This certificate is issued in accordance with our engagement letter dated 24th September, 2017

2. This certificate contains details of compliance of conditions of corporate governance by **THE HINDUSTAN COMPOSITES LIMITED** ('the Company') for the year ended 31st March 2018 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations) and pursuant to the Listing Agreement of the Company with Stock exchanges.

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

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

Auditor's Responsibility

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

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2018.

6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI''). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

Restriction on Use

10. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date: 8th May, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HINDUSTAN COMPOSITES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **HINDUSTAN COMPOSITES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

Opening balances have been considered based on the audited financial statements issued by the other auditors whose un-qualified audit report dated 23rd May, 2017 have been furnished to us.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraph 3 and 4 of the Order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to other matter to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules , 2014 , in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note No. 30(b) to the standalone Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date : 8th May, 2018

Annexure "A"

ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE HINDUSTAN COMPOSITES LIMITED ON STANDALONE IND AS FINANCIAL STATEMENTS

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

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) According to the information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.

iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions referred in section 185 of the Act. The Company has complied with the provisions of 186 of the Act with respect to the loans and investments made.

v) No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service taxes and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise and Value Add Tax which have not been deposited on account of any dispute except the following:

Assessment Year	Nature of Dues	Amount in ₹	Forum where the dispute is pending
2010-11	Sales Tax	6,98,863	Sales Tax Tribunal, Mumbai
2013-14	Sales Tax	2,37,037	Sales Tax Tribunal, Mumbai

viii) In our opinion and according to the information and explanations given to us, during the year, the Company has not defaulted in repayment of loans to banks and non-banking finance company. The Company has not taken any loans from financial institutions or debenture holders.

ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year or in the recent past and has taken term loans which were applied for the purpose for which the loans were obtained.

x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) According to the information and explanations given to us and based on the examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii) The provisions of Nidhi Company are not applicable to the Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us, the provision of Section 177 and 188 of Act, to the extent applicable, in respect of transactions with the related parties have been complied by the Company and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards in Note No. 44 to the Ind AS Financial Statements.

xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, Para 3 (xiv) of the Order is not applicable to the Company.

xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him under Section 192 of the Act.

xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date : 8th May, 2018

"ANNEXURE B"

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

We have audited the internal financial controls over financial reporting of HINDUSTAN COMPOSITES LIMITED ("the Company") as of 31st March, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 **Bagaria & Co. LLP**
Chartered Accountants
Firm Registration No:
113447W/W-100019

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date : 8th May, 2018

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	1	12,237.24	12,382.44
(b) Capital work-in-progress	1.1	11.50	41.73
(c) Other Intangible assets	2	4.39	5.65
(d) Financial assets			
(i) Investments	3	59,173.66	53,366.22
(ii) Other financial assets	4	75.44	63.18
(e) Other non-current assets	5	67.73	3,225.00
Total non-current assets		**71,569.96**	**69,084.22**
Current assets			
(a) Inventories	6	1,108.59	903.10
(b) Financial assets			
(i) Investments	7	2,100.42	744.85
(ii) Trade receivables	8	3,452.03	2,663.97
(iii) Cash and cash equivalents	9	148.77	374.74
(iv) Other bank balances	10	39.68	58.06
(v) Loans	11	3,962.55	2,899.58
(vi) Other financial assets	12	794.82	1,188.93
(c) Other current assets	13	124.58	210.69
Total current assets		**11,731.44**	**9,043.92**
Total assets		**83,301.40**	**78,128.14**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	738.45	492.30
(b) Other equity	15	73,279.71	68,835.61
Total equity		**74,018.16**	**69,327.91**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Borrowings	16	194.26	252.42
(b) Provisions	17	115.15	86.10
(c) Deferred tax liabilities (net)	42	4,870.45	5,312.53
(d) Other Non Current Liabilities	18	71.66	132.76
Total non-current liabilities		**5,251.52**	**5,783.81**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	200.62	104.58
(ii) Trade payables	20	3,431.18	2,557.41
(iii) Other financial liabilities	21	142.50	187.51
(b) Other current liabilities	22	146.59	66.20
(c) Provisions	23	37.45	54.01
(d) Current tax liabilities (Net)	24	73.38	46.71
Total current liabilities		**4,031.72**	**3,016.42**
Total equity and liabilities		**83,301.40**	78,128.14
Significant accounting policies	**A**		
See accompanying notes to the financial statements	**B (1 - 51)**		

As per our attached report of even date

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date: 8th May 2018

For and on behalf of the Board of Directors

Raghu Mody
Chairman
(DIN 00053329)

P.K. Choudhary
Managing Director
(DIN 00535670)

Vikram Soni
Company Secretary & Compliance Officer
Membership No. A36705

Sunil Jindal
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
I	Revenue from operations	25	20,335.95	18,162.38
II	Other income	26	44.77	110.54
III	**Total revenue (I + II)**		**20,380.72**	18,272.92
IV	**Expenses**			
	Cost of materials consumed	27	7,933.96	5,952.08
	Changes in inventories of finished goods and work-in-progress	28	(51.55)	(93.52)
	Excise duty		418.20	1,544.68
	Employee benefits expense	29	2,822.86	2,418.73
	Finance costs	30	30.82	19.75
	Depreciation and amortization expense	1 & 2	863.52	771.04
	Other expenses	31	5,533.70	4,460.19
	Total expenses		**17,551.51**	15,072.95
V	**Profit before tax (III - IV)**		**2,829.21**	3,199.97
VI	**Tax expenses**	**43**		
	Current tax		368.55	462.21
	Deferred tax		(3.87)	249.23
	Tax provision of earlier years		(72.83)	-
	Total Tax Expenses		**291.85**	711.44
VII	**Profit for the year**		**2,537.36**	2,488.53
VIII	**Other comprehensive income**			
	A. (i) Items that will not be reclassified to profit or loss	42	2,428.07	3,880.55
	(ii) Income tax relating to items that will not be reclassified to profit or loss	43	(58.07)	(1,278.85)
	B. (i) Items that will be reclassified to profit or loss	42	(395.07)	1,209.51
	(ii) Income tax on items that will be reclassified to profit or loss	43	266.83	(415.06)
IX	**Total comprehensive income for the year**		**4,779.12**	5,884.68
	Earnings per equity share of ₹ 5 each (Basic and Diluted)	**36**	**17.18**	16.85
Significant accounting policies		**A**		
See accompanying notes to the financial statements		**B (1 - 51)**		

As per our attached report of even date

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date: 8th May 2018

For and on behalf of the Board of Directors

Raghu Mody
Chairman
(DIN 00053329)

P.K. Choudhary
Managing Director
(DIN 00535670)

Vikram Soni
Company Secretary & Compliance Officer
Membership No. A36705

Sunil Jindal
Chief Financial Officer

STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	**Cash flow from operating activities:**			
	Net profit before tax		**2,829.22**	**3,199.97**
	Adjustment to reconcile profit before tax to net cash flows			
	Depreciation		863.52	771.04
	Net gain on sale / fair valuation of investments through profit and loss		(2,490.67)	(2,631.19)
	(Profit)/Loss on Sale of property, plant and equipment (net)		6.28	(57.58)
	Remeasurements of defined benefit plans		52.13	(60.43)
	Interest expenses		30.82	19.75
	Advances written off		-	70.00
	Operating profit before working capital changes		**1,291.30**	**1,311.56**
	Adjustment for			
	(Increase)Decrease in Trade and other receivables		3,869.76	279.27
	(Increase)Decrease in Inventories		(205.49)	(234.00)
	(Decrease)Increase in Trade and other payables		918.55	260.15
	Cash generated from operations		**5,874.12**	**1,616.98**
	Direct taxes paid (net)		(598.00)	(483.15)
	Net cash generated from operating activities		**5,276.12**	**1,133.83**
B	**Cash generated from investing activities**			
	Purchase of property, plant and equipment		(712.95)	(1,209.37)
	Proceeds from sale of property, plant and equipment		19.84	80.77
	Purchase of investments (net)		(5,495.55)	(2,179.21)
	Investment in Joint Venture		(490.00)	-
	(Increase)/decrease in inter- corporate deposits		(1,985.00)	(765.00)
	Income from Investment (net)		3,255.01	3,133.38
	Net cash flow (used in) from investing activities		**(5,408.65)**	**(939.43)**
C	**Cash generated from financing activities**			
	Proceeds/(repayment) from long-term borrowings (net)		(69.81)	(31.17)
	Proceeds/(repayment) from short-term borrowings (net)		96.04	(3.97)
	Dividend paid (including corporate dividend tax)		(88.88)	(59.25)
	Interest paid		(30.77)	(19.66)
	Cash generated from financing activities		**(93.42)**	**(114.05)**
D	**Net Increase/ Decrease in cash and cash equivalent (A+B+C)**		**(225.95)**	**80.35**
	Cash and Cash equivalents			
	At the beginning of the year		374.74	294.39
	At the end of the year		148.79	374.74

Notes:-

The above cash flow statement has been prepared by using indirect method as per Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

Significant accounting policies **A**

See accompanying notes to the financial statements **B (1 - 51)**

As per our attached report of even date

For and on behalf of the Board of Directors

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date: 8th May 2018

Raghu Mody
Chairman
(DIN 00053329)

P.K. Choudhary
Managing Director
(DIN 00535670)

Vikram Soni
Company Secretary & Compliance Officer
Membership No. A36705

Sunil Jindal
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Amount
(a)	**Equity Share Capital**	
	Balance as at 1st April, 2017	492.30
	Changes in share capital during the year	246.15
	Balance as at 31st March, 2018	738.45

(b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income			Total
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Acturial gain/ (loss)	
Balance as at 1st April, 2016	**57.70**	**55,796.28**	**593.26**	**1,014.08**	**5,573.21**	**(24.34)**	**63,010.19**
Profit for the year	-	-	2,488.53	-	-	-	2,488.53
Other comprehensive income for the year (Net)	-	-	-	794.45	2,641.20	(39.51)	3,396.14
Dividend paid during the year	-	-	(49.23)	-	-	-	(49.23)
Corporate dividend tax paid	-	-	(10.02)	-	-	-	(10.02)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
Balance as at 31st March, 2017	**57.70**	**57,296.28**	**1,522.54**	**1,808.53**	**8,214.41**	**(63.85)**	**68,835.61**
Profit for the year	-	-	2,537.36	-	-	-	2,537.36
Other comprehensive income for the year (Net)	-	-	-	(128.24)	2,328.99	41.01	2,241.76
Amount transferred in respect of realised gain (Net)			3,477.93		(3,477.93)		-
Amount utilised towards issue of bonus shares		(246.15)			-	-	(246.15)
Dividend paid during the year	-	-	(73.84)	-	-	-	(73.84)
Corporate dividend tax paid	-	-	(15.03)	-	-	-	(15.03)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
Balance as at 31st March, 2018	**57.70**	**58,550.13**	**5,948.96**	**1,680.29**	**7,065.47**	**(22.84)**	**73,279.71**

Refer note 15 for nature and purpose of the reserves.

Significant accounting policies **A**

See accompanying notes to the financial statements **B (1 - 51)**

As per our attached report of even date

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date: 8th May 2018

For and on behalf of the Board of Directors

Raghu Mody
Chairman
(DIN 00053329)

P.K. Choudhary
Managing Director
(DIN 00535670)

Vikram Soni
Company Secretary & Compliance Officer
Membership No. A36705

Sunil Jindal
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

CORPORATE OVERVIEW:

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

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

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

A. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements:

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

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

i) Certain financial assets and liabilities are measured at Fair value (refer note no. 42 financial instruments)

ii) Defined benefit employee plan (refer note no. 41)

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

b) Uses of estimates and judgments:

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

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

Critical accounting judgements and key source of estimation uncertainty

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

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

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

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

(b) Provisions and liabilities

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

(c) Contingencies

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

(d) Measurement of defined benefit obligations

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

c) Property, plant and equipment and Intangible assets

Property, plant and equipment

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

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

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

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

Intangible assets

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

Depreciation/ amortisation methods, estimated useful lives and residual value

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

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

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

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

d) As a lessee

Operating Lease

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

e) Cash and Cash Equivalents

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

f) Inventories

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

g) Financial Instruments

Financial assets - Initial recognition

Financial assets are recognised when the Company

becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both

(a) the entity's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Measured at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

(iii) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity instruments

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

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a signifi cant increase in credit risk.For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognised in Statement of Profit and Loss.

De-recognition

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

Financial Liabilities

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

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

De-recognition

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

Offsetting of financial instruments

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

Derivative financial instruments

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

h) Fair Value Measurement

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

- ✓ In the principal market for the asset or liability, or
- ✓ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

- ✓ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ✓ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ✓ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

I) Borrowings

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

j) Borrowing costs

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

Other borrowing costs are expensed in the period in which they are incurred.

k) Provisions and contingent liabilities

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

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

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

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may

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

l) Revenue recognition

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

Sale of goods

Timing of recognition: Sales are recognised when substantial risk and rewards of ownership are transferred to customer. In case of domestic sales take place when goods are dispatched or delivery is handed over to customer's logistics. In case of export sales take place when goods are shipped on-board, based on bill of lading.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Dividend income

Dividend income is recognised when the Company's right to receive the payment has been established.

m) Employee Benefits

The Company provides following post-employment plans: (i) Defined benefit plans such as gratuity and pension & (ii) Defined contribution plans such as Provident fund

a) Defined-benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of the plan assets. The defined benefit obligations is calculated annually by actuaries using the projected unit credit method.The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and (b) Net interest expense or income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of the plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss. Re-measurement comprising of actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions, the effect of asset excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

b) Defined-contribution plan

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

c) Other employee benefit

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

n) Foreign Currency Transaction

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

o) Income tax

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

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as

determined in accordance with the provisions of the Income Tax Act, 1961.

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

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

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

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

p) Segment Reporting

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

q) Research and Development

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

r) Earnings Per Share

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

s) New standards and interpretations not yet adopted

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015. The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions - and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

t) Amendment to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The above standard is applicable from 1st April 2018 i.e. Financial Year 2018-19 and not expected to have any significant impact on the Company's Financial Statements.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

B. NOTES ON ACCOUNTS :

1 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles (Refer Note iii)	Office Equipment	Total
	Freehold	Leasehold						
Gross Carrying Amount :								
Balance as at 1st April, 2016	**290.41**	**1.56**	**8,974.72**	**2,477.16**	**517.24**	**298.22**	**101.23**	**12,660.54**
Additions	-	-	177.31	836.00	46.22	92.72	13.26	1,165.51
Adjustments / Disposals	8.30	-	-	10.00	-	4.90	-	23.20
Balance as at 31st March, 2017	**282.11**	**1.56**	**9,152.03**	**3,303.16**	**563.46**	**386.04**	**114.49**	**13,802.85**
Additions	-	-	20.05	600.02	27.57	74.30	23.51	745.45
Adjustments / Disposals	-	-	-	189.06	3.37	85.76	16.69	294.88
Balance as at 31st March, 2018	**282.11**	**1.56**	**9,172.08**	**3,714.12**	**587.66**	**374.58**	**121.31**	**14,253.42**
Accumulated Depreciation :								
Balance as at 1st April, 2016	**-**	**0.02**	**163.33**	**340.09**	**60.48**	**52.94**	**34.36**	**651.22**
Depreciation charge for the year	-	0.02	170.19	448.55	62.90	59.10	28.43	769.19
Adjustments / Disposals	-	-	-	-	-	-	-	-
Balance as at 31st March, 2017	**-**	**0.04**	**333.52**	**788.64**	**123.38**	**112.04**	**62.79**	**1,420.41**
Depreciation charge for the year	-	0.02	169.67	538.31	68.83	59.38	26.05	862.26
Adjustments / Disposals	-	-	-	186.80	3.37	59.63	16.69	266.49
Balance as at 31st March, 2018	**-**	**0.06**	**503.19**	**1,140.15**	**188.84**	**111.79**	**72.15**	**2,016.18**
Net Carrying Amount :								
As at 31st March 2017	**282.11**	**1.52**	**8,818.51**	**2,514.52**	**440.08**	**274.00**	**51.70**	**12,382.44**
As at 31st March 2018	**282.11**	**1.50**	**8,668.89**	**2,573.97**	**398.82**	**262.79**	**49.16**	**12,237.24**

Notes:

(I) Lease period for land of ₹ 0.80 lakhs is valid till 31/01/2079 and land of ₹ 0.76 lakhs is valid till 30/04/2081.

(ii) Buildings includes eight flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.

(iii) Include certain vehicles for ₹ 72.22 lakhs (previous year ₹ 54.93 lakhs) acquired on hire purchase basis.

(iv) Refer Note no. 33 (a) for Capital Commitment.

1.1 Capital work-in-progress

	As at 31st March, 2018	As at 31st March, 2017
Plant & Equipment under installation	11.50	41.73

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Technical Know-How	Computer Software	Total
2	**Other Intangible assets**			
	Gross Carrying Amount :			
	Balance as at 1st April, 2016	**0.32**	**7.15**	**7.47**
	Additions	-	2.13	2.13
	Adjustments / Deductions	-	-	-
	Balance as at 31st March, 2017	**0.32**	**9.28**	**9.60**
	Additions	-	-	-
	Adjustments / Deductions	0.32	-	0.32
	Balance as at 31st March, 2018	**-**	**9.28**	**9.28**
	Accumulated Depreciation :			
	Balance as at 1st April, 2016	**0.32**	**1.79**	**2.11**
	Depreciation charge for the year	-	1.84	1.84
	Adjustments / Deductions	-	-	-
	Balance as at 31st March, 2017	**0.32**	**3.63**	**3.95**
	Depreciation charge for the year	-	1.26	1.26
	Adjustments / Deductions	0.32	-	0.32
	Balance as at 31st March, 2018	**-**	**4.89**	**4.89**
	Net Carrying Amount :			
	Balance as at 31st March, 2017	**-**	**5.65**	**5.65**
	Balance as at 31st March, 2018	**-**	**4.39**	**4.39**

(₹ in Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
3	**Non Current Investments (Refer Notes No.39)**		
	Equities		
	Equity instruments	24,853.57	19,654.31
	Debt		
	Preference shares	5,013.81	3,000.00
	Real Estate and debt funds	4,862.82	4,855.75
	Government securities	4,424.90	4,497.50
	Debentures and bonds	20,018.56	21,358.66
	Total	**59,173.66**	**53,366.22**
4	**Non current other financial assets**		
	Electricity deposits	19.37	19.37
	Rent deposits	7.18	7.18
	Other deposits	38.89	33.42
	Margin money deposits with bank	10.00	3.21
	Total	**75.44**	**63.18**
5	**Other Non Current Assets**		
	Capital advance	67.73	3,225.00
	Total	**67.73**	**3,225.00**

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
6	**Inventories * (Refer Note No. A (f) for accounting policy on inventory)**		
	(As taken, valued and certified by the management)		
	Raw materials	652.22	502.59
	Raw materis - Goods-in-transit	-	5.09
	Work-in-progress	286.86	270.00
	Finished goods	71.18	44.44
	Stores and spares	98.33	80.98
	Total	**1,108.59**	**903.10**
	* Refer Note No. 34 (a) for Inventories offered as securities		
7	**Current Investments** (Refer Note No. 40)		
	Debentures and bonds	1,638.45	254.65
	Mutual funds units	461.97	490.20
	Total	**2,100.42**	**744.85**
8	**Trade Receivables***		
	Unsecured, considered good		
	Joint venture	38.67	65.04
	Others	3,413.36	2,598.93
	Total	**3,452.03**	**2,663.97**
	* Refer Note No. 44 (c) for credit risk and note no. 34 (a) for trade receivable offered as security.		
9	**Cash and cash equivalents**		
	Balances with Banks	137.81	352.88
	Cheques on hand	7.30	18.26
	Cash on hand	3.66	3.60
	Total	**148.77**	**374.74**
10	**Other bank balances**		
	Other Balances		
	In Dividend Accounts	19.57	31.00
	In Margin money	20.11	27.06
	Total	**39.68**	**58.06**
11	**Current Loans**		
	Unsecured, considered good		
	Inter corporate deposits	3,950.00	1,965.00
	Loans and advances to employees	12.55	4.58
	Interest free loan to employee welfare trust	-	930.00
	Total	**3,962.55**	**2,899.58**
12	**Other Current Financial Assets**		
	Interest accrued on investments	696.25	676.03
	Interest accrued on inter corporate / other deposits	34.60	15.75
	Receivable on sale of current investments	43.13	135.62
	Rent deposits (Associates)	-	350.00
	Other receivables	20.84	11.53
	Total	**794.82**	**1,188.93**

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
13	**Other Current Assets**		
	Balances with Government authorities	-	65.48
	Advance to suppliers	96.70	101.34
	Prepaid expenses	27.88	43.87
	Total	**124.58**	**210.69**
14	**Equity Share Capital**		
	AUTHORISED		
	16,000,000 Equity Shares of ₹ 5 each	800.00	550.00
	(Previous Year : 5,500,000 Equity Shares of ₹ 10 each)		
	Nil Unclassified Shares of ₹ 10 each		
	(Previous Year: 500,000 Unclassified Shares of ₹10 each)	-	50.00
	Total	**800.00**	**600.00**
	ISSUED, SUBSCRIBED AND PAID-UP		
	14,769,000 Equity Shares of ₹ 5 each, fully paid-up	738.45	492.30
	(Previous Year: 4,923,000 Equity Shares of ₹ 10 each, fully paid-up)		
	Total	**738.45**	**492.30**

(i) Details of Shareholding more than 5%

(₹ in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	%	No. of Shares	%
Rasoi Ltd.	61,51,722	41.65%	20,50,574	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	8,25,194	16.76%
J L Morison India Ltd.	11,07,702	7.50%	3,69,234	7.50%

(ii) Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 5 each (Previous Year ₹10 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	49,23,000	49,23,000
Increase on account of subdivision	49,23,000	-
Bonus shares issued during the year	49,23,000	-
Balance at the end of the year	1,47,69,000	49,23,000

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

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Allotted shares on account of split in face value from ₹10 per share to ₹ 5 per share.	49,23,000	-	-	-	-
Bonus shares issued during the year	49,23,000	-	-	-	-
Bought back any shares issued	-	-	-	-	-

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(v) During the year pursuant to the shareholders approval:

a) Increased the Authorized Share Capital of the Company from ₹ 600 lakhs to ₹ 800 lakhs.

b) Sub-divided its existing 1 (one) Equity Share having face value of ₹10 (Rupees Ten only) each fully paid up into 2 (Two) Equity Shares of ₹ 5 (Rupees Five only).

c) Reclassified 5,00,000 unclassified shares of ₹10 each into 10,00,000 Equity Shares of ₹ 5 each.

d) Issued bonus shares in proportion of 1:2 (i.e. one new bonus Equity Share of ₹ 5 each for every two Equity Shares of ₹ 5 each) to the shareholders .

15 Other Equity

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

A. Summary of Other Equity balance

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital Redemption Reserve	57.70	57.70
General Reserve	58,550.13	57,296.28
Retained Earnings	5,948.96	1,522.54
Items of Other Comprehensive Income		
- Fair value of Debt instruments through OCI	1,680.29	1,808.53
- Fair value of Equity instruments through OCI	7,065.47	8,214.41
- Remeasurements of defined benefit plans	(22.84)	(63.85)
Total	**73,279.71**	**68,835.61**

B. Nature and purpose of reserves

(a) Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on buyback of equity shares from its General Reserve. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

(b) General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(c) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(d) Debt Instruments through Other Comprehensive Income: The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss

(**e**) **Equity instruments through other comprehensive income:** This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income and subsequently not reclassified to the Statement of Profit and Loss.

(f) Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
16	**Non Current Borrowings** (Refer Note No. 34)		
	Term Loans		
	Secured		
	From Banks - Vehicle Loan	49.81	31.60
	Unsecured		
	From SICOM Ltd. by way of deferral of sales tax liability	144.45	220.82
	Total	**194.26**	**252.42**
17	**Non Current Provisions**		
	Provision for compensated absences	78.73	53.63
	Provision for Gratuity	36.42	32.47
	Total	**115.15**	**86.10**
18	**Other Non Current Liabilities**		
	Security Deposits	71.66	132.76
	Total	**71.66**	**132.76**
19	**Current Borrowings** (Refer Note No. 34)		
	Secured		
	From Bank		
	Working Capital Loan	200.62	104.58
	Total	**200.62**	**104.58**
20	**Trade Payables***		
	Amounts due to related parties	-	-
	Others	3,431.18	2,557.41
	Total	**3,431.18**	**2,557.41**
	Dues to Micro, Small and Medium Enterprise		
	The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:		
	Principal Amount due to suppliers under MSMED Act,2006, Beyond appointed Day	12.08	9.21
	Interest accrued and due to suppliers under MSMED Act, on the above amount	0.27	0.21
	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	Nil
	Interest paid to suppliers under MSMED Act (Other than section 16)	-	Nil
	Interest paid to suppliers under MSMED Act (Section 16)	0.21	0.15
	Interest due and payable to suppliers under MSMED Act, for the payment already made	-	Nil
	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	Nil

Note : The information has been given in respect of such vendors to the extent they could be identified as " Micro and Small enterprises" on the basis of information available with Company."

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
21	**Other Financial Liabilities**		
	Current maturities of long-term debt	98.80	110.44
	Interest accrued but not due on borrowings	0.19	0.14
	Unpaid dividends	19.57	31.00
	Capital Creditors	23.94	45.93
	Total	**142.50**	**187.51**
22	**Other Current Liabilities**		
	Statutory Dues	146.59	66.20
	Total	**146.59**	**66.20**
23	**Current Provisions**		
	Provision for compensated absences	37.45	37.59
	Provision for gratuity	-	16.42
	Total	**37.45**	**54.01**
24	**Current tax liabilities (Net)**		
	Provision for income Tax (Net)	73.38	46.71
	Total	**73.38**	**46.71**

(₹ in Lakhs)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
25	**Revenue From Operations**		
	Sale of Products		
	Manufactured goods	15,942.90	13,937.65
	Investment Income		
	Dividend	363.46	257.93
	Interest	3,328.24	3,288.82
	Investment Advisory services	170.00	-
	Net gain on sale / Fair valuation of investments through profit and loss *	460.68	572.17
		4,322.38	4,118.92
	Other Operating Income		
	Export Incentives	34.15	48.45
	Marketing Fees & Royalty Income	10.27	30.11
	Insurance Claim	7.46	-
	Scrap Sale	13.44	10.13
	Others	5.35	17.12
		70.67	105.81
	Total	**20,335.95**	**18,162.38**
	* Includes fair value gain / (loss) as at 31st March, 2018 amounting to ₹ (487.00 lakhs), (Previous Year ₹ (80.25 lakhs))		
26	**Other Income**		
	Foreign Exchange Gain (Net)	19.24	27.61
	Profit on sale of Fixed Assets	-	59.53
	Rent	25.53	23.40
	Total	**44.77**	**110.54**

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
27	**Cost Of Materials Consumed**		
	Raw materials and Components		
	Opening Stock	502.59	391.55
	Purchases	7,845.55	5,843.12
	Less: Closing Stock	652.22	502.59
		7,695.92	5,732.08
	Stores and Spare parts consumed		
	Opening Stock	80.99	53.13
	Purchases	255.39	247.86
	Less: Closing Stock	98.34	80.99
		238.04	220.00
	Total	**7,933.96**	**5,952.08**
28	**Changes in inventories of finished goods and work-in-progress**		
	Opening Stock :-		
	Work-in-progress	270.00	145.90
	Finished goods	44.44	75.34
	Total	**314.44**	**221.24**
	Closing Stock :-		
	Work-in-progress	286.86	270.00
	Finished goods	71.18	44.44
	Total	**358.04**	**314.44**
	Increase / (Decrease) in Excise Duty on Finished Goods	**(7.95)**	**(0.32)**
	Changes in inventories	**(51.55)**	**(93.52)**
29	**Employee Benefits Expense**		
	Salaries, wages and incentives	2,550.12	2,190.95
	Contributions to provident and other fund	121.35	108.79
	Contributions to gratuity fund	56.07	32.68
	Staff welfare expenses	95.32	86.31
	Total	**2,822.86**	**2,418.73**
30	**Finance Cost**		
	Interest expense	23.81	13.72
	Other borrowing costs	7.01	6.03
	Total	**30.82**	**19.75**
31	**Other Expenses**		
	Packing materials consumed	350.26	246.42
	Power and Fuel	853.94	855.53
	Rent	38.19	41.63
	Rates and taxes	89.87	27.01
	Insurance (including transit insurance)	40.41	37.17
	Freight and Forwarding	625.94	457.17
	Repairs & Maintenance:		
	Plant & Machinery	118.19	93.35
	Buildings	66.74	69.66
	Others	28.66	19.45
	Job charges	1,120.92	836.29
	Travelling & Conveyance	556.26	482.97

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
31	**Other Expenses (contd.)**		
	Sales Promotion Expenses	216.17	211.78
	Postage,Printing & Stationery	60.16	49.65
	Communication Expenses	36.52	37.60
	Loss on sale/discarding of property, plant and equipment	6.28	1.96
	Advances written of		70.00
	Investment management expenses	302.14	175.92
	Legal & Professional Expenses	409.02	222.58
	Remuneration to Auditors:		
	Audit fees (including limited review fees)	7.00	7.00
	Certification fees	3.00	4.20
	Reimbursement of out of pocket expenses	1.02	1.10
	Contribution towards Corporate Social Responsibility (CSR)	100.00	100.00
	Charity and donations	308.69	261.91
	Miscellaneous Expenses	194.32	149.84
	Total	**5,533.70**	**4,460.19**

32 (a) Contingent Liabilities not provided for in respect of :

- Disputed Sales Tax matters as at 31st March 2018 for ₹ 9.36 lakhs (net of provisions of ₹10.75 lakhs); Previous Year (₹ 6.98 lakhs (net of provisions of ₹ 10.56 lakhs)).
- Disputed Income Tax matters as at 31st March 2018 for ₹ Nil, Previous Year (₹ Nil).
- Disputed labour matter related to ex-workmen - amount unascertainable.

(b) The Company's litigations comprises of claims related to property disputes and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required. The Company has also disclosed the pending maters under contingent liability wherever the amount of liability is not adequately measurable, however, the Company does not reasonably expect the outcome of these proceedings will have a material impact on its financial statements.(Also Refer Note 32(a)).

33 Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31st March 2018 for ₹ 228.82 lakhs (net of advance of ₹ 67.73 lakhs); Previous Year (₹ 3,034.50 lakhs (net of advance of ₹ 2,994.58 lakhs))

(b) In respect of investments made with private equity fund, the Company is further committed to invest as at 31st March 2018 for ₹ 6,270.10 lakhs; Previous Year (₹ 2,556.37 lakhs).

34 Secured Loans:

(a) Interest Rate on Working capital loans as at 31st March 2018 is 2.40% over MCLR 8.35% plus strategic premium 0.25% per annum (Previous Year Base Rate plus 2.50% per annum) and limit utilised as at 31st March 2018 for ₹ 523.40 lakhs (Previous Year ₹ 359.58 lakhs) are secured by hypothecation of inventory and trade receivables of Company and charge on immovable properties of Bhandara unit.

(b) Non fund based limit utilised as at 31st March 2018 for ₹ 224.27 lakhs are secured by lien over Investment (Bonds) of ₹ 800 lakhs and (Previous Year non fund based limit utilised for ₹ 238.78 lakhs were secured by lien over Investment (Bonds) of ₹ 800 lakhs.)

(c) Vehicle loans (repayable within three years) are secured by way of hypothecation of vehicles purchased on carry Interest in the range of 8.45% to 9% (Previous Year 9.61% to 10.75%).

Unsecured Loans:

Interest free Sales tax Loans is repayable within 4 years.

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

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs except EPS)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
36	**Earnings Per Share**		
	Net Profit as per Profit & Loss Account	2,537.36	2,488.53
	Weighted average number of equity shares outstanding	1,47,69,000	1,47,69,000
	Basic and Diluted EPS (Face value of ₹ 5 each)	17.18	16.85

The earnings per share in respect of previous reported year has been restated after considering the sub-division and bonus share issue made during the current year. (Refer note no. 14)

(₹ in Lakhs)

37	**Research and Development Expenditure**		
	Debited to respective expenses heads in the Statement of Profit & Loss	194.13	132.10
	Property, plant and equipment	-	233.53
38	**Segment Reporting:**		
	Segment Revenue		
	Composite Products	16,013.58	14,043.45
	Investment	4,322.38	4,118.93
	Total	**20,335.96**	**18,162.38**
	Segment Expenses		
	Composite Products	15,200.55	13,170.30
	Investment	938.89	797.87
	Total	**16,139.44**	**13,968.17**
	Segment Results		
	Profit/(Loss) before Interest, Tax and Exceptional Items from each segment		
	Composite Products	813.03	873.16
	Investment	3,383.49	3,321.06
	Total	**4,196.52**	**4,194.22**
	Unallocated Expenses	1,381.26	1,085.03
	Interest Expenses	30.82	19.75
	Tax Expenses	364.69	711.44
	Other Income	(44.78)	(110.54)
	Profit after taxation	**2,464.53**	**2,488.54**
	Segment Assets		
	Composite Products	9,404.48	8,283.19
	Investment	70,726.87	66,633.87
	Unallocated Assets	3,170.05	3,211.09
	Total	**83,301.40**	**78,128.15**
	Segment Liabilities		
	Composite Products	4,494.09	3,275.19
	Investment	3,517.05	4,059.97
	Unallocated Liabilities	1,077.84	1,212.65
	Total	**9,088.98**	**8,547.81**
	Other Information:		
	Capital Expenditure	745.45	1,165.50
	Depreciation & Amortisation	863.52	771.04

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

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

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

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

39 Non-Current Investments: (Non Trade and Fully paid up) **(₹ in Lakhs)**

Particulars	Face Value	As at 31st March, 2018		As at 31st March, 2017	
	₹	Nos.	₹	Nos.	₹
Equity Instruments					
Equity Shares (Quoted)					
Aditya Birla Capital Limited	10	15,404	22.47	-	-
Asian Paints Ltd.	1	2,300	25.78	525	5.62
Bajaj Auto Ltd.	10	853	23.45	185	5.19
Bajaj Finance Ltd.	2	1,793	31.73	547	6.42
Bosch Ltd.	10	122	22.13	23	5.24
Cipla Ltd.	2	4,449	24.17	860	5.09
Dabur India Ltd.	1	-	-	1,800	4.99
Glaxosmithkline Consumer Healthcare Ltd.	10	420	25.60	99	5.11
Godrej Consumer Products Ltd.	1	2,600	28.41	320	5.34
HDFC Bank Ltd.	2	1,504	28.45	400	5.77
Hindustan Unilever Ltd.	1	2,186	29.20	600	5.46
Housing Development Finance Corp. Ltd.	2	1,557	28.41	400	6.01
Infosys Ltd.	5	2,382	27.02	520	5.31
Kotak Mahindra Bank Ltd.	5	2,633	27.61	685	5.97
Larsen & Toubro Ltd.	2	2,088	27.39	344	5.43
Lupin Ltd.	2	2,628	19.35	334	4.83
Maruti Suzuki India Ltd.	5	320	28.36	88	5.30
Pfizer Ltd.	10	1,282	28.02	277	5.24
Sun Pharmaceutical Industries Ltd.	1	4,539	22.49	769	5.29
Titan Company Ltd.	1	4,138	38.95	1,380	6.37
Ultratech Cement Ltd.	10	631	24.91	148	5.91
ZF Steering Gear (I) Ltd.	10	100	1.02	100	1.33
Total			**534.92**		**111.22**
Equity PMS (Quoted)					
ASK IEP Equity PMS	-	-	587.88	-	499.55
Motilal Oswal NTDOP PMS	-	-	1,216.30	-	1,068.59
IDFC Hybrid Fund	-	-	6.93	-	15.40
ICICI Prudential PMS Wellness Portfolio	-	-	511.44	-	-
Ambit Coffee Can PMS	-	`	1,066.24	-	-
Total			**3,388.79**		**1,583.54**
Investment in Group Companies					
Equity Shares (Quoted)					
J.L.Morison (India) Ltd.	10	2,72,800	3,614.60	2,72,800	4,228.40
Rasoi Ltd.	200	16,565	5,996.53	16,565	4,969.50
Rasoi Ltd. - Fractional share receivable	200	-	-	0.90	0.27
Total			**9,611.13**		**9,198.17**
Equity Shares (Unquoted)					
Prabhukripa Overseas Ltd.	10	2,31,053	54.67	2,31,053	56.05
Compo Advics (India) Pvt. Ltd. (Joint Venture with 49% stake)	10	49,00,000	490	49,00,000	490
Total			**544.67**		**546.05**

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Cont... (₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2018		As at 31st March, 2017	
	₹	Nos.	₹	Nos.	₹
Convertible Preference Shares (Unquoted)					
Compo Advics (India) Pvt. Ltd. Compulsory Convertible Preference Shares	10	49,00,000	490	-	-
Total			**490**		**-**
Private Equity (Unquoted) *					
India Business Excellence Fund - I	-	-	245.16	-	456.66
IL&FS Milestone Fund II	-	-	-	6,798	1.04
KKR India Debt Opportunities Fund II	1,000	45,000	479.25	35,000	359.45
Multiples Private Equity Fund Scheme I	1,00,000	-	306.06	-	589.83
TVS Shriram Growth Fund - 1B	1,000	-	676.32	-	461.11
Zephyr Peacock India Fund	-	-	138.09	-	138.09
India Business Excellence Fund - II	-	-	900	-	581.75
Indiareit Apartment Strategy	-	-	458.65	-	386.90
Aditya Birla Real Estate Fund - I	-	-	244.22	-	209.52
Edelweiss Stressed & Troubled Assets Revival Fund - I	10,000	10,000	844.62	3,250	838.35
Multiples Private Equity Fund II LLP	1,000	-	796.05	-	518.97
Forefront Alternative Equity Scheme PMS	-	-	-	1,33,68,825	2,513.46
DSP Blackrock India Enhanced Equity Fund AIF III	100	10,00,000	1,105.80	10,00,000	1,035.20
Avendus Absolute Return Fund		-	2,107.01	-	-
IIFL Special Opportunities Fund (A Category-II AIF Scheme)	10	34,43,442	395.50	-	125
IIFL Special Opportunities Fund - Series 4 (A Category-II AIF Scheme)	10	23,97,833	240.24	-	-
India Business Excellence Fund - III	-	-	301.75	-	-
Vantage Equity Fund	100	9,93,542	945.36	-	-
TVS Shriram Growth Fund - 3	-	-	100	-	-
Total			**10,284.08**		**8,215.33**
*** The Maturity of above funds range between 3 years to 8 years**					
Total Equity Instruments			**24,853.59**		**19,654.31**
Preference Shaes (Unquoted)					
8.15% L&T Finance Holding Limited -					
Cumulative Preference Share - May 2020	100	15,00,000	1,500.00	15,00,000	1,500.00
8.33% Tata Capital Cumulative Preference Share -					
Tranche G - Jun 2020	1,000	-	-	1,00,000	1,000.00
7.50% Tata Capital Preference Shares - Tranche S - Oct 2023	1,000	50,000	500.00	50,000	500.00
7.50% Tata Capital Preference Shares -Tranche U - Jul 2024	1,000	50,000	500.00	-	-
7.15% Tata Capital Preference Shares - Tranche Z - Sep 2024	1,000	80,000	806.45	-	-
7.10% Tata Capital Preference Shares (Series AA) - Sep 2024	1,000	1,00,000	1,010.81	-	-
7.50% Tata Capital Preference Shares (Tranche V) - Jul 2024	1,000	67,000	696.55	-	-
Total Preference Shares			**5,013.81**	**-**	**3,000.00**
Real Estate / Structured Debt Funds (Unquoted)					
Peninsula Brookfield India Real Estate Fund	1,00,000	292	297.29	467	381.19
IIFL Income Opportunities Fund Series - Special Situations	10	46,64,616	333.30	46,64,616	448.10
India Realty Excellence Fund II LLP	1,00,000	-	442.02	-	443.74
IIFL Real Estate Fund (Domestic) - Series 2		-	786.97	91,86,729	995.45
Annuities in Senior Secured Estate Transcations 1 - Asset 1	100	98,359	104.08	1,00,000	135.48
Kotak Real Estate Yield Fund	1,000	-	-	2,729	42.51
IIFL Real Estate Fund - I	100	-		1,94,382	31.14
IIFL Income Opportunity Fund	-	-		23,28,496	15.29
ICICI Prudential PMS India Real Estate Securities Portfolio-Series XII	-	-	223.21	-	385.21
Indostar Credit Fund	1,00,000	900	141.98	900	590.66
IIFL Real Estate Fund (Domestic) - Series 3	-	-	310.65	49,83,975	461.74

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Contd... (₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2018		As at 31st March, 2017	
	₹	Nos.	₹	Nos.	₹
IDFC Score Fund	1,000	49,250	278.67	49,250	115.00
Annuities in Senior Secured Estate Transcations 2 - Asset 2	100	5,00,000	573.65	5,00,000	544.42
Edelweiss Real Estate Opportunities Fund	10,000	2,375	255.01	-	165.82
Edelweiss Credit Opportunities Fund	-	-	283.75	-	100.00
Avendus Structured Credit Fund - I	500	60	300.00	-	-
India Housing Fund (A Category-II AIF Scheme)	10	22,64,000	226.98		-
UTI Structured Debt Opportunities Fund I	-	-	255.25	-	-
Edelweiss Infrastructure Yield Plus	1,000	5,000	50.00	-	-
Total Real EstateFunds			**4,862.81**		**4,855.75**
* The Maturity of above funds range between 3 years to 8 years					
Government Securities (Quoted)					
Secured-					
8.28% GOI 15 -Feb 2032	5,00,00,000	2	1,051.20	2	1,062.30
9.20% GOI 30 -Sep 2030	5,00,00,000	1	549.80	1	574.95
8.30% GOI 2 -July 2040	5,00,00,000	1	533.90	1	527.35
8.83% GOI 12 -Dec 2041	5,00,00,000	2	1,118.50	2	1,142.50
9.23% GOI 23 -Dec 2043	5,00,00,000	2	1,171.50	2	1,190.40
Total Government securities			**4,424.90**		**4,497.50**
Debentures and Bonds					
Bonds (Quoted)					
Secured-					
8.20% HUDCO Tax Free Bond-March 2027	1,000	97,310	1,102.38	97,310	1,109.96
8.10% HUDCO Tax Free Bond -March 2022	1,000	30,000	318.93	30,000	322.71
8.56% HUDCO Tax Free Bond -Sep 2028	10,00,000	1	11.75	1	11.84
8.76% HUDCO Tax Free Bond -Jan 2034	1,000	1,00,000	1,247.64	1,00,000	1,255.56
8.51% HUDCO Tax Free Bond -Oct 2028	1,000	50,000	586.71	50,000	590.64
8.26% IIFCL Tax Free Bonds -Aug 2028	10,00,000	80	921.48	80	927.58
8.19% IIFCL Tax Free Bonds -Aug 2033	10,00,000	20	238.33	20	238.89
8.66% IIFCL Tax Free Bonds -Jan 2034	1,000	50,000	619.00	50,000	622.79
7.40% IIFCL Tax Free Bonds -Jan 2033	1,000	50,000	556.17	50,000	556.34
8.67% NHPC Tax Free Bonds -Nov 2033	1,000	48,315	599.60	48,315	601.68
9.01% NHB Tax Free Bond -Jan 2034	5,000	50,000	3,121.98	50,000	3,138.90
8.68 % NHB Tax Free Bonds -March 2029	5,000	6,384	380.49	6,384	383.14
8.93 % NHB Tax Free Bonds Series 2A -March 2029	5,000	10,000	596.01	10,000	600.15
8.30% PFC- Tax Free Bonds -Feb 2027	1,000	7,120	80.90	7,120	81.65
8.67% PFC Tax Free Bonds -Nov 2033	1,000	1,61,945	2,009.00	1,61,945	2,015.95
7.93% REC-Tax Free Bond -March 2022	1,000	30,619	324.01	30,619	327.46
8.46% REC Tax Free Bonds -Aug 2028	10,00,000	50	582.67	50	587.79
9.50% JM Financial Credit Solutions Ltd.	10,00,000	13	134.51	13	130.54
10.75% Tata Power Co. Ltd. Aug 2072	10,00,000	25	266.70	25	265.23
10.25% Hansdeep Industries & Trading Company Ltd Oct 2021	10,00,000	50	517.68	-	-
9.15% JM Financial Credit Solutions Limited	10,00,000	87	868.89	-	-
Total			**14,818.13**		**13,503.57**
Unsecured-					
9.80% GSPC NCD Series 2 - March 2073	10,00,000	48	480.00	48	527.18
9.90% IFCI Ltd Bonds Sr 58 -Nov 2032	25,000	1,000	250.00	1,000	279.05
9.90% IFCI Ltd Bonds Sr 58 -Nov 2037	25,000	4,000	1,000.00	4,000	1,082.50

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Contd... (₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2018		As at 31st March, 2017	
	₹	Nos.	₹	Nos.	₹
9.75% IFCI Ltd. Sr.60- April 2028	10,00,000	50	500.00	100	1,062.60
12.50% Janalakshmi Financial Services 2019 Debentures	10,00,000	-	-	30	307.65
9.90% ING Vysya Bank Ltd Bond - Dec 2022	10,00,000	50	530.51	50	543.80
9.29% PFC Bonds -Aug 2022	10,00,000	50	517.28	50	540.10
Total			**3,544.49**		**4,608.11**
Total Bonds			**18,362.62**		**18,111.68**
Debentures (Quoted)					
Secured-					
39.01% EARC GSEC Linked Non Convertible Debenture	1,00,000	500	599.05	500	530.10
38.03% IIFL Market Linked Structured Products	1,00,000	500	575.33	500	537.02
35% EFIL-Market Linked Non Convertible Debenture -June 2018	1,00,000	-	-	300	340.38
Total			**1,174.38**		**1,407.50**
Debentures (Unquoted)					
Secured-					
17% Varnika Realty Pvt. Ltd. (Pasmina) Ncd - Mar 2018	10,00,000	-	-	30	216.00
18% CCI Projects Private Limited Nov 2018	25,00,000	-	-	12	232.80
18% Darvesh Properties Private Limited May 2019	1,00,000	250	207.74	250	250.00
18.50% Manyata Developers Private Ltd June 2020	10,00,000	20	132.20	20	206.20
17% Pinnacle Vastunirma Pvt Ltd Aug 2018	1,00,000	-	-	250	250.00
17.25% Shanders Properties Pvt Ltd. Jul 2018	1,00,000	-	-	250	236.11
17.50% Vagad Builders & Developers Pvt Ltd Aug 2018	1,00,000	-	-	250	170.50
18% Omkar Realtors Andheri Projects Pvt Ltd.	87,17,290	-	-	2	77.87
17.75% Orris Infrastructure Pvt Ltd. Aug 2019	1,00,00,000	2	141.62	2	200.00
Total			**481.56**		**1,839.48**
Total Debentures			**1,655.94**		**3,246.98**
Total Debentures and Bonds			**20,018.56**		**21,358.66**
Total Non Current Investments			**59,173.67**		**53,366.22**
Aggregate amount of quoted investment and market value thereof			**37,986.74**		**34,909.61**
Aggregate amount of unquoted investments			**21,186.93**		**18,456.61**
Aggregate amount of impairment in value of non current investments			**-**		**-**
40 Current Investments					
Bonds(Quoted)					
Secured-					
11% SREI Infrastructure Finance Ltd. 2017	1,000	-	-	25,000	254.65
Total			**-**		**254.65**
Unsecured-					
12.50% Janalakshmi Financial Services 2019	10,00,000	30	295.47	-	-
Total			**295.47**		**-**
Debentures (Quoted)					
Secured-					
35% EFIL-Market Linked Non Convertible Debenture -June 2018	1,00,000	300	396.05	-	-
KKR India Financial Services Pvt. Ltd. - Zero Coupon Ncd - Mar 2019	1,00,00,000	3	381.33	-	-
Total			**777.38**		**-**

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Contd... **(₹ in Lakhs)**

Particulars	Face Value	As at 31st March, 2018		As at 31st March, 2017	
	₹	Nos.	₹	Nos.	₹
Debentures (Unquoted)					
Secured-					
18% CCI Projects Private Limited Nov 2018	25,00,000	12	178.26	-	-
17% Pinnacle Vastunirma Pvt Ltd Aug 2018	1,00,000	250	250.00	-	-
17.25% Shanders Properties Pvt Ltd. Jul 2018	1,00,000	250	137.35	-	-
Total			**565.61**		**-**
Total Debentures and Bonds			**1,638.46**	**-**	**254.65**
Mutual Funds (Quoted)					
Kotak FMP Series 172 - Regular Plan - Growth	10	35,00,000	459.48	-	-
Total			**459.48**	**-**	**-**
Liquid Mutual Funds (Unquoted)					
IDFC Money Manager Fund - TP - Daily Dividend	10	-	-	256	0.03
Baroda Pioneer Liquid fund - Plan B - Growth	1,000	-	-	21,212	190.10
IDFC Cash Fund- Growth	1,000	-	-	-	150.04
SBI Premier Liquid Fund - Growth	1,000	-	-	-	150.03
HDFC Liquid Fund - Growth (Ambit coffee Can PMS)		-	2.48	-	-
Total			**2.48**		**490.20**
Total Mutual Funds			**461.96**		**490.20**
Total Current Investment			**2,100.42**		**744.85**
Aggregate amount of quoted investment and market value thereof			**1,532.33**		**254.65**
Aggregate amount of unquoted investments			**568.09**		**490.20**
Aggregate amount of impairment in value of current investments			**-**		**-**

41 Employee Benefits

(a) Defined contribution plan

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12 % of basic salary as per regulations. The contributions are made to registered provident fund administered by The Officers Provident Fund of Hindustan Composites Ltd. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognised during the period towards defined contribution plan is ₹10,733,034 (March 31, 2017 ₹ 9,753,576).

(b) Defined benefit plan

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

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of plan assets	Net amount
As of April 1, 2016	**323.01**	**-**	**323.01**
Current service cost	29.35	-	29.35
Interest expense/(income)	24.30	-	24.30
Capitalised during the year	93.11		93.11
Total amount recognised in profit or loss	**146.76**	**-**	**146.76**
Remeasurements			
Return on plan assets, excluding amounts included in internet			
expense/(income)	(1.66)	-	(1.66)
Net actuarial (gain)/loss	**-**	**-**	**-**
Change in experience	41.88	-	41.88
Change in demographic assumptions	-	-	-
Change in financial assumptions	21.65	-	21.65
Total amount recognised in other comprehensive income	**63.53**	**-**	**63.53**
Employer Contribution	-	-	-
Benefits payment	(35.58)	-	(35.58)
As of March 31, 2017	**404.61**	**-**	**404.61**
As of April 1, 2017	**404.61**	**-**	**404.61**
Current service cost	28.78	-	28.78
Interest expense/(income)	29.70	-	29.70
	58.48	-	58.48
Capitalised during the year		-	-
Total amount recognised in statement of profit and loss	**58.48**	**-**	**58.48**
Remeasurements			
Return on plan assets, excluding amounts included in internet			
expense/(income)	1.35	-	1.35
Net actuarial (gain)/loss			
Change in experience	(40.29)	-	(40.29)
Change in demographic assumptions	2.57	-	2.57
Change in financial assumptions	(15.76)	-	(15.76)
Total amount recognised to comprehensive income	**(52.13)**	**-**	**(52.13)**
Employer contribution	**-**	**-**	**-**
Benefits payment	(15.46)	-	(15.46)
As of March 31, 2018	395.50	-	395.50

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Present value of funded obligations	395.50	404.61
Fair value of plan assets	401.76	372.14
Deficit of funded plan	(6.26)	32.47
Financial assumption:		
Discount rate	0.08	0.07
Salary escalation rate	0.06	0.06
Demographic assumption:		
Mortality rate	IALM Ultimate	IALM Ultimate
	(2006-08)	(2006-08)
Attrition rate	0.02	0.02
Retirement age	60 Years	60 Years
Sensitivity analysis		
The sensitivity of the overall plan liabilities to changes in the weighted key		
assumptions are:		
Discount rate		
a) Discount rate - 100 basis points	30.04	27.63
b) Discount rate + 100 basis points	(26.65)	(23.25)
Salary escalation rate		
a) Rate - 100 basis points	(27.34)	(22.37)
a) Rate + 100 basis points	30.30	23.66

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
The major categories of plan asset are as follows:		
Equities	0%	0%
Bonds	0%	0%
Gilts	0%	0%
Pooled assets with an insurance company	100%	100%
Other	0%	0%
	100%	100%

The defined benefit obligations shall mature after year end March 31, 2017 as follows:		
Year 1	34.92	20.60
Year 2	14.99	33.87
Year 3	24.87	18.73
Year 4	21.74	13.50
Year 5	42.00	14.13
Year 6-10	257.36	244.49

The weighted average duration of the defined benefit obligation is 8.40 years (Previous Year 2017: 8.56 years).

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

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

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

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

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

42 Financial instruments

The details of siginificant accounting policies, including crieteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 37 and 38.

Financial assets and liabilities

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

a. Financial assets

Instruments carried at fair value **(₹ in Lakhs)**

Particulars	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL	Instruments carried at amortized cost	Total carrying value	Total fair value
As at 31st March, 2017						
Investments	19,529.31	27,703.31	6,878.45	-	54,111.07	54,111.07
Trade receivables	-	-	-	2,663.97	2,663.97	2,663.97
Cash and cash equivalents	-	-	-	374.74	374.74	374.74
Other Bank balances	-	-	-	58.06	58.06	58.06
Loans	-	-	-	2,899.58	2,899.58	2,899.58
Other financial assets	-	-	-	1,252.12	1,252.12	1,252.12
Total	**19,529.31**	**27,703.31**	**6,878.45**	**7,248.47**	**61,359.54**	**61,359.54**
As at 31st March, 2018						
Investments	24,363.57	30,015.29	6,895.22	-	61,274.08	61,274.08
Trade receivables	-	-	-	3,452.03	3,452.03	3,452.03
Cash and cash equivalents	-	-	-	148.77	148.77	148.77
Other Bank balances	-	-	-	39.68	39.68	39.68
Loans	-	-	-	3,962.55	3,962.55	3,962.55
Other financial assets	-	-	-	870.26	870.26	870.26
Total	**24,363.57**	**30,015.29**	**6,895.22**	**8,473.29**	**69,747.37**	**69,747.37**

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

b. Financial liabilities (₹ in Lakhs)

Particulars	Fair value through profit and loss	At amortized cost	Total carrying amount (A+B)	Total fair value
As at 31st March, 2017				
Borrowings	-	357.01	357.01	357.01
Trade payables	-	2,557.40	2,557.40	2,557.40
Other financial liabilities	-	66.20	66.20	66.20
Total	**-**	**-**	**2,980.61**	**2,980.61**
As at 31st March, 2018				
Borrowings	-	394.87	394.87	394.87
Trade payables		3,431.18		3,431.18
Other financial liabilities	-	142.51	142.51	142.51
Total	**-**	**3,968.56**	**3,968.56**	**3,968.56**

c. Fair value hierarchy

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

The categories used are as follows:

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

The below table summarises the categories of financial assets and liabilities as at March 31, 2018, and March 31, 2017 measured at fair value:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
As at 31st March, 2017				
Assets at fair value				
Equities				
Equity Instruments	10,892.91	8,636.40	-	19,529.31
Debt				
Real Estate Fund	-	4,980.75	-	4,980.75
Structured Products	-	1,407.50	-	1,407.50
Liquid Mutual Funds	490.20	-	-	490.20
Preference Shares	-	-	3,000.00	3,000.00
Government Bonds	4,497.50	-	-	4,497.50
Bonds	18,366.34	-	-	18,366.34
Non Convertible Debentures	-	1,839.48	-	1,839.48
	34,246.95	**16,864.13**	**3,000.00**	**54,111.08**
As at 31st March, 2018				
Assets at fair value				
Equities				
Equity Instruments	13,534.82	10,828.74	-	24,363.56
Debt				
Real Estate Fund	-	4,862.82	-	4,862.82
Structured Products	-	1,570.42	-	1,570.42
Liquid Mutual Funds	2.49	-	-	2.49
FMP Mutual fund	459.48	-	-	459.48
Preference Shares	-	-	5,503.81	5,503.81
Government Bonds	4,424.90	-	-	4,424.90
Bonds	19,039.42	-	-	19,039.42
Non Convertible Debentures	-	1,047.16	-	1,047.16
	37,461.11	**18,309.14**	**5,503.81**	**61,274.06**

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Fair value of financial assets and liabilities measured at amortised cost:- **(₹ in Lakhs)**

	As at 31st March, 2017		As at 1st April, 2016	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Trade receivables	3,452.03	3,452.03	2,663.97	2,663.97
Cash and cash equivalents	148.77	148.77	374.74	374.74
Other Bank balances	39.68	39.68	58.06	58.06
Loans	3,962.55	3,962.55	2,899.58	2,899.58
Other financial assets	870.26	870.26	1,252.12	1,252.12
	8,473.29	8,473.29	7,248.47	7,248.47
Financial liabilities				
Borrowings	394.87	394.87	357.01	357.01
Trade payables	3,431.18	3,431.18	2,557.40	2,557.40
Other financial liabilities	142.51	142.51	66.20	66.20
	3,968.56	3,968.56	2,980.61	2,980.61

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

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

43 Income Taxes

A. Components of Income Tax Expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Tax expense recognised in the Statement of Profit and Loss		
i) Current tax		
Current year	368.55	462.21
Tax provision of earlier years	(72.83)	-
Total current tax	**295.72**	**462.21**
ii) Deferred tax		
Relating to origination and reversal of temporary difference	(3.87)	249.23
Total deferred income tax expense/(credit)	**(3.87)**	**249.23**
Total (i)+(ii)	**291.85**	**711.44**
(b) Tax on Other Comprehensive Income		
i) Tax relating to items that will not be reclassified to profit or loss		
Tax on reliazed gain of equity instruments	(218.32)	(83.71)
Tax on remeasurements of net defined benefit plans	(11.12)	20.91
Tax on equity instrument through other comprehensive income	171.37	(1,216.05)
	(58.07)	**(1,278.85)**
ii) Income tax on items that will be reclassified to profit or loss		
Tax on debt instrument through other comprehensive income	266.83	(415.06)
	266.83	**(415.06)**
Total (i)+(ii)	**208.76**	**(1,693.91)**

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

43 Income Taxes

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

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A reconciliation between the statutory income tax rate applicable to the Company		
and the effective income tax rate of the Company is as follows:		
Profit before tax	**2,829.21**	**3,199.97**
Enacted income tax rate in India	34,608%	34,608%
Expected Income tax expense during the year at statutory rate	979.14	1,107.45
Differences due to:		
Expenses not deductible for tax purposes	32.98	82.08
Exempt Income	(335.82)	(401.85)
Tax provision of earlier years	(72.83)	-
Impact of Minimum alternate tax	(375.34)	(76.24)
Tax Rate Difference etc.	63.72	-
Effective tax expenses	**291.85**	**711.44**

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

Movement during the year ended March 31, 2017	As at 1st April, 2016	Credit/ (charge) in statement of Profit and Loss	Credit/ charge) in Other Comprehensive Income	As at 31st March, 2017
Deferred tax assets/(liabilities)				
On Provision for Diminution in value of Investments	69.21	(69.21)	-	-
On expenses allowable for tax purposes when paid	22.42	1.73	-	24.15
On depreciation	(1,154.79)	(82.01)	-	(1,236.80)
On other provisions	128.15	(128.15)	-	-
On fair valuation of financial assets	(2,497.16)	28.40	(1,631.12)	(4,099.88)
Total	**(3,432.17)**	**(249.24)**	**(1,631.12)**	**(5,312.53)**

Movement during the year ended March 31, 2018	As at 31st April, 2017	Credit/ (charge) in statement of Profit and Loss	Credit/ charge) in Other Comprehensive Income	As at 31st March, 2018
On Provision for Diminution in value of Investments	-	-	-	-
On expenses allowable for tax purposes when paid	24.15	2.87	-	27.02
On depreciation	(1,236.80)	131.93	-	(1,104.87)
On other provisons	-	-	-	-
On fair valuation of financial assets	(4,099.88)	(130.94)	438.22	(3,792.60)
Total	**(5,312.53)**	**3.86**	**438.22**	**(4,870.45)**

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

44 Risk Management

Financial risk management objective and policies

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

A. Financial risk factors

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

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

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

(a) Liquidity risk

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

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

(i) Financing arrangements

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Secured working capital credit facility from Banks	250.43	1,349.24

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(ii) The following is the contractual maturities of the financial liabilities: (₹ in Lakhs)

Particulars	Carrying amount	Total	Payable on demand	Less than 1 month	1-6 months	more than 12 months
As at 31st March, 2017						
Non-derivative liabilities						
Borrowings	357.01	357.01	-	5.70	5.45	345.86
Trade payables	2,557.40	2,557.40	-	405.95	2,151.46	-
Other financial liabilities	66.20	66.20	-	66.20	-	-
As at 31st March, 2018						
Non-derivative liabilities						
Borrowings	394.87	394.87	-	94.87	10.23	289.77
Trade payables	3,431.18	3,431.18	-	1,398.89	2,032.29	-
Other financial liabilities	142.51	142.51	-	142.51	-	-

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk and commdity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

(i) Foreign currency risk

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company does have transactions in currency other than fuctional currency i.e. in US Dollar (USD) for purchase of raw materials from overseas supplier. However, those are not very significant considering the nature and size of the operations of the Company .

Foreign Currency Exposure (₹ in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	USD	EURO	USD	EURO
Trade payable	2.12	-	0.38	-
Buyers Credit	0.45	-	1.15	-
Advance from Customer	0.28	-	0.08	0.05
Trade Receivable	2.92	-	2.00	-
Advance to suppliers	0.96	-	0.28	-
Net Exposure - [Receivable/(Payable)]	**1.03**	**-**	**0.67**	**(0.05)**

The company's exposure to the foreign currency risk is not significant cosniderig the nature and size of the operations.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's Long term borrowings have fixed rate of interest and carried at amortized costs and short term borrowings have variable rate of interest. The Company also has significant investments in Bonds i.e. Government securities; Debentures; Preference shares, Debt and other funds. These investments are subject to the Market risk - Interest rate risk.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Exposure to Interest rate risk - Financial liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017
Total borrowings	250.43	136.18
% of borrowings out of above bearing variable rate of interest and		
short term in nature	80.11%	76.80%

Hence, the Company is not siginificantly exposed to the interest rate risk as working capital facility are, as per contractual terms, primarily of short term in nature.

Exposure to Interest rate risk - Financial assets - Investments in Government Bonds, Bonds, Debentures, Preference Shares, Debt and other funds

Market price risk for government bonds, bonds ,debentures, Preference shares, debt and other funds is movement in the interest rate and impact thereof on the yield. The Company's major part of investments is deployed in Bonds/Debentures, which exposes Company to a price risk and consequently impact on the profitability and value of instruments

Sensitivity

The table below summrises the impact of increase/decrease in the interest rate over the value of bonds/debentures. The analysis is based on the assumption that the Interest rate has increased by 100 bps or decrease by 100 bps with all other variables held constant.

(₹ in Lakhs)

Impact on profit before tax	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Increase of 100 bps -Gain/(loss)	(1,767.00)	(1,658.71)
Decrease of 100 bps-Gain/(loss)	1,767.00	1,658.71

(iii) Price Risk

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. To manage its price risk arising from its investments , the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company with the guidelines provided by the Board of directors of the Company.

Exposure

Nature of Investments	As at 31st March, 2018 Amount	%	As at 31st March, 2017 Amount	%
Equities				
Equity Instruments	24,363.57	39.76%	19,529.31	36.09%
Debt				
Real Estate Fund	4,862.82	7.94%	4,980.75	9.20%
Structured Products	1,570.42	2.56%	1,407.50	2.60%
Liquid Mutual Funds	2.49	0.00%	490.20	0.91%
Mutual fund (FMP)	459.48	0.75%	-	0.00%
Preference Shares	5,503.81	8.98%	3,000.00	5.54%
Government Bonds	4,424.90	7.22%	4,497.50	8.31%
Other Bonds	19,039.42	31.07%	18,366.34	33.94%
Non Convertible Debentures	1,047.16	1.71%	1,839.48	3.40%
Total	**61,274.07**	**100.00%**	**54,111.08**	**1000.00%**

Investments in Equity Instruments and Equity mutual funds (including investment through Private Equity funds)

The Company's quoted equity instruments are subject to the market price risk arising from the fluctuation in the market price of those instruments. This risk arises from instruments which are classified as Fair value through P&L or Fair value through OCI.

Sensitivity

The table below summarises the impact of Increase/decrease of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5% or decrease by 5% with all other variables held constant and that all the Company's equity instruments moved in line with the index.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Impact on total comprehensive income	For the year ended 31st March, 2018	For the year ended 31st March, 2017
BSE Sensex - Increase 5% -Gain/(loss)	1,296.70	1,046.84
BSE Sensex - Decrease 5% -Gain/(loss)	(1,296.70)	(1,046.84)

(c) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations

(iv) Significant increase in credit risk on other financial instruments of same counterparty

(I) Expected credit loss for trade receivables under simplified approach (₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Not Due	2,917.77	2,172.01
0-90 days	369.45	401.49
90-180 Days	112.52	85.69
> 180 Days	52.29	4.78
Total	3,452.03	2,663.97

Commodity Risk

The Company is exposed to the risk of price fluctuation of raw materials proactively managed through forward booking, inventory management and proactive vendor development practices.

45 Risk Management

(a) Capital risk management

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which includes capital and other strategic investments. The Company's intention is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital. (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Total equity	74,018.16	69,327.91
Net Debt	246.10	-
Total Capital (Borrowings and Equity)	**74,264.26**	**69,327.91**
Gearing Ratio	**0.33%**	**0.00%**

(I) Net debt represents total borrowings (non-current & current) as reduced by cash and cash equivalents.
(ii) Equity comprises of all components incuding other comprehensive income.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(b) Dividend Payment **(₹ in Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Final dividend for the year F.Y. 2016-17 ₹ 0.50 per equity share of ₹ 5 each F.Y. 2015-16 ₹ 1 per equity share of ₹ 10 each	73.85	49.23

The Board of directors of the company has recommended the payment of dividend on equity shares of ₹ 5 each @ ₹ 0.50 per share for the F.Y. 2017-18.This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

46 Related Party Disclosure are given below:

(i) Group Companies/ Joint Venture and Enterprises where KMP's / Relative of KMP's have significant influence with whom transactions have been entered during the year in the ordinary course of the business:

Rasoi Ltd.
J L Morison (India) Ltd.
Pallawi Resources Ltd..
Pallawi Trading & Mfg. Co. Ltd.
Look Link Finance Ltd.
Noble Trading Co. Ltd.
Lotus Udyog Ltd.
Surdas Trading & Mfg. Co. Ltd.
Leaders Healthcare Ltd.
Goodpoint Advisory Services LLP (w.e.f. 29th Nov, 2017, previously known as Goodpoint Advisory Services and Investments Ltd.)
Axon Trading & Mfg. Co. Ltd.
Silver Trading & Services Ltd.
Rasoi Express Pvt. Ltd.
Compo Advics (India) Pvt. Ltd. (Joint Venture)

(ii) Key Management Personnel (KMP):

Whole Time Directors

Mr. Raghu Mody, Executive Chairman
Mr. P. K. Choudhary, Managing Director

Chief Financial Officer (CFO)

Mr. Sunil Jindal, Chief Financial Officer

Company Secretary

Mr. Amit Goenka, V.P. Finance & Company Secretary (resigned as Company Secretary w.e.f. 7th May, 2018)
Mr. Vikram Soni, Company Secretary and Compliance Officer (appointed w.e.f. 8th May, 2018)

(iii) Relatives of Key Managerial Personnel / Directors:

Mrs. Shashi Mody (Daughter-in-law of Mr. Raghu Mody, Executive Chairman)
Mr. Varunn Mody, (Husband of Smt. Sakshi Mody, Non Executive Director)

(iv) Non Executive Directors

Mr. Ashok B Vadiya, Independent Director
Mr. Kuldeep Singh Digamber Brar, Independent Director
Mr. Keith Marshall Robinson, Independent Director - (ceased w.e.f. 11th January 2018)
Mr. Deepak Sethi, Indeoendent Director
Mrs. Shakshi Mody, Non Executive Director
Mr. Chakrapani B. Misra - (appointed w.e.f. 23rd May 2017)

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(A) Related party transactions with Group Companies/Joint Venture/KMP's/ Relative of KMP's/Enterprises where KMP and Relatives of KMP have significant influence during the year:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Rent Deposit Given		
Rasoi Limited	Nil	350.00
Rent Paid		
Rasoi Limited	0.60	2.00
J L Morison (India) Limited *	14.98	13.20
Pallawi Resources Limited *	4.22	4.14
Mr. Varunn Mody*	16.48	14.03
* Including Service Tax / GST		
Income		
Compo Advics (India) Pvt. Ltd.		
Marketing Fees and Royalty	10.23	30.11
Reimbursement of expenses	18.28	39.84
Investment		
Compo Advics (India) Pvt. Ltd. (Purchase of Preference Shares)	490.00	-
Others		
Rasoi Express Pvt. Ltd. (Purchase of Air Ticket)	105.06	89.51
Compo Advics (India) Pvt. Ltd. (Sale of Raw Material(Net))	3.42	20.22
Mrs. Shashi Mody (Sale of Shares)	Nil	60.00
Leaders Health Care Ltd. (Advisory Services taken)	Nil	10.00
Dividend Received		
J L Morison (India) Limited	2.73	2.73
Rasoi Limited	3.31	3.31
Dividend Given		
Rasoi Limited	30.76	20.51
J L Morison (India) Limited	5.54	3.69
Leaders Health Care Ltd.	12.38	8.25
Others	6.69	4.46
Salaries And Other Employee Benefits To Whole Time Directors and KMP	**337.23**	**297.06**
Salaries And Other Employee Benefits To Relatives Of Key Managerial Personnel	**23.92**	**11.34**

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(B) Closing Balances:		
Receivable:		
Compo Advics (India) Pvt. Ltd.	38.67	65.04
Mrs. Shashi Mody	Nil	60.00
Mr. Varunn Mody	6.60	6.60
Payable:		
Rasoi Express Pvt. Ltd.	4.60	4.18
Investment in:		
J L Morison (India) Limited	515.49	515.49
Rasoi Limited	856.40	856.40
Compo Advics (India) Pvt. Ltd.	980.00	490.00

Note:

I) No amount pertaining to related parties has been provided for as doubtful debts. Also no amount has been written off/back

ii) The related parties are as identified by the Company and relied upon by the Auditors.

47 (a) Loans and Advances in nature of loans.

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Loans where there is no interest or at an interest rate below that		
specified in the Companies Act, 2013.		
Amount Outstanding end of the year		
Employees (as per general rules of the Company)	7.89	4.03
Employees' Welfare Trust	Nil	930.00
Maximum amount Outstanding During the Year		
Employees (as per general rules of the Company)	11.58	6.16
Employees' Welfare Trust	-	1,130.00
(b) Details of Short Term Inter Corporate Deposits (ICD): #		
Gillanders Arbuthnot & Co. Ltd.	800.00	300.00
Igl Infrastructure Pvt. Ltd.	-	300.00
Jagatdal Jute & Industries Ltd.	-	100.00
International Conveyors Ltd.	250.00	450.00
Globe Financial Services Pvt. Ltd.	150.00	15.00
Pitti Laminations Ltd.	300.00	300.00
India Glycols Ltd.	1,300.00	500.00
Premier Irrigation Adritec Pvt. Ltd.	250.00	-
Kothari Medical Centre	200.00	-
Elpro International Ltd.	200.00	-
Wearit Global Ltd.	500.00	-
Total	**3,950.00**	**1,965.00**

#Inter corporate deposits (ICD) given for general corporate purpose of the borrowing company on interest in the range of 11.50% to 15% (Previous Year 11.50% to 15%).

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

48 Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.

(₹ in Lakhs)

Particulars	As At March 2016	Cash Flow	Non-Cash Changes	As At March 2017	Cash Flow	Non-Cash Changes	As At March 2018
Long Term Borowing	394.04	(31.17)	-	362.87	(69.81)	-	293.06
Short Term Borowing	108.56	(3.97)	-	104.59	96.04	-	200.63

49 The Company has made an investment of ₹ 980 lakhs (Previous Year ₹ 490 lakhs) in Compo Advics (India)Private Limited, a Joint Venture Company with Advics North India Private Limited, which has accumulated losses of ₹ 721.89 lakhs (Being Company's Share i.e. 49%). In the view of accumulated losses in Compo Advics India Private Limited, there is diminution in the value of Company's investment. However, as these investment are long term and of strategic nature and there being visible improvements in the year 2017-18 (diminution being temporary), no provision is considered necessary.

50 Post the applicability of Goods and Service Tax (GST) with effect from 1 July 2017, revenue from operations are disclosed net of GST, whereas Excise duty formed part of other expenses in previous year. Accordingly, the revenue from operations and other expenses for the year ended 31 March 2018 are not comparable with the previous year presented in the financial.

51 Previous years' figures have been regrouped/reclassified whenever necessary to conform to current years' classification. Figures in brackets pertain to previous year.

Signatures to Notes 1 to 51 which form an integral part of the financial statements.

For and on behalf of the Board of Directors

Raghu Mody
Chairman
(DIN 00053329)

P.K. Choudhary
Managing Director
(DIN 00535670)

Vikram Soni
Company Secretary & Compliance Officer
Membership No. A36705

Sunil Jindal
Chief Financial Officer

Place: Mumbai
Date: 8th May 2018

Independent Auditors' Report

To The Members of,
Hindustan Composites Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of "Hindustan Composites Limited" (Hereinafter referred to as "the Parent Company"), and its joint venture (the Parent Company, and its joint venture together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31st, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position and consolidated financial performance including Other comprehensive income, consolidated cash flows statement and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including Ind AS, of the consolidated state of affairs of the Group as at 31st March, 2018, and its consolidated financial performance (including other comprehensive income), consolidated statement of cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters:

(a) We did not audit the financial statements of a joint venture in India included in the consolidated financial statements, whose financial statements reflect the Group's share of loss of ₹ 237 Lacs for the year ended 31st March, 2018. These financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture and our report in

terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditors.

(b) Opening balances have been considered based on the audited financial statements issued by the other auditors whose un-qualified audit report dated 23rd May, 2017 have been furnished to us.

Report on Other Legal and Regulatory Requirements

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

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2018 taken on record by the Board of Directors of the Parent Company and the jointly controlled company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note no. 30(b) to the consolidated Ind AS financial statements.

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date : 8th May, 2018

ANNEXURE "A"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIATED FINANCIAL STATEMENTS OF HINDUSTAN COMPOSITES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") In conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended March 31st, 2018, we have audited the internal financial controls over financial reporting of Hindustan Composites Limited ("the Parent Company") and a jointly controlled entity.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Group has brodely, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2018, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai
Date : 8th May, 2018

Arun Bagaria
Partner
Membership No. 036732

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	1	12,237.24	12,382.44
(b) Capital work-in-progress	1.1	11.50	41.73
(c) Other Intangible assets	2	4.39	5.65
(d) Financial assets			
(i) Investments	3	58,414.14	52,876.22
(ii) Other financial assets	4	75.44	63.18
(e) Other non-current assets	5	67.73	3,225.00
Total non-current assets		**70,810.44**	**68,594.22**
Current assets			
(a) Inventories	6	1,108.59	903.10
(b) Financial assets			
(i) Investments	7	2,100.42	744.85
(ii) Trade receivables	8	3,452.03	2,663.97
(iii) Cash and cash equivalents	9	148.77	374.74
(iv) Other bank balances	10	39.68	58.06
(v) Loans	11	3,962.55	2,899.58
(vi) Other financial assets	12	794.82	1,188.93
(c) Other current assets	13	124.58	210.69
Total current assets		**11,731.44**	**9,043.92**
Total assets		**82,541.88**	**77,638.14**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	738.45	492.30
(b) Other equity	15	72,520.19	68,312.59
Total equity		**73,258.64**	**68,804.89**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Borrowings	16	194.26	252.42
(b) Provisions	17	115.15	86.10
(c) Deferred tax liabilities (net)		4,870.45	5,312.53
(d) Other Non Current Liabilities	18	71.66	165.78
Total non-current liabilities		**5,251.52**	**5,816.83**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	200.62	104.58
(ii) Trade payables	20	3,431.18	2,557.41
(iii) Other financial liabilities	21	142.50	187.51
(b) Other current liabilities	22	146.59	66.20
(c) Provisions	23	37.45	54.01
(d) Current tax liabilities (Net)	24	73.38	46.71
Total current liabilities		**4,031.72**	**3,016.42**
Total equity and liabilities		**82,541.88**	**77,638.14**
Significant accounting policies	**A**		
See accompanying notes to the financial statements	**B (1 - 37)**		

As per our attached report of even date

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date: 8th May 2018

For and on behalf of the Board of Directors

Raghu Mody
Chairman
(DIN 00053329)

P.K. Choudhary
Managing Director
(DIN 00535670)

Vikram Soni
Company Secretary & Compliance Officer
Membership No. A36705

Sunil Jindal
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

	Particulars	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
I	Revenue from operations	25	20,335.95	18,162.38
II	Other income	26	44.77	110.54
III	**Total revenue (I + II)**		**20,380.72**	**18,272.92**
IV	**Expenses**			
	Cost of materials consumed	27	7,933.96	5,952.08
	Changes in inventories of finished goods and work-in-progress	28	(51.55)	(93.52)
	Excise duty		418.20	1,544.68
	Employee benefits expense	29	2,822.86	2,418.73
	Finance costs	30	30.82	19.75
	Depreciation and amortization expense	1.1	863.52	771.04
	Other expenses	31	5,533.70	4,460.19
	Total expenses		**17,551.51**	**15,072.95**
V	**Profit before tax and share of joint venture (III - IV)**		**2,829.21**	**3,199.97**
VI	**Share of (loss) of joint venture**		**(236.50)**	**(167.08)**
VII	**Profit before tax (V - VI)**		**2,592.71**	**3,032.89**
VIII	**Tax expenses**			
	Current tax		368.55	462.21
	Deferred tax		(3.87)	249.23
	Tax provision of earlier years		(72.83)	-
	Total Tax Expenses		**291.85**	**711.44**
IX	**Profit for the year**		**2,300.86**	**2,321.45**
X	**Other comprehensive income**			
	A. (i) Items that will not be reclassified to profit or loss		2,428.07	3,880.54
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(58.07)	(1,278.85)
	B. (i) Items that will be reclassified to profit or loss		(395.07)	1,209.51
	(ii) Income tax on items that will be reclassified to profit or loss		266.83	(415.06)
XI	**Total comprehensive income for the year**		**4,542.62**	**5,717.59**
	Earnings per equity share of ₹ 5 each (Basic and Diluted)	**34**	**15.58**	**15.72**
	Significant accounting policies	**A**		
	See accompanying notes to the financial statements	**B (1 - 37)**		

As per our attached report of even date

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date: 8th May 2018

For and on behalf of the Board of Directors

Raghu Mody
Chairman
(DIN 00053329)

P.K. Choudhary
Managing Director
(DIN 00535670)

Vikram Soni
Company Secretary & Compliance Officer
Membership No. A36705

Sunil Jindal
Chief Financial Officer

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	**Cash flow from operating activities:**			
	Net profit before tax		**2,592.72**	**3,032.90**
	Adjustment to reconcile profit before tax to net cash flows			
	Depreciation		863.52	771.04
	Net gain on sale / fair valuation of investments through profit and loss		(2,490.67)	(2,631.19)
	(Profit)/Loss on Sale of property, plant and equipment (net)		6.28	(57.58)
	Remeasurements of defined benefit plans		52.13	(60.43)
	Interest expenses		30.82	19.75
	Advances written off		-	70.00
	Operating profit before working capital changes		**1,054.80**	**1,144.49**
	Adjustment for			
	(Increase)Decrease in Trade and other receivable		3,869.76	279.27
	(Increase)Decrease in Inventories		(205.49)	(234.00)
	(Decrease)Increase in Trade and other payables		918.55	260.15
	Cash generated from operations		**5,637.62**	**1,449.91**
	Direct taxes paid (net)		(598.00)	(483.15)
	Net cash generated from operating activities		**5,039.62**	**966.76**
B	**Cash generated from investing activities**			
	Purchase of property, plant and equipment		(712.95)	(1,209.37)
	Proceeds from sale of property, plant and equipment		19.84	80.77
	Purchase of investments (net)		(5,259.05)	(2,012.14)
	Investment in Joint Venture		(490.00)	-
	(Increase)/decrease in inter- corporate deposits		(1,985.00)	(765.00)
	Income from Investment (net)		3,255.01	3,133.38
	Net cash flow (used in) from investing activities		**(5,172.15)**	**(772.36)**
C	**Cash generated from financing activities**			
	Proceeds/(repayment) from long-term borrowings (net)		(69.81)	(31.17)
	Proceeds/(repayment) from short-term borrowings (net)		96.04	(3.97)
	Dividend paid (including corporate dividend tax)		(88.88)	(59.25)
	Interest paid		(30.77)	(19.66)
	Cash generated from financing activities		**(93.42)**	**(114.05)**
D	**Net Increase/ Decrease in cash and cash equivalent (A+B+C)**		**(225.95)**	**80.35**
	Cash and Cash equivalents			
	At the beginning of the year		374.74	294.39
	At the end of the year		148.79	374.74

Notes:-

The above cash flow statement has been prepared by using indirect method as per Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

Significant accounting policies **A**

See accompanying notes to the financial statements **B (1 - 37)**

As per our attached report of even date

For and on behalf of the Board of Directors

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date: 8th May 2018

Raghu Mody
Chairman
(DIN 00053329)

P.K. Choudhary
Managing Director
(DIN 00535670)

Vikram Soni
Company Secretary & Compliance Officer
Membership No. A36705

Sunil Jindal
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

	Particulars	Amount
(a)	**Equity Share Capital**	
	Balance as at 1st April, 2017	**492.30**
	Changes in share capital during the year	246.15
	Balance as at 31st March, 2018	**738.45**

(b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income			Total
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Acturial gain/ (loss)	
Balance as at 1st April, 2016	**57.70**	**55,796.28**	**237.31**	**1,014.09**	**5,573.21**	**(24.34)**	**62,654.25**
Profit for the year	-	-	2,321.46	-	-	-	2,321.46
Other comprehensive income for the year (Net)	-	-	-	794.45	2,641.20	(39.51)	3,396.14
Dividend paid during the year	-	-	(49.23)	-	-	-	(49.23)
Corporate dividend tax paid	-	-	(10.02)	-	-	-	(10.02)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
Balance as at 31st March, 2017	**57.70**	**57,296.28**	**999.52**	**1,808.54**	**8,214.41**	**(63.85)**	**68,312.60**
Profit for the year	-	-	2,300.87	-	-	-	2,300.87
Other comprehensive income for the year (Net)	-	-	-	(128.25)	2,328.99	41.01	2,241.75
Amount transferred in respect of realised gain (Net)	-	-	3,477.93	-	(3,477.93)	-	-
Amount utilised towards issue of bonus shares	-	(246.15)	-	-	-	-	(246.15)
Dividend paid during the year	-	-	(73.85)	-	-	-	(73.85)
Corporate dividend tax paid	-	-	(15.03)	-	-	-	(15.03)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
Balance as at 31st March, 2018	**57.70**	**58,550.13**	**5,189.44**	**1,680.29**	**7,065.47**	**(22.84)**	**72,520.19**

Refer note 15 for nature and purpose of the reserves.

Significant accounting policies **A**

See accompanying notes to the financial statements **B (1 - 37)**

As per our attached report of even date

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

Arun Bagaria
Partner
Membership No. 036732

Place: Mumbai
Date: 8th May 2018

For and on behalf of the Board of Directors

Raghu Mody
Chairman
(DIN 00053329)

P.K. Choudhary
Managing Director
(DIN 00535670)

Vikram Soni
Company Secretary & Compliance Officer
Membership No. A36705

Sunil Jindal
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

CORPORATE OVERVIEW

The consolidated financial statements comprise financial statements of Hindustan Composites Limited (the Group) is a public limited Company and its joint venture, namely Compo Advics (India) Pvt. Ltd., (collectively referred to as "the Group") for the year ended 31 March 2018. The groups share in the Joint Venture is 49%.

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

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

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

A. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

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

The consolidated financial statements of the Group are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

i) Certain financial assets and liabilities are measured at Fair value (refer note no. 40 financial instruments)

ii) Defined benefit employee plan (refer note no. 39)

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

b) Uses of estimates and judgments

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

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

Critical accounting judgements and key source of estimation uncertainty

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

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

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

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

(b) Provisions and liabilities

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

(c) Contingencies

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

(d) Measurement of defined benefit obligations

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

c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its joint venture as at 31 March 2017.

Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

Distributions received from an associate or a joint venture reduce the carrying amount of the investment. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the assets transferred.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

d) Property, plant and equipment and Intangible assets

Property, plant and equipment

Freehold land is carried at cost. All other items of

property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

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

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

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

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

Intangible assets

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

Depreciation/ amortisation methods, estimated useful lives and residual value

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

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

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

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

e) As a lessee

Operating Lease

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

f) Cash and Cash Equivalents

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

g) Inventories

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

h) Financial Instruments

Financial assets - Initial recognitionFinancial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

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

(i) **Measured at amortised cost:** Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Measured at fair value through other comprehensive income (FVTOCI):** Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

(iii) **Measured at fair value through profit or loss (FVTPL):** Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

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

Impairment : The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a signifi cant increase in credit risk.For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognised in Statement of Profit and Loss.

De-recognition: The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

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

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

Derivative financial instruments

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

i) Fair Value Measurement

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

- ✓ In the principal market for the asset or liability, or
- ✓ In the absence of a principal market, in the most advantageous market for the asset or liabilityThe

principal or the most advantageous market must be accessible by the Group.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

- ✓ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ✓ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ✓ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservableFor assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

j) Borrowings

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method.

k) Borrowing costs

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

l) Provisions and contingent liabilities

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

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

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

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

m) Revenue recognition

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

Sale of goods -

Timing of recognition: Sales are recognised when substantial risk and rewards of ownership are transferred to customer. In case of domestic sales take place when goods are dispatched or delivery is handed over to customer's logistics. In case of export sales take place when goods are shipped on-board, based on bill of lading.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Dividend income

Dividend income is recognised when the Group's right to receive the payment has been established.

n) Employee Benefits

The Group provides following post-employment plans:(I) Defined benefit plans such as gratuity and pension &(ii) Defined contribution plans such as Provident fund"

a) Defined-benefit plan:

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of the plan assets. The defined benefit obligations is calculated annually by actuaries using the projected unit credit method.The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and (b) Net interest expense or income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of the plan assets. This cost is included in employee benefit expenses in the consolidated statement of the profit & loss. Re-measurement comprising of actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions, the effect of asset excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

b) Defined-contribution plan

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

c) Other employee benefit

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

o) Foreign Currency Transaction

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

p) Income tax

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

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

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial

recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

q) Segment Reporting

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

r) Research and Development

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

s) Earnings Per Share

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

t) New standards and interpretations not yet adopted
Ind AS 115 Revenue from Contracts with Customers

Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015. The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions - and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

u) Amendment to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The above standard is applicable from 1st April 2018 i.e. Financial Year 2018-19 and not expected to have any significant impact on the Company's Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018

B. NOTES ON ACCOUNTS :

1 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
Gross Carrying Amount :								
Balance as at 1st April, 2016	**290.41**	**1.56**	**8,974.72**	**2,477.16**	**517.24**	**298.22**	**101.23**	**12,660.54**
Additions	-	-	177.31	836.00	46.22	92.72	13.26	1,165.51
Adjustments / Disposals	8.30	-	-	10.00	-	4.90	-	23.20
Balance as at 31st March, 2017	**282.11**	**1.56**	**9,152.03**	**3,303.16**	**563.46**	**386.04**	**114.49**	**13,802.85**
Additions	-	-	20.05	600.02	27.57	74.30	23.51	745.45
Adjustments / Disposals	-	-	-	189.06	3.37	85.76	16.69	294.88
Balance as at 31st March, 2018	**282.11**	**1.56**	**9,172.08**	**3,714.12**	**587.66**	**374.58**	**121.31**	**14,253.42**
Accumulated Depreciation :								
Balance as at 1st April, 2016	**-**	**0.02**	**163.33**	**340.09**	**60.48**	**52.94**	**34.36**	**651.22**
Depreciation charge for the year	-	0.02	170.19	448.55	62.90	59.10	28.43	769.19
Adjustments / Disposals	-	-	-	-	-	-	-	-
Balance as at 31st March, 2017	**-**	**0.04**	**333.52**	**788.64**	**123.38**	**112.04**	**62.79**	**1,420.41**
Depreciation charge for the year	-	0.02	169.67	538.31	68.83	59.38	26.05	862.26
Adjustments / Disposals	-	-	-	186.80	3.37	59.63	16.69	266.49
Balance as at 31st March, 2018	**-**	**0.06**	**503.19**	**1,140.15**	**188.84**	**111.79**	**72.15**	**2,016.18**
Net Carrying Amount :								
As at 31st March 2017	**282.11**	**1.52**	**8,818.51**	**2,514.52**	**440.08**	**274.00**	**51.70**	**12,382.44**
As at 31st March 2018	**282.11**	**1.50**	**8,668.89**	**2,573.97**	**398.82**	**262.79**	**49.16**	**12,237.24**

Notes:

(I) Lease period for land of ₹ 0.80 lakhs is valid till 31/01/2079 and land of ₹ 0.76 lakhs is valid till 30/04/2081.

(ii) Buildings includes eight flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.

(iii) Include certain vehicles for ₹ 72.22 lakhs (previous year ₹ 54.93 lakhs) acquired on hire purchase basis.

1.1 Capital work-in-progress

	As at 31st March, 2018	As at 31st March, 2017
Plant & Equipment under installation	11.50	41.73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Technical Know-How	Computer Software	Total
2	**Other Intangible assets**			
	Gross Carrying Amount :			
	Balance as at 1st April, 2016	**0.32**	**7.15**	**7.47**
	Additions	-	2.13	2.13
	Adjustments / Deductions	-	-	-
	Balance as at 31st March, 2017	**0.32**	**9.28**	**9.60**
	Additions	-	-	-
	Adjustments / Deductions	0.32	-	0.32
	Balance as at 31st March, 2018	**-**	**9.28**	**9.28**
	Accumulated Depreciation :			
	Balance as at 1st April, 2016	**0.32**	**1.79**	**2.11**
	Depreciation charge for the year	-	1.84	1.84
	Adjustments / Deductions	-	-	-
	Balance as at 31st March, 2017	**0.32**	**3.63**	**3.95**
	Depreciation charge for the year	-	1.26	1.26
	Adjustments / Deductions	0.32	-	0.32
	Balance as at 31st March, 2018	**-**	**4.89**	**4.89**
	Net Carrying Amount :			
	Balance as at 31st March, 2017	**-**	**5.65**	**5.65**
	Balance as at 31st March, 2018	**-**	**4.39**	**4.39**

	Particulars	As at 31st March, 2018	As at 31st March, 2017
3	**Non Current Investments (Refer Notes No.39)**		
	Equities		
	Investment in Joint venture	490.00	134.05
	Less: Share of loss for the period	(269.52)	(134.05)
	Interest in Joint venture	**220.48**	**-**
	Other Equity instruments	23,873.57	19,164.31
	Debt		
	Preference shares	5,013.81	3,000.00
	Real Estate and debt funds	4,862.82	4,855.75
	Government securities	4,424.90	4,497.50
	Debentures and bonds	20,018.56	21,358.66
	Total	**58,414.14**	**52,876.22**
4	**Non current other financial assets**		
	Electricity deposits	19.37	19.37
	Rent deposits	7.18	7.18
	Other deposits	38.89	33.42
	Margin money deposits with bank	10.00	3.21
	Total	**75.44**	**63.18**
5	**Other Non Current Assets**		
	Capital advance	67.73	3,225.00
	Total	**67.73**	**3,225.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
6	**Inventories * (Refer Note No. A (g) for accounting policy on inventory)**		
	(As taken, valued and certified by the management)		
	Raw materials	652.22	502.59
	Raw materis - Goods-in-transit	-	5.09
	Work-in-progress	286.86	270.00
	Finished goods	71.18	44.44
	Stores and spares	98.33	80.98
	Total	**1,108.59**	**903.10**
7	**Current Investments**		
	Debentures and bonds	1,638.45	254.65
	Mutual funds units	461.97	490.20
	Total	**2,100.42**	**744.85**
8	**Trade Receivables***		
	Unsecured, considered good Unsecured, considered good		
	Joint venture	38.67	65.04
	Others	3,413.36	2,598.93
	Total	**3,452.03**	**2,663.97**
9	**Cash and cash equivalents**		
	Balances with Banks	137.81	352.88
	Cheques on hand	7.30	18.26
	Cash on hand	3.66	3.60
	Total	**148.77**	**374.74**
10	**Other bank balances**		
	Other Balances		
	In Dividend Accounts	19.57	31.00
	In Margin money	20.11	27.06
	Total	**39.68**	**58.06**
11	**Current Loans**		
	Unsecured, considered good		
	Inter corporate deposits	3,950.00	1,965.00
	Loans and advances to employees	12.55	4.58
	Interest free loan to employee welfare trust	-	930.00
	Total	**3,962.55**	**2,899.58**
12	**Other Current Financial Assets**		
	Interest accrued on investments	696.25	676.03
	Interest accrued on inter corporate / other deposits	34.60	15.75
	Receivable on sale of current investments	43.13	135.62
	Rent deposits (Associates)	-	350.00
	Other receivables	20.84	11.53
	Total	**794.82**	**1,188.93**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
13	**Other Current Assets**		
	Balances with Government authorities	-	65.48
	Advance to suppliers	96.70	101.34
	Prepaid expenses	27.88	43.87
	Total	**124.58**	**210.69**
14	**Equity Share Capital**		
	AUTHORISED		
	16,000,000 Equity Shares of ₹ 5 each	800.00	550.00
	(Previous Year : 5,500,000 Equity Shares of ₹ 10 each)		
	Nil Unclassified Shares of ₹ 10 each	-	50.00
	(Previous Year: 500,000 Unclassified Shares of ₹ 10 each)		
	Total	**800.00**	**600.00**
	ISSUED, SUBSCRIBED AND PAID-UP		
	14,769,000 Equity Shares of ₹ 5 each, fully paid-up	738.45	492.30
	(Previous Year: 4,923,000 Equity Shares of ₹ 10 each, fully paid-up)		
	Total	**738.45**	**492.30**

(i) Details of Shareholding more than 5%

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	%	No. of Shares	%
Rasoi Ltd.	61,51,722	41.65%	20,50,574	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	8,25,194	16.76%
J L Morison India Ltd.	11,07,702	7.50%	3,69,234	7.50%

(ii) Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 5 each (Previous Year ₹ 10 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

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

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	49,23,000	49,23,000
Increase on account of share subdivision	49,23,000	-
Bonus shares issued during the year	49,23,000	-
Balance at the end of the year	1,47,69,000	49,23,000

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

Particulars	As at 31st March				
	2018	2017	2016	2015	2014
Allotted shares on account of split in face value from ₹10 per share to ₹ 5 per share.	49,23,000	-	-	-	-
Bonus shares issued during the year	49,23,000	-	-	-	-
Bought back any shares issued	-	-		-	-

(v) During the year pursuant to the shareholders approval:

a) Increased the Authorized Share Capital of the Company from ₹ 600 lakhs to ₹ 800 lakhs.

b) Sub-divided its existing 1 (one) Equity Share having face value of ₹ 10 (Rupees Ten only) each fully paid up into 2 (Two) Equity Shares of ₹ 5(Rupees Five only).

c) Reclassified 5,00,000 unclassified shares of ₹10 each into 10,00,000 Equity Shares of ₹ 5 each.

d) Issued bonus shares in proportion of 1:2 (i.e. one new bonus Equity Share of ₹ 5 each for every two Equity Shares of ₹ 5 each) to the shareholders .

15 Other Equity

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

A. Summary of Other Equity balance

		(₹ in lakhs)
Capital Redemption Reserve	57.70	57.70
General Reserve	58,550.13	57,296.28
Retained Earnings	5,789.44	1,522.54
Items of Other Comprehensive Income		
- Fair value of Debt instruments through OCI	1,680.29	1,808.53
- Fair value of Equity instruments through OCI	7,065.47	8,214.41
- Remeasurements of defined benefit plans	(22.84)	(63.85)
Total	**72,520.19**	**68,835.61**

B. Nature and purpose of reserves

(a) Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on buyback of equity shares from its General Reserve. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

(b) General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(c) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(d) Debt Instruments through Other Comprehensive Income: The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss

(**e**) **Equity instruments through other comprehensive income:** This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income and subsequently not reclassified to the Statement of Profit and Loss.

(f) Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
16	**Non Current Borrowings**		
	Term Loans		
	Secured		
	From Banks - Vehicle Loan	49.81	31.60
	Unsecured		
	From SICOM Ltd. by way of deferral of sales tax liability	144.45	220.82
	Total	**194.26**	**252.42**
17	**Non Current Provisions**		
	Provision for compensated absences	78.73	53.63
	Provision for Gratuity	36.42	32.47
	Total	**115.15**	**86.10**
18	**Other Non Current Liabilities**		
	Security Deposits	71.66	132.76
	Obligation towards Joint venture	-	33.02
	Total	71.66	165.78
19	**Current Borrowings**		
	Secured		
	From Bank		
	Working Capital Loan	200.62	104.58
	Total	**200.62**	**104.58**
20	**Trade Payables***		
	Amounts due to related parties	-	-
	Others	3,431.18	2,557.41
	Total	**3,431.18**	**2,557.41**
	Dues to Micro, Small and Medium Enterprise		
	The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:		
	Principal Amount due to suppliers under MSMED Act,2006, Beyond appointed Day	12.08	9.21
	Interest accrued and due to suppliers under MSMED Act, on the above amount	0.27	0.21
	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	Nil
	Interest paid to suppliers under MSMED Act (Other than section 16)	-	Nil
	Interest paid to suppliers under MSMED Act (Section 16)	0.21	0.15
	Interest due and payable to suppliers under MSMED Act, for the payment already made	-	Nil
	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	Nil

Note : The information has been given in respect of such vendors to the extent they could be identified as " Micro and Small enterprises" on the basis of information available with Company."

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
21	**Other Financial Liabilities**		
	Current maturities of long-term debt	98.80	110.44
	Interest accrued but not due on borrowings	0.19	0.14
	Unpaid dividends	19.57	31.00
	Capital Creditors	23.94	45.93
	Total	**142.50**	**187.51**
22	**Other Current Liabilities**		
	Statutory Dues	146.59	66.20
	Total	**146.59**	**66.20**
23	**Current Provisions**		
	Provision for compensated absences	37.45	37.59
	Provision for gratuity	-	16.42
	Total	**37.45**	**54.01**
24	**Current tax liabilities (Net)**		
	Provision for income Tax (Net)	73.38	46.71
	Total	**73.38**	**46.71**

(₹ in Lakhs)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
25	**Revenue From Operations**		
	Sale of Products		
	Manufactured goods	15,942.90	13,937.65
	Investment Income		
	Dividend	363.46	257.93
	Interest	3,328.24	3,288.82
	Investment Advisory services	170.00	-
	Net gain on sale / Fair valuation of investments through profit and loss *	460.68	572.17
		4,322.38	4,118.92
	Other Operating Income		
	Export Incentives	34.15	48.45
	Marketing Fees & Royalty Income	10.27	30.11
	Insurance Claim	7.46	-
	Scrap Sale	13.44	10.13
	Others	5.35	17.12
		70.67	105.81
	Total	**20,335.95**	**18,162.38**
	* Includes fair value gain / (loss) as at 31st March, 2018 amounting to ₹ (487.00 lakhs), (Previous Year ₹ (80.25 lakhs))		
26	**Other Income**		
	Foreign Exchange Gain (Net)	19.24	27.61
	Profit on sale of Fixed Assets	-	59.53
	Rent	25.53	23.40
	Total	**44.77**	**110.54**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
27	**Cost Of Materials Consumed**		
	Raw materials and Components		
	Opening Stock	502.59	391.55
	Purchases	7,845.55	5,843.12
	Less: Closing Stock	652.22	502.59
		7,695.92	5,732.08
	Stores and Spare parts consumed		
	Opening Stock	80.98	53.13
	Purchases	255.39	247.86
	Less: Closing Stock	98.33	80.99
		238.04	220.00
	Total	**7,933.96**	**5,952.08**
28	**Changes in inventories of finished goods and work-in-progress**		
	Opening Stock :-		
	Work-in-progress	270.00	145.90
	Finished goods	44.44	75.34
	Total	**314.44**	**221.24**
	Closing Stock :-		
	Work-in-progress	286.86	270.00
	Finished goods	71.18	44.44
	Total	**358.04**	**314.44**
	Increase / (Decrease) in Excise Duty on Finished Goods	**(7.95)**	**(0.32)**
	Changes in inventories	**(51.55)**	**(93.52)**
29	**Employee Benefits Expense**		
	Salaries, wages and incentives	2,550.12	2,190.95
	Contributions to provident and other fund	121.35	108.79
	Contributions to gratuity fund	56.07	32.68
	Staff welfare expenses	95.32	86.31
	Total	**2,822.86**	**2,418.73**
30	**Finance Cost**		
	Interest expense	23.81	13.72
	Other borrowing costs	7.01	6.03
	Total	**30.82**	**19.75**
31	**Other Expenses**		
	Packing materials consumed	350.26	246.42
	Power and Fuel	853.94	855.53
	Rent	38.19	41.63
	Rates and taxes	89.87	27.01
	Insurance (including transit insurance)	40.41	37.17
	Freight and Forwarding	625.94	457.17
	Repairs & Maintenance:		
	Plant & Machinery	118.19	93.35
	Buildings	66.74	69.66
	Others	28.66	19.45
	Job charges	1,120.92	836.29
	Travelling & Conveyance	556.26	482.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
31	**Other Expenses (contd.)**		
	Sales Promotion Expenses	216.17	211.78
	Postage,Printing & Stationery	60.16	49.65
	Communication Expenses	36.52	37.60
	Loss on sale/discarding of property, plant and equipment	6.28	1.96
	Advances written of		70.00
	Investment management expenses	302.14	175.92
	Legal & Professional Expenses	409.02	222.58
	Remuneration to Auditors:		
	Audit fees (including limited review fees)	7.00	7.00
	Certification fees	3.00	4.20
	Reimbursement of out of pocket expenses	1.02	1.10
	Contribution towards Corporate Social Responsibility (CSR)	100.00	100.00
	Charity and donations	308.69	261.91
	Miscellaneous Expenses	194.32	149.84
	Total	**5,533.70**	**4,460.19**

32 (a) Contingent Liabilities not provided for in respect of :
- Disputed Sales Tax matters as at 31st March 2018 for ₹ 9.36 lakhs (net of provisions of ₹10.75 lakhs); Previous Year (₹ 6.98 lakhs (net of provisions of ₹ 10.56 lakhs)).
- Disputed Income Tax matters as at 31st March 2018 for ₹ Nil, Previous Year (₹ Nil).
- Disputed labour matter related to ex-workmen - amount unascertainable.

(b) The Company's litigations comprises of claims related to property disputes and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required. The Company has also disclosed the pending maters under contingent liability wherever the amount of liability is not adequately measurable, however, the Company does not reasonably expect the outcome of these proceedings will have a material impact on its financial statements.(Also Refer Note 32(a)).

33 Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31st March 2018 for ₹ 228.82 lakhs (net of advance of ₹ 67.73 lakhs); Previous Year (₹ 3,034.50 lakhs (net of advance of ₹ 2,994.58 lakhs)).

(b) In respect of investments made with private equity fund, the Company is further committed to invest as at 31st March 2018 for ₹ 6,270.10 lakhs; Previous Year (₹ 2,556.37 lakhs).

(c) Other commitements related to Joint Venture - Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31st March 2018 for ₹ 3,184,440 (net of advance of ₹ 1,063,898), as at 31st March 2017 for ₹ 4,196,119 (net of advannce of ₹ 1,438,748).

(₹ in Lakhs except EPS)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
34	**Earnings Per Share**		
	Net Profit as per Profit & Loss Account	2,300.87	2,321.42
	Weighted average number of equity shares outstanding	147.69	147.69
	Basic and Diluted EPS (Face value of ₹ 5 each)	15.58	15.72

The earnings per share in respect of previous reported year have been restated after considering the sub-division and bonus share issue made during the current year. (Refer note no. 14)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

35 Investment in other entities:

Details and financial information of material joint venture

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group	
			As at 31/03/18	As at 31/03/17
Compo Advics (India) Pvt. Ltd.	Manufacturing of Disc Brake Pads	Place of incorporation - Mumbai, Principal place of business - Bhalgaon Dist. Aurangabad	49.00%	49.00%

The above joint venture is accounted for using the equity method in these consolidated financial statements.

Summarised financial information of material joint ventures

Summarised financial information in respect of each of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

(₹ in Lakhs)

Particulars	**As at 31/03/18**	**As at 30/03/17**
Non-current assets	**687.18**	**735.36**
Current assets	138.21	211.65
Cash & Cash equivalents	1.88	26.67
Others	136.33	184.98
Total Assets [A]	**825.39**	**947.01**
Non-current liabilities	**-**	**-**
Current liabilities	567.28	942.39
Current financial liabilities (excluding trade payables and provisions)	556.99	931.17
Others	10.29	11.22
Total Liabilities [B]	**567.28**	**942.39**
Net Assets [A-B]	**258.11**	**4.62**

Particulars	**Year Ended 31/03/18**	**Year Ended 30/03/17**
Revenue	154.38	391.04
(Loss) for the year	(234.52)	(167.29)
Other comprehensive income for the year	(1.98)	0.04
Total comprehensive income for the year	(236.50)	(167.25)
Dividends received from the associate during the year	-	-
The above profit/(loss) for the year include the followings:		
Depreication and amortisation	41.77	51.69
Interest income	-	1.95
Interest expenses	73.78	79.98
Income tax expenses	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Reconciliation of the above summarised financial information to the carrying amount of the interest in recognised in the consolidated financial statements:

(₹ in Lakhs)

Particulars	As at 31/03/18	As at 30/03/17
Net assets of the joint venture	258.11	4.62
Add/(Less) Consolidation Adjustments		
Impact of gain on downstream transactions	37.63	37.64
Proportion of the Group's ownership interest in	0.49	0.49
Carrying amount of the Group's interest in Joint ventrue	220.48	-
Obligation towards Joint venture	-	(33.02)

36 The group have one Joint venture with no significant material transactions. Notes to accounts as required in accordance Schedule III and Companies (Indian accounting standard) Rules 2015 being similar to that disclosed holding company in their standalone financial statements, are not been appended hereto.

37 Previous years' figures have been regrouped/reclassified whenever necessary to conform to current years' classification. Figures in brackets pertain to previous year.

Signatures to Notes 1 to 37 which form an integral part of the financial statements.

For and on behalf of the Board of Directors

Raghu Mody
Chairman
(DIN 00053329)

P.K. Choudhary
Managing Director
(DIN 00535670)

Vikram Soni
Company Secretary & Compliance Officer
Membership No. A36705

Sunil Jindal
Chief Financial Officer

Place: Mumbai
Date: 8th May 2018

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Not Applicable as the Company does not have any subsidiaries

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

(₹ in Lakhs)

Sr. No.	Name of Joint Ventures	Compo Advics (India) Private Limited
1	Latest audited Balance Sheet Date	31-03-18
2	Shares of Associate/Joint Ventures held by the company on the year end	
	i) No. of shares held as on 31st March, 2018	49,00,000
	ii) No. of compulsory convertible preference shares held as on 31st March 2018	49,00,000
	iii) Amount of Investment in Joint Venture	980
	iv) Extend of Holding %	49%
3	Description of how there is significant influence	Holding 49% voting powers and as per Joint Venture Agreement
4	Reason why the joint venture is not consolidated	N.A.
5	Net Worth attributable to Shareholding as per latest audited Balance Sheet	258.11
6	Profit / Loss for the year	
	i) Considered in Consolidation	(236.50)
	ii) Not Considered in Consolidation (Unaudited)	Nil

1. Names of associates or joint ventures which are yet to commence operations: **None**
2. Names of associates or joint ventures which have been liquidated or sold during the year: **None**

For and on behalf of the Board of Directors

Raghu Mody
Chairman
(DIN 00053329)

P.K. Choudhary
Managing Director
(DIN 00535670)

Vikram Soni
Company Secretary & Compliance Officer
Membership No. A36705

Sunil Jindal
Chief Financial Officer

Place: Mumbai
Date: 8th May 2018

Hindustan Composites Limited
CIN: L29120MH1964PLC012955
Peninsula Business Park, "A" Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.
Tel.: 022 6688 0100, Fax: 022 6688 0105, E-mail: hcl@hindcompo.com, Website: www.hindcompo.com

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

54TH ANNUAL GENERAL MEETING ON 30TH AUGUST, 2018

Name of the Member (s) : _____

Registered Address : _____

_____

Email Id : _____

Folio No/Client Id : _____

DP ID : _____

*Applicable to shareholders holding shares in electronic form.

I/We, being a Member (s) of _____ shares of the above named Company hereby appoint:

1. Name : _____
   Address : _____
   Email ID : _____
   Signature : _____ , or failing him

2. Name : _____
   Address : _____
   Email ID : _____
   Signature : _____ , or failing him

3. Name : _____
   Address : _____
   Email ID : _____
   Signature : _____

as my/our proxy to attend and vote (on poll) for me/us and on my /our behalf at the 54th Annual General Meeting of the Company, to be held on 30th day of August, 2018 at 11.30 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018, and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Number	Resolutions	Vote (Optional see note 3) Please mention no. of Shares	
		For	Against
	Ordinary Business:		
1	Ordinary Resolutions for adoption of: (a) The Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the reports of the Directors' and Auditors' thereon; and (b) The Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the report of Auditors' thereon.		
2	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended 31st March, 2018.		
3	Ordinary Resolution for appointment of a director in place of Mrs. Sakshi Mody (DIN: 06518139), who retires by rotation and being eligible, offers herself for re-appointment.		
	Special Business:		
4	Special Resolution for re-appointment of Mr. A. B. Vaidya (DIN: 00246208) as an Independent, Non –Executive Director of the Company, for another term of five consecutive years w.e.f. 1st April, 2019 to 31st March, 2024.		
5	Special Resolution for re-appointment of Lt. Gen. (Retd.) K. S. Brar (DIN: 01146720) as an Independent, Non –Executive Director of the Company, for another term of five consecutive years w.e.f. 1st April, 2019 to 31st March, 2024.		
6	Ordinary Resolution for revision in remuneration payable to Mr. Raghu Mody, (DIN: 00053329), Executive Chairman and Whole Time Director of the Company, w.e.f. 1st April, 2018 for the remaining period of his tenure.		
7	Ordinary Resolution for revision in remuneration payable to Mr. P. K. Choudhary (DIN: 00535670), Managing Director of the Company, w.e.f. 1st April, 2018 for the remaining period of his tenure.		
8	Ordinary Resolution for revision in remuneration payable to Mr. Varunn Mody, President – Treasury and Strategy of the Company, w.e.f. 1st July, 2018.		
9	Ordinary Resolution for payment of commission to all Independent Directors of the Company for the financial year ended 31st March, 2018.		

Signed this _____ day of _____2018

Signature of Member: _____

Affixe Revenue Stamp of Re.1

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. It is optional to indicate your preference. If you leave the 'FOR' or 'AGAINST' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deemed appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

CIN: L29120MH1964PLC012955
Peninsula Business Park, "A" Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.
Tel.: 022 6688 0100, Fax: 022 6688 0105, E-mail: hcl@hindcompo.com, Website: www.hindcompo.com

ATTENDANCE SLIP

54TH ANNUAL GENERAL MEETING ON 30TH AUGUST, 2018

(To be completed and presented at the Entrance of the Meeting Hall)

Registered Folio/ DP ID & Client ID	
Name and address of the shareholder(s) **Joint Holder 1** **Joint Holder 2**	
No. of Share(s) held	

I/We hereby record my/our presence at the 54th **ANNUAL GENERAL MEETING** of the Company, to be held on Thursday, 30th August, 2018 at 11.30 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

Member's / Proxy's
Authorised Representative's Signature

(in Block Letters)

Member's / Proxy's
Authorised Representative's Signature

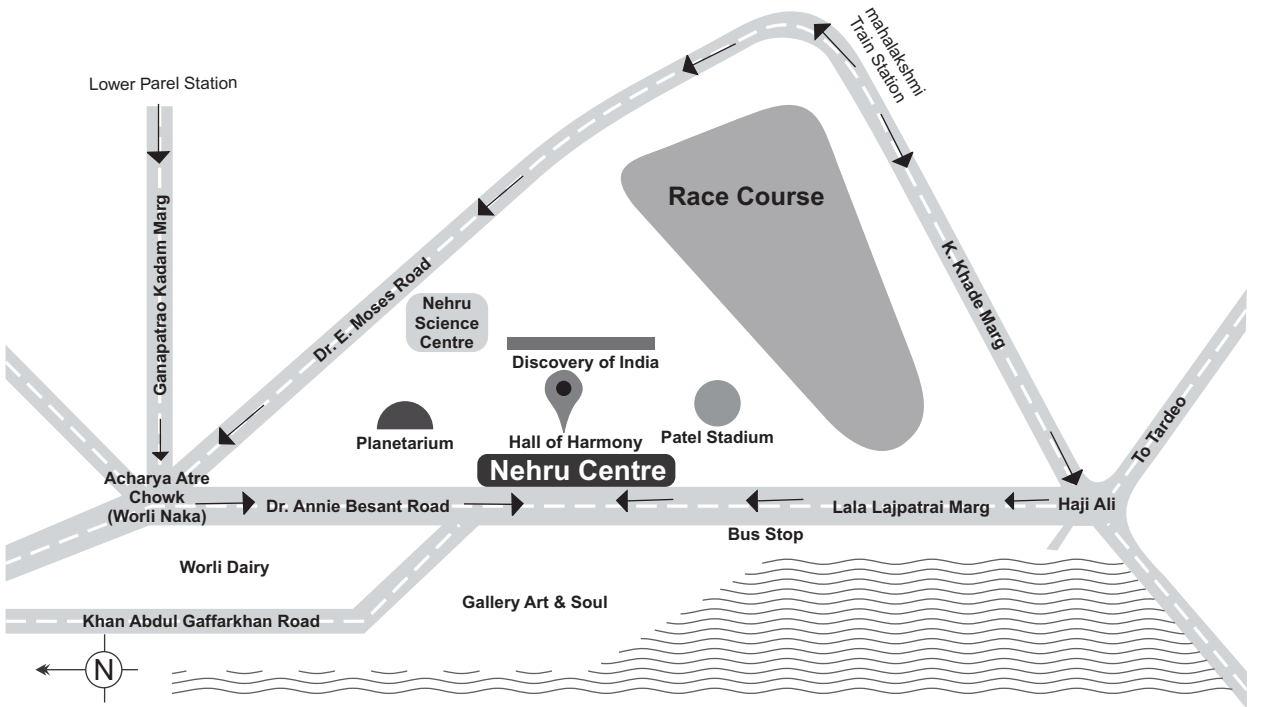
Note:

1. PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL.
2. Please fill in the Folio/ DP ID Client ID No., name and sign the attendance slip and hand it over at the attendance verification counter at the **ENTRANCE OF THE MEETING HALL.**

ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number (EVEN)	User ID	Password
Note: Please read the instructions for e-voting given along with Annual Report. The remote e-voting period starts from Monday, 27th August, 2018 (9:00 am) and ends on Wednesday, 29th August, 2018 (5:00 pm). The voting module shall be disabled by CDSL for voting thereafter.		

Route Map of the Venue of 54th Annual General Meeting of Hindustan Composites Limited



Venue : Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

Hindustan Composites Limited

CIN: L29120MH1964PLC012955

Peninsula Business Park, "A" Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

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

FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

Folio No.	
Name of the Member	
Name of Joint holders, if any	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail Id	
PAN	
CIN/Registration No.	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor,	
(i) Name of Guardian	
(ii) Date of birth of minor	

Place: _____
Date: _____

_____
Signature of the Member

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz. **"LINK INTIME INDIA PRIVATE LIMITED, C-101, 247 PARK, LBS MARG, VIKHROLI (WEST), MUMBAI - 400083."** Member(s) are requested to submit photocopy of PAN card and Aadhar Card duly self-attested along with this form.

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking you,

For Hindustan Composites Limited

Vikram Soni
Company Secretary & Compliance Officer

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Hindustan Composites Limited

CIN: L29120MH1964PLC012955

Peninsula Business Park, "A" Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

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

NECS MANDATE FORM

LINK INTIME INDIA PRIVATE LIMITED
UNIT: HINDUSTAN COMPOSITES LIMITED
C-101, 247 Park, L. B. S. Marg, Vikhroli (West),
Mumbai – 400 083
Email Id: rnt.helpdesk@linkintime.co.in

For **SHARES HELD IN THE PHYSICAL MODE** please complete the form and mail to

For **SHARES HELD IN THE ELECTRONICMODE** please inform respective DPs

Dear Sirs,

Sub: Payment of Dividend through NECS

I hereby consent to have the amount of dividend on my Equity Shares credited through National Electronic Clearing Service (NECS). The particulars are:

1. Folio No. /Client ID. No./DPID. No. _____
   (Folio No. given in equity share certificate(s)/customer ID No. given by your DP's)

2. Shareholders Name: Shri/Smt./Kum./M/s. _____

   _____

3. Shareholders Address : _____

   _____

4. Telephone No. _____ 5. Mobile No. _____

6. Particulars of the Bank:

   - Bank Name: _____
   - Branch Name and Address: _____
   - Mention the 9 digit code number issued by the bank and Branch appearing on the MICR cheque issue by the bank: _____
   - Account Type (please ✓) Savings ☐ Current ☐ Cash Credit ☐
   - Account Number (as appearing on the cheque Book):
     _____
   - IFSC Code Number: _____

7. Date from which the mandate should be effective: _____

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the company /Registrars & Share Transfers Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS Facility.

_____
Signature of the first/sole shareholder

Note: 1) Please attach the photocopy of a Cheque or a cancelled bank cheque issued by your bank for verifying the accuracy of the code number.
2) The Form can be downloaded from the company's website: www.hindcompo.com

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Our participation in Auto Expo, Asia's largest auto parts exhibition held at New Delhi in February 2018





Our participation in at International Autopart Accessory Equipment Exhibition (INAPA) , at Indonesia in March 2018



If undelivered, please return to:

HINDUSTAN COMPOSITES LIMITED

Peninsula Business Park, 'A' Tower,
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013.