

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF HEG LIMITED

#### Report on the Interim Condensed Standalone Financial Statements

##### Opinion

We have audited the accompanying interim condensed standalone financial statements of HEG Limited ("the Company"), which comprise the Condensed Balance Sheet as at September 30, 2018, the Condensed Statement of Profit and Loss (including Other Comprehensive Income) for the six months period ended on that date, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the six months period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the interim condensed standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed standalone financial statements give a true and fair view in conformity with Indian Accounting Standard 34 Interim Financial Reporting ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India, of the state of affairs of the Company as at September 30, 2018, the profit and total comprehensive income for the six months period ended on that date, changes in equity and its cash flows for the six months period ended on that date.

##### Basis for Opinion

We conducted our audit of the interim condensed standalone financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Condensed Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Responsibilities of the Management and Those Charged with Governance for the Interim Condensed Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 and other accounting principles generally accepted in India. 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 interim condensed standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the interim condensed standalone financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

Based on our professional judgment, we determined materiality for the financial statements as a whole at Rs. 5084.55 lakhs for the six months period ended September 30, 2018. The basis for determining materiality was 2% of profits before tax. Profits before tax was used as a benchmark for materiality because it is one of the main measures used by users of financial statements to monitor the performance of the Company.

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

- Identify and assess the risks of material misstatement of the interim condensed standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim condensed standalone financial statements, including the disclosures, and whether the interim condensed standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

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

#### Other Matters

The comparative financial information of the Company for the six months period ended 30 September, 2017, wherever reflected in the Interim Condensed Standalone Financial Statements, is unaudited.

For SCV & Co. LLP  
Chartered Accountants  
Firm Reg No. 000235N/ N500089



(Sanjiv Mohan)  
Partner  
M. No. 086066

Date: 26.11.2018  
Place: Noida

HEG LIMITED  
CONDENSED STANDALONE INTERIM BALANCE SHEET AS AT 30TH SEPTEMBER, 2018 (₹ in Lacs)

Particulars	Note No.	As at 30th September, 2018 Audited	As at 31st March, 2018 Audited
<b>ASSETS</b>			
(1) Non-current assets			
a) Property, Plant and Equipment	4	81,648.71	82,930.10
b) Capital work-in-progress	5	344.87	161.45
c) Investment Property	6	362.94	371.80
d) Goodwill		-	-
e) Other Intangible assets	7	30.95	34.82
f) Intangible assets under development		-	-
g) Biological Assets other than bearer plants		-	-
h) Financial assets			
(i) Investments	8	60,916.84	14,925.88
(ii) Trade receivables		-	-
(iii) Loans	10	758.31	737.54
(iv) Other Financial Assets	11	-	-
l) Deferred tax assets(net)		-	-
j) Other non-current assets	12	2,992.56	2,903.24
(2) Current assets			
(a) Inventories	13	95,645.59	51,143.57
(b) Financial assets			
(i) Investments	8	5,276.28	-
(ii) Trade receivables	9	134,088.87	97,268.90
(iii) Cash & Cash equivalents	14	20,195.80	517.18
(iv) Bank balances other than (iii) above	15	31,385.73	245.28
(v) Loans	10	141.84	91.30
(vi) Other Financial Assets	11	386.79	109.43
(c) Current Tax Assets(Net)			
(d) Other current assets	12	17,029.99	12,116.83
<b>Total Assets</b>		<b>451,206.07</b>	<b>263,557.31</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	3,995.95	3,995.95
(b) Other Equity	17	318,622.94	176,865.78
<b>LIABILITIES</b>			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	-	-
(ii) Trade Payables		-	-
(iii) Other financial liabilities	20	59.27	42.50
(b) Provisions	21	377.14	340.90
(c) Deferred tax liabilities (Net)	22	12,025.44	11,916.80
(d) Other non-current liabilities	23	198.69	208.08
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	34,191.57	29,745.49
(ii) Trade Payables			
(A) Total Outstanding dues of micro enterprises and small enterprises	19	230.34	245.97
(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	19	47,407.49	24,398.46
(iii) Other financial liabilities	20	14,722.37	7,913.99
(b) Other current liabilities	23	8,068.09	4,734.26
(c) Provisions	21	67.53	68.75
(d) Current Tax Liabilities (Net)	24	11,239.24	3,080.38
<b>Total Equity and Liabilities</b>		<b>451,206.07</b>	<b>263,557.31</b>

The accompanying notes(1-47) are integral part of the condensed interim financial statements

Signed in terms of our report of even date

For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No. 000235N/N500089

Ravi Jhunjunwala  
Chairman, Managing Director & CEO  
DIN 00061060

Rtju Jhunjunwala  
Director  
DIN No. 00060972

Sanjiv Mohan  
Partner  
Membership No. 086066

Raju Rustogi  
Chief Financial Officer & Chief Operating Officer

Shekhar Agarwal  
Vice Chairman  
DIN No. 00066113

Place : Noida (U.P.)  
Dated: 26th November, 2018

Vivek Chaudhary  
Company Secretary  
Membership No. A13263

D.N.Davar  
Director  
DIN No. 00002008

**HEG LIMITED**  
**CONDENSED STANDALONE INTERIM STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED SEPTEMBER 30TH, 2018**

Particulars	Note No.	Half Year Ended	Half Year Ended
		30th September, 2018	30th September, 2017
		Audited	Unaudited
I. Revenue from Operations	25	338,117.82	62,324.47
II. Other Income	26	2,972.79	327.74
<b>III. Total Income (I + II)</b>		<b>341,090.59</b>	<b>62,652.21</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	27	69,117.92	23,168.73
Purchases of Stock-In-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-In-Trade	28	(26,770.72)	(1,855.07)
Employee benefits expense	29	9,799.65	3,080.87
Finance costs	30	854.25	2,609.99
Depreciation and amortization expense	31	3,568.15	3,598.32
Excise Duty	32	-	834.00
Other expenses	33	30,293.63	15,784.84
<b>Total expenses (IV)</b>		<b>86,862.89</b>	<b>47,221.69</b>
<b>V. Profit Before exceptional and tax (III-IV)</b>		<b>254,227.71</b>	<b>15,430.53</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit Before tax (V - VI)</b>		<b>254,227.71</b>	<b>15,430.53</b>
<b>VIII. Tax expense:</b>			
(1) Current tax		88,158.87	4,400.60
(2) Deferred tax		149.37	507.25
<b>IX Profit for the year from continuing operations (VII-VIII)</b>		<b>165,919.47</b>	<b>10,522.68</b>
<b>X Profit (Loss) from discontinued operation</b>		-	-
<b>XI Tax Expense of discontinued operation</b>		-	-
<b>Profit (Loss) for the year from discontinued operations(after tax) (X-XI)</b>		-	-
<b>XIII Profit for the period (IX+XII)</b>		<b>165,919.47</b>	<b>10,522.68</b>
<b>XIV Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit/ (loss)	34	(116.54)	(30.59)
(ii) Income tax relating to items that will not be reclassified to profit/ (loss)		(40.72)	(10.59)
B (i) Items that will be reclassified to profit/ (loss)		-	-
(ii) Income tax relating to items that will be reclassified to profit/ (loss)		-	-
<b>XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit and Other Comprehensive Income for the period)</b>		<b>165,843.66</b>	<b>10,502.68</b>
<b>XVI Earnings per equity share (for continuing operations) :</b>			
(1) Basic ( ` )	35	415.22	26.33
(2) Diluted ( ` )	35	415.22	26.33
<b>XVII Earnings per equity share (for discontinued operations) :</b>			
(1) Basic ( ` )		-	-
(2) Diluted ( ` )		-	-
<b>Earnings per equity share (for discontinued and continuing operations) :</b>			
(1) Basic ( ` )	35	415.22	26.33
(2) Diluted ( ` )	35	415.22	26.33

The accompanying notes(1-47) are integral part of the condensed interim financial statements

Signed in terms of our report of even date

**For SCV & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 000235N/N500089

**Ravi Jhunjunwala**  
Chairman, Managing Director & CEO  
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**Shekhar Agarwal**  
Vice Chairman DIN  
No. 00066113

Place : Noida (U.P.)  
Dated: 26th November, 2018

**Vivek Chaudhary**  
Company Secretary  
Membership No. A13263

**D.N.Davar**  
Director  
DIN No. 00002008



	Reserves and Surplus				Other items of other Comprehensive Income	Total	
	Capital Reserve	Securities Premium	Other Reserves(Capital Redemption Reserve)				Remeasurement of Defined benefit obligations
			Retained Earning				
Balance at the beginning of reporting period i.e. 1st April, 2017	3,138.24	1,269.61	1,893.57	76,785.60	96.47	83,183.50	
Profit for the year				10,522.68		10,522.68	
Other Comprehensive Income for the year					(20.00)	(20.00)	
Total Comprehensive Income for the year							
Interim Dividend (including dividend distribution tax)				10,522.68	76.46	10,502.68	
Transfer to retained earnings							
Any other changes							
Balance at the end of reporting period i.e. 30th September, 2017	3,138.24	1,269.61	1,893.57	87,308.28	172.93	93,686.18	

The accompanying notes(1-47) are integral part of the condensed interim financial statements

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D.N.Davar

Director

DIN No. 00002008

Place : Noida (U.P.)

Dated: 26th November, 2018



**CONDENSED STANDALONE INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2018**

(₹ in Lacs)

PARTICULARS	Half Year Ended	Half Year Ended
	30th September, 2018	30th September, 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	254,227.71	15,430.53
Adjustment for non operating and non cash transactions		
Depreciation and Amortisation	3,568.15	3,598.32
Interest Paid	854.25	2,609.99
Net(Profit)/Loss on property plant and equipment sold / discarded	60.05	1.98
Provision for doubtful debts	246.76	(583.04)
Bad Debts	22.30	191.85
Interest received	(1,675.78)	(20.40)
Adjustments for changes in assets and liabilities		
(Increase)/Decrease In Trade receivables	(37,089.03)	(8,775.04)
(Increase)/Decrease in Inventories	(44,502.02)	(7,089.70)
(Increase)/Decrease In Loans, financial and Other assets	(5,242.57)	(2,314.25)
Increase/(Decrease) In Liabilities and provisions	40,840.16	4,398.86
Cash generated from operations	211,309.96	7,449.08
Income tax paid	88,308.24	4,907.85
<b>Net Cash generated from operating activities (A)</b>	<b>123,001.73</b>	<b>2,541.23</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition in Property plant and Equipments (net)	(2,560.65)	(274.48)
Sale of Property Plant and Equipments	42.98	16.19
(Increase)/Decrease in Advances for Capital Expenditure	177.61	
Increase/(Decrease) In Creditors for Capital Expenditure	511.58	113.52
(Purchase)/Sale of Investments	(82,267.23)	(4.71)
Interest received	1,374.03	20.40
<b>Net Cash used in investing activities (B)</b>	<b>(82,721.67)</b>	<b>(129.06)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings (Non-Current) (Refer Note 51 )	-	6,930.00
Repayment of Borrowing (Non-Current) (Refer Note 51 )	-	(12,659.70)
Repayment of Borrowings(Current) (working capital) (Refer Note 51 )	4,446.08	5,662.94
Interest Paid	(820.65)	(2,609.99)
Dividend Paid	(19,979.57)	-
Dividend distribution Tax paid	(4,106.86)	-
<b>Net Cash used in financing activities (C)</b>	<b>(20,460.99)</b>	<b>(2,676.75)</b>
<b>NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>19,819.07</b>	<b>(264.57)</b>
Cash and cash equivalents at the beginning of the period	762.46	628.54
Cash and cash equivalents at the end of the period	20,581.53	363.97

The accompanying notes(1-47) are integral part of the condensed interim financial statements

Signed in terms of our report of even date  
For SCV & Co. LLP  
Chartered Accountants  
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**Ravi Jhunjhunwala**  
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Place : Noida (U.P.)  
Dated: 26th November, 2018

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Company Secretary  
Membership No. A13263

**D.N.Davar**  
Director  
DIN No. 00002008

## Notes to the condensed standalone interim financial statements

### 1. Corporate Information

"HEG Limited (the 'Company'), incorporated in 1972, is a leading manufacturer and exporter of graphite electrodes in India and operates world's largest single-site integrated graphite electrodes plant. The Company also operates three power generation facilities with a total capacity of about 76.5 MW.

The Company is a public limited company incorporated and domiciled in India, has its registered office at Mandideep, Bhopal , Madhya Pradesh and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). "

The condensed standalone interim financial statements are approved by the Company's Board of directors on 26<sup>th</sup> November 2018.

### Basis of preparation of condensed standalone interim financial statement

The condensed standalone interim financial statements of the Company are prepared in accordance with Indian Accounting Standard 34 (Ind AS 34), under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act 2013('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

### 2. Summary of Significant Accounting Policies

#### 2.1 Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the reporting period and reported amounts of revenues and expenses during the period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### 2.2 Revenue Recognition

##### Sale of Goods

##### (i) Graphite Electrodes (Including other carbon products)

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

- (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;

- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity;
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**(ii) Power**

Revenue from power generation is recognized on transmission of electricity to SEB or third parties

- (i) Power generated at the power plants is primarily consumed by the manufacturing units and excess power is sold to SEBs or third parties which are included in the sales as below:
  - Power transferred to Graphite unit at MPEB rate.
  - Excess power generated is sold to SEB's at rate stipulated by SEB's and/or third parties at market rate equivalent.
- (ii) Inter-divisional sales comprising of sale of power from power plants to Graphite unit is reduced from revenue from operations in deriving net revenue.

**Other Income**

- (i) Revenue in respect of Export Incentives is accounted on post export basis.
- (ii) Entitlements to Renewal Energy Certificates owing to generation of power at tawa hydel plant are recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.
- (iii) Revenue in respect of interest from customers is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof. Other Interest income is recognized using the effective interest rate (EIR)
- (iv) Revenue in respect of other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

**Dividends**

Dividend income is recognized when the right to receive payment is established, which is generally when shareholders approve the dividend.

**2.3 Inventories**

Inventories are valued at cost or net realizable value, whichever is lower except by products which are valued at net realizable value. The cost in respect of the various items of inventory is computed as under:

- (i) In case of finished goods and work-in-progress, cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.
- (ii) In case of stores, spares and raw material at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(iii) Obsolete stocks are identified at each reporting date on the basis of technical evaluation and are charged off to revenue.

## **2.4 Property, Plant and Equipment**

Property, plant and equipment are stated at Historical cost less accumulated depreciation and impairment, if any. Historical Cost includes its purchase price (net of CENVAT/GST or any duty credits wherever applicable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset measured as the difference between the net disposal proceeds and the carrying amount of the asset is included in the income statement when the asset is derecognized.

## **2.5 Investment property**

Investment Properties comprises freehold land and building (including property under construction) that are held for long-term rental yields and/or for capital appreciation. Investment properties are measured initially at cost, comprising the purchase price and directly attributable transaction cost. Subsequently investment property is carried at cost model, which is cost less accumulated depreciation and impairment losses if any in similar lines of Ind AS 16.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising on derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period of the retirement or disposal.

## **2.6 Intangible Assets**

Intangible Assets are recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following Initial recognition, intangible assets are stated at cost less accumulated amortization and impairment, if any.

The cost and related accumulated amortization are eliminated from financial statement upon disposal or retirement of the assets and the resulted gain or losses are recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## 2.7 Depreciation

### (A) Property, Plant and Equipments

Based on internal assessment and independent technical evaluation carried out by external valuer, The Management believes that the useful life of the assets as stated below best represents the life over which the management expects to use the assets. Hence the useful life for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The method of depreciation and useful life considered on different assets is as below:

- (i) Depreciation on all the assets at Hydel Power Plant at Tawa is provided on Straight line method. The useful life of assets determined is as below:

Sl. No.	Description of Asset	Rate of Depreciation (%)	Useful Life (Approx)
1	Factory Building	3.02	33
2	Non Factory Building	3.02	33
3	Plant and Machinery		
	i) Dams, Spillways weirs, canals, reinforced concrete Flumes and symphons	1.95	51
	ii) Hydraulic control valves and other hydraulic works	3.40	30
	iii) Transformers having a rating of 100 KVA and over	7.81	13
4	Electrical Installation		
	i) Batteries	33.40	3
	ii) Lines on Fabricated steel operating at normal voltages higher than 66 kv	5.27	19
	iii) Residual	7.84	13
5	Furniture and Fixtures	12.77	8
6	Office Equipment and other assets	12.77	8
7	Vehicles	33.40	3

- (ii) On the assets other than those mentioned at (i) above, depreciation is provided on following basis:

In case of Plant and machinery, depreciation is provided on Straight Line Method and in case of other assets on written down method. The useful life of assets determined is as below

Assets description	Useful Life
Building	5 -58 Years
Plant and Machinery	1-24 Years
Railway Siding	9 Years
Office Equipment(Includes Computers and data processing units)	5-20 Years
Electrical Installation	5-20 Years
Furniture and Fixtures	15 Years
Vehicles	5-10Years

(iii) Cost of acquisition and improvement of lease hold land is amortized over the lease period.

(iv) Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **(B) Investment property**

On assets classified as investment property, on written down value method, over the useful life prescribed in Schedule II.

## **2.8 Amortization**

### **Intangible Assets**

Intangible assets are amortized over their respective individual useful lives on a straight line basis from date they are available. The estimated useful life is based on number of factors including effect of obsolesce and other economic factors.

Amortization method and useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

## **2.9 Impairment of Non-Financial Assets**

Intangible assets, investment property and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment is reviewed periodically, including at each financial year end.

## **2.10 Foreign Exchange Transactions/Translation**

### **Functional Currency**

The Financial statements are presented in INR, which is company's functional currency.

Transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

Non monetary items denominated in foreign currency and measured at historical host are translated at the exchange rate prevalent at the date of transaction.

The exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded, in so far as they relate to the acquisition of depreciable capital assets, are shown by addition to/deduction from the cost of the assets as per exemption provided under IndAS-101.

## **2.11 Employee Benefits**

### **A) Post Employment Benefits**

Company operates the following post-employment scheme:

#### **i) Defined Contribution Plans Provident Fund**

The Company makes contribution to statutory Provident Fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

#### **Superannuation**

The Company makes contribution to Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

## ii) **Defined Benefit Plans**

### **Gratuity**

The Company provides for gratuity a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee of an amount based on the salary of respective employees and the tenure of employment with the company.

Liability with regard to Gratuity Plan is determined by actuarial valuation, performed by an independent actuary at each Balance sheet date using the project unit credit method.

The company fully contributes all ascertained liabilities to the Hindustan Electro Graphites Staff Gratuity Fund Trust( The Trust), trustees administer contributions made to the Trust and contribution are invested in a scheme with Life Corporation of India, ICICI Prudential Life Insurance Company Ltd and Reliance Insurance Company Ltd as permitted by Indian Law

Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognized in Other Comprehensive Income. The effects of any plan amendments are recognized in the Statement of Profit and Loss.

The company recognizes the net obligation in the balance sheet as an asset or liability

## **B) Other Long term Employee Benefits**

The liabilities for earned leave which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related services. They are therefore measured as the present value of expected future payments to be made in respect of service provided by employees upto the end of the period using project credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustment and changes in actuarial assumption are recognized in profit and loss.

## **2.12 Leases**

### **Where the Company is a lessee**

- (i) Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.
- (ii) Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**Where the Company is a lessor**

Rental Income from operating leases is recognized on a straight-line basis over the term of the relevant lease, Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease is recognized immediately in the Statement of Profit and Loss.

**2.13 Taxes on Income**

Tax expense comprises of current and deferred income tax.

**Current income tax**

Current income tax for current and prior period is recognized at the amount expected to be paid to the tax authorities using tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to the items recognized directly in equity and other comprehensive income.

**Deferred Income Tax**

Deferred Income Tax assets and liabilities are recognized using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in financial statement.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that related tax benefits will be realized to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

MAT credit is recognized 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 Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset. The said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement grouped with deferred tax assets (net) in the financial statement.

## **2.14 Government grants**

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Government grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

## **2.15 Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of items of Property plant and equipment that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

## **2.16 Provisions, Contingent Liabilities**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

## **2.17 Earnings per Share**

Basic earnings per equity share is computed by dividing the net profit for the period attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders is divided by the weighted average number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares if any.

## **2.18 Financial instruments**

### **(i)Initial recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivable which is initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

**(ii) Subsequent measurement**

For the purpose of subsequent measurement financial assets are classified in three broad categories:-

**A. Non-derivative financial instruments**

**(a) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(b) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**(c) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

**(d) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(e) Investment in Subsidiaries, Associates and Joint Ventures**

Investment in subsidiaries, associates and joint ventures is carried at cost in the separate financial statements.

**B. Derivative financial instruments**

The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

**(a) Financial assets or financial liabilities, at fair value through profit or loss.**

This category has derivative financial assets or liabilities which are not designated as hedges. Although the company believes that these derivatives constitute hedges from an economic

perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

**(b) Cash flow hedge**

Company designates certain foreign exchange forward contracts and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

**(iii) Impairment of Financial Assets**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit or loss.

**(iv) Derecognition**

A financial asset (or, a part of a financial asset) is primarily derecognized when:

- (i) The contractual right to receive cash flows from the financial assets expire, or
- (ii) The company transfers the financial assets or its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

A financial liability (or, a part of financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

**(v) Reclassification of financial assets**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a

reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

### **C. Share capital**

#### **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

### **2.19 Fair Value Measurement**

The Company measures financial instruments such as derivatives and certain investments, at the 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:

- (i) In the principal market for the asset or liability. Or
- (ii) In the absence of a principal market, in the most advantageous market for the assets 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 economic best 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 assets 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as 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 recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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.

#### **2.20 Cash flow statement**

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 “Statement of Cash flows” using the indirect method for operating activities.

#### **2.21 Cash and cash equivalents**

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of three months or less from the balance sheet date, which are subject to an insignificant risk of changes in value.

#### **2.22 Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company’s Board of Directors.

#### **2.23 Critical accounting estimates and Judgments**

##### **a. Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by internal team and external advisor. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Company believes that the useful life best represents the period over which the Company expects to use these assets.

##### **b. Contingent liability**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**c. Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews, at each balance sheet date, the carrying amount of deferred tax assets.

**d. Defined benefit plans**

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



## Note:4 Property, Plant and Equipment

	Land Freehold	Buildings Leasehold Refer Note (a) and (c)	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Railway Sidings	Total
<b>Gross Carrying amount as at 1st April, 2017</b>									
Additions	302.88	855.09	132,999.45	590.40	841.52	1,120.12	3,192.56	921.69	166,134.76
Disposals	-	-	838.28	5.31	312.07	106.05	48.67	-	1,920.18
	-	(313.06)	(581.71)	(39.58)	(119.64)	(82.27)	(69.46)	-	(1,205.75)
<b>Gross Carrying amount as at 31st March, 2018 (A)</b>	<b>302.88</b>	<b>855.09</b>	<b>133,256.02</b>	<b>556.13</b>	<b>1,033.93</b>	<b>1,143.89</b>	<b>3,171.76</b>	<b>921.69</b>	<b>166,849.20</b>
Additions	14.93	(14.93)	2,104.41	2.45	110.61	34.89	5.94	-	2,377.24
Disposals	-	-	(187.35)	(4.99)	(119.13)	(16.93)	(9.87)	-	(338.26)
<b>Gross Carrying amount as at 30th September, 2018 (B)</b>	<b>317.80</b>	<b>840.17</b>	<b>135,173.08</b>	<b>553.59</b>	<b>1,025.43</b>	<b>1,161.85</b>	<b>3,167.83</b>	<b>921.69</b>	<b>168,888.18</b>
<b>Accumulated Depreciation as at 1st April, 2017</b>									
Depreciation for the year	-	176.76	61,686.61	441.95	491.83	871.00	1,697.34	319.72	77,632.12
Disposals	-	14.15	5,683.27	23.23	104.74	62.72	199.72	41.59	7,232.82
	-	(129.49)	(568.12)	(33.57)	(86.69)	(75.95)	(52.02)	-	(945.83)
<b>Accumulated Depreciation as at 31st March, 2018 (C)</b>	<b>-</b>	<b>190.90</b>	<b>66,801.77</b>	<b>431.61</b>	<b>509.88</b>	<b>857.77</b>	<b>1,845.03</b>	<b>361.31</b>	<b>83,919.10</b>
Depreciation for the year	-	7.81	2,802.24	9.29	73.11	42.36	89.74	20.85	3,555.43
Disposals	-	-	(115.87)	(3.25)	(95.20)	(16.52)	(4.41)	-	(235.24)
<b>Accumulated Depreciation as at 30th September, 2018 (D)</b>	<b>-</b>	<b>198.69</b>	<b>69,488.15</b>	<b>437.64</b>	<b>487.79</b>	<b>883.62</b>	<b>1,930.37</b>	<b>382.16</b>	<b>87,239.30</b>
<b>Net Carrying amount as at 31st March, 2018 (A)-(C)</b>	<b>302.88</b>	<b>664.19</b>	<b>66,454.25</b>	<b>124.52</b>	<b>524.05</b>	<b>286.12</b>	<b>1,326.72</b>	<b>560.38</b>	<b>82,930.10</b>
<b>Net Carrying amount as at 30th September, 2018 (B)-(D)</b>	<b>317.80</b>	<b>641.47</b>	<b>65,684.93</b>	<b>115.95</b>	<b>537.64</b>	<b>278.24</b>	<b>1,237.46</b>	<b>539.53</b>	<b>81,648.71</b>

a) Assets amounting to ₹83.13 Lacs ( Previous Year ₹83.13 Lacs) (Gross) are owned jointly with RSWM Ltd.

b) The Company continues to had exercise the option made available by the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs and also optional exemption under Ind-AS. Accordingly, an amount of NIL ( Previous Year ₹49.83 Lacs (Unrealized Gain) ) being exchange difference arising on reporting of long term Foreign currency loans availed for acquisition of depreciable Fixed assets have been taken to respective assets.

## c) Leased Assets

The lease term in respect of leasehold land generally expire with in 30 to 99 years. The ground rent shall be increased on the expiry of 10 to 30 years depending on the term of lease from the date of execution of this deed and also at subsequent interval of 10 to 30 years, provided that the increase on each occasion shall not exceed one quarter of the rent fixed for the preceding 10 to 30 years. The above lease hold land or any part thereof or any building erected thereon cannot be sublet, assign or otherwise transferred without any previous sanction in writing of the lessor.

## Following are the details of year wise minimum lease obligation under leasehold land

Particulars	(Rs. In Lacs)	
	Half Year Ended 30th September, 2018	Year Ended 31st March, 2018
Minimum Payments	Present value of payments	Minimum Payments
With in one year	5.45	4.95
After one year but not more than 5 years	21.79	15.69
More than 5 years	105.84	20.63
Total Minimum lease payments	133.07	41.27
Less: Amount representing finance charges	91.79	92.20
Present value of minimum lease payments	41.27	43.59

## g) Property , Plant &amp; Equipment pledged as security

Refer to note no. 44 for information on Property, Plant and Equipment pledged as security by the company.



## Notes to the condensed standalone interim financial statements

### Note: 5 Capital Work In Progress

(Rs. In Lacs)

Particulars	As at 30th September, 2018	As at 31st March, 2018
Plant and Equipment under erection/installation	344.87	161.45

Capital work in progress includes capital stores ₹3.91 Lacs (Previous year ₹ 23.43 Lacs).



Notes to the condensed standalone interim financial statements

Note:6 INVESTMENT PROPERTY

	(₹ in Lacs)		
	Building	Property under construction	Total
<b>Gross Block</b>			
As at 1st April, 2017	391.59	46.09	437.68
Additions	49.23	3.14	52.37
Disposals	-	(49.23)	(49.23)
<b>As at 31st March, 2018</b>	<b>440.83</b>	<b>(0.00)</b>	<b>440.83</b>
Additions	-	-	-
Disposals/Capitalized	-	-	-
<b>As at 30th September, 2018</b>	<b>440.83</b>	<b>(0.00)</b>	<b>440.83</b>
<b>Amortisation</b>			
At 1st April, 2017	52.17	-	52.17
Charge for the year	16.86	-	16.86
Disposals	-	-	-
<b>As at 31st March, 2018</b>	<b>69.03</b>	<b>0.00</b>	<b>69.03</b>
Charge for the year	8.86	-	8.86
Disposals	-	-	-
<b>As at 30th September, 2018</b>	<b>77.89</b>	<b>-</b>	<b>77.89</b>
<b>Net Block</b>			
As at 31 March, 2018	371.80	(0.00)	371.80
As at 30th September, 2018	362.94	(0.00)	362.94

(i) Amounts recognised in profit or loss for investment properties

Particulars	(₹ in Lacs)	
	Half Year Ended 30th September, 2018	Year Ended 31st March, 2018
Rental income	37.05	52.37
Direct operating expenses from property that generated rental income	4.54	4.31
Direct operating expenses from property that did not generate rental income	-	-
<b>Profit from Investment Properties before depreciation</b>	<b>32.51</b>	<b>48.06</b>
Depreciation	8.86	16.86
<b>Profit from Investment Properties</b>	<b>23.65</b>	<b>31.20</b>



Notes to the condensed standalone interim financial statements

Note:7 INTANGIBLE ASSETS (Computer Software's)

	Amount
<b>Gross Block</b>	
As at 1st April, 2017	451.68
Additions	39.10
Disposals	-
As at 31st March, 2018 (a)	490.78
Additions	-
Disposals	-
As at 30th, September 2018 (b)	490.78
<b>Amortisation</b>	
As at 1st April, 2017	449.87
Charge for the year	6.09
Disposals	-
As at 31 March, 2018 (c)	455.96
Charge for the year	3.86
Disposals	-
As at 30th September, 2018 (d)	459.83
<b>Net Block</b>	
As at 31 March, 2018 (a-c)	34.82
As at 30th September, 2018 (b-d)	30.95



Notes to the condensed standalone interim financial statements

Note : 8 INVESTMENTS

	Non - current		Current	
	As at	As at	As at	As at
	30th September, 2018	31st March, 2018	30th September, 2018	31st March, 2018
A. Investments carried at cost				
Investments in Equity instruments				
(a) EQUITY INSTRUMENTS OF SUBSIDIARY COMPANIES( Unquoted)				
HEG Graphite Products and Services Ltd	0.00	5.00		
NIL (Previous year 50,000) Equity Shares of ₹10 each fully paid up (Includes 6 Shares held by the nominees of the Company)				
Less: Provision for impairment in value of investments (Refer Note 1)				
Less: Written off (Refer Note 1)		5.00		
Carrying Value	0.00	-		
(b) Equity Instruments in Associate Companies (Unquoted)				
4,88,81,556 (Previous year 4,88,81,556) Equity Shares of ₹10/- each fully paid up of Bhilwara Energy Ltd.	14506.88	14,506.88		
12,62,048 (Previous year 12,62,048 ) Equity Shares of ₹10/- each fully paid up of Bhilwara Infotechnology Ltd ( erstwhile Bhilwara Infotech Ltd.)	419.00	419.00		
B. Investments carried at Fair value through profit or loss				
(a) Equity Instruments in Other Companies (Quoted)				
18 (Previous year 18) Equity Shares of ₹ 2/-each of Ballarpur Ind. Ltd.	0.01	0.01		
(b) Investments in Bonds (Quoted)				
50, HDFC 7.33% BOND			5,276.28	
(c ) Investments in Fixed Maturity Plans Scheme(Quoted)				
100,000,000 ICICI Prudential FMP Series 83 1406 Days Plan D- Direct Growth	10,194.10			
25,000,000 ICICI Prudential -FMP -Sr 83 - 1100 Days Plan	2,527.88			
25,000,000 SBI Debt Fund Series C-19 (1100 days)	2,522.08			
7,500,000 Axis Fixed Term Plan - Series 95 (1185 days)	756.73			
15,000,000 Kotak FMP Series 235 - 1140	1,512.75			
50,000,000 Reliance Fixed Horizon Fund-XXXVIII-Series 6	5,025.60			
10,000,000 ABSL FTP Series QN	1,006.48			
15,000,000 SDFS C20 - 1100 Days	1,505.88			
40,000,000 HDFC FMP 1105D August 2018	3,996.13			

( ₹ in Lacs)

15,000,000	Kotak FMP Series 240-1160	1,502.87	-	-
17,000,000	Aditya Birla Sunlife Fixed Term Plan Series QV (1100 days)	1,700.34	-	-
15,000,000	Aditya Birla Sunlife Fixed Term Plan Series QU (1100 days)	1,502.36	-	-
15,000,000	Kotak FMP Series 242-1152	1,499.06	-	-
15,000,000	Kotak FMP Series 243 - 1319 days	1,500.38	-	-
15,000,000	UTI Fixed Term Income Fund Series XXX - II (1107 days)	1,496.31	-	-
15,000,000	Reliance Fixed Horizon Fund-XXXIX Series 2	1,502.84	-	-
12,000,000	ICICI Prudential -FMP -Series 83 - 1101 Days Plan Z	1,203.46	-	-
20,000,000	Aditya Birla Sunlife Fixed Term Plan Series RC (1295 days)	2,001.86	-	-
10,000,000	Reliance Fixed Horizon Fund-XXXIX Series 6	1,001.89	-	-
	(d) Investments in Non Convertible Debentures(Quoted)			
200	KOTAK MAHINDRA PRIME LTD-NCD 8.281%	2,032.00	-	-
	<b>Total</b>	<b>60,916.84</b>	<b>14,925.88</b>	<b>5,276.28</b>
	Aggregate amount of quoted investments	45,990.96	0.01	5,276.28
	Market value of quoted investments	45,990.96	**	5,276.28
	Aggregate amount of unquoted investments	14,925.87	14,925.87	-
	Aggregate amount for impairment in value of investments	0.00	0.00	-
	(***)Amount is below the Rounding off norm adopted by the Company			

Note 1 :-

The Name of M/s HEG Graphite Product and Service Pvt Ltd has been struck off from the registrar of Companies under the provision of sub section (5) of section 248 of the companies act 2013. Therefore the company stand dissolved.

In view thereof the Investment made in the equity of M/s HEG Graphite Product and Service Pvt Ltd a subsidiary of the company has been written of during the previous year.

Note 2 :-

Refer Note: 43 for Classification of Financial Assets



Notes to the condensed standalone interim financial statements

Note:9 TRADE RECEIVABLES

Particulars	(₹ in Lacs)	
	As at 30th September, 2018	As at 31st March, 2018
a) Trade Receivable considered good-Secured		
b) Trade Receivable considered good-Unsecured	133,916.29	96,844.96
c) Trade Receivable which have significant increase in Credit Risk; and	424.69	492.76
d) Trade Receivable credit impaired	462.31	390.13
Less: Loss allowance for doubtful receivables (other than covered under ECGC cover)		
d) Debts due from directors or other Officer of the company or any of them either severally or jointly with any other person or debts due by firms or private company respectively in which any director is a partner or a director or a member.	(714.41)	(458.94)
<b>Total</b>	<b>134,088.87</b>	<b>97,268.90</b>

Refer Note: 43 for Classification of Financial Assets



Notes to the condensed standalone interim financial statements

Note: 10 - Financial Assets-Loans

Particulars	Non-Current		Current		(₹ in Lacs)
	As at 30th September, 2018	As at 31st March, 2018	As at 30th September, 2018	As at 31st March, 2018	
Security deposits	735.48	721.72	-	-	
Loans and advances to employees	-	-	-	-	
a) Loans and Advances to employees considered good-Secured	-	-	-	-	
b) Loans and Advances to employees considered good-Unsecured	22.83	15.82	141.84	91.30	
c) Loans and Advances to employees which have significant increase in Credit Risk; and	-	-	-	-	
d) Loans and Advances to employees credit impaired	-	-	-	-	
<b>Total</b>	<b>758.31</b>	<b>737.54</b>	<b>141.84</b>	<b>91.30</b>	

Refer Note: 43 for Classification of Financial Assets



Notes to the condensed standalone interim financial statements

Note: 11 Other Financial Assets

Particulars	Non-Current		Current	
	As at	As at	As at	As at
Interest accrued but Not due	30th September, 2018	31st March, 2018	30th September, 2018	31st March, 2018
Derivative Financial Instruments	-	-	386.80	85.04
<b>Total</b>	-	-	<b>386.79</b>	<b>109.43</b>

(₹ in LaCs)

Refer Note: 43 for Classification of Financial Assets



Notes to the condensed standalone interim financial statements

Note 12:- Other Assets

Particulars	Non-Current		Current		(₹ in Lacs)
	As at 30th September, 2018	As at 31st March, 2018	As at 30th September, 2018	As at 31st March, 2018	
<i>Unsecured, considered good unless stated otherwise</i>					
Capital Advances	177.61	251.27	-	-	-
Other Advances-Unsecured, considered good	-	-	3,102.08	2,047.85	2,047.85
Advances to related parties	-	-	2.36	2.19	2.19
Prepaid expenses	-	-	484.07	877.52	877.52
Balances with statutory authorities	-	-	5,552.75	2,092.67	2,092.67
Excise rebates / refunds receivable	-	-	692.00	692.00	692.00
Direct taxes refund receivable (net of provisions)	2,491.49	2,348.15	-	-	-
Payments under protest (other than direct taxes)	323.46	303.81	-	-	-
Export Benefits Receivable	-	-	7,031.61	6,252.96	6,252.96
Others Receivables	-	-	165.13	151.64	151.64
<b>Total</b>	<b>2,992.56</b>	<b>2,903.24</b>	<b>17,029.99</b>	<b>12,116.83</b>	<b>12,116.83</b>

a) Direct taxes refundable represent amounts recoverable from the Income Tax Department for various assessment years. In respect of disputed demands, Company has filed appeals which are pending at various levels .

b) Detail of payments under protest (other than direct taxes) is as follows:

	(₹ in Lacs)	
	As at 30th September, 2018	As at 31st March, 2018
Entry Tax	197.22	197.22
Central Sales Tax	24.53	24.53
Excise duty/ Service Tax	79.57	59.92
MPST/MPCT	3.29	3.29
Tax deducted at source	18.85	18.85
<b>Total</b>	<b>323.46</b>	<b>303.81</b>

Based on legal advice, discussions with the solicitors, etc., the management believes that there are fair chances of decisions in Company's favor in respect of all the items listed above and no value adjustment is considered necessary.



Notes to the condensed standalone interim financial statements

Particulars	(₹ in Lacs)	
	As at 30th September, 2018	As at 31st March, 2018
Raw materials [Includes material in transit ₹4,949.24 Lacs ; Previous year: ₹ 7,017 Lacs]	37,812.98	19,959.18
Finished goods	20,299.90	10,166.41
Work-in-progress	34,165.38	17,528.15
Stores and Spares	3,367.30	3,489.80
[Includes stores in transit ₹320.55 Lacs ; Previous year: ₹183.97 Lacs]		
Others (Refer Note (a))	0.03	0.03
<b>Total</b>	<b>95,645.59</b>	<b>51,143.57</b>

(a) Others include Renewable Energy Credits in hand.

(b) The cost of inventories recognised as an expense during the period in respect of continuing operations was ₹ 48,748.53 Lacs (Previous year ₹ 57010.08 Lacs)



Notes to the condensed standalone interim financial statements

**Note:14 Cash and Cash Equivalents** (₹ in Lacs)

Particulars	As at	
	30th September, 2018	31st March, 2018
i Balances with banks		
In Current accounts	4,566.29	161.01
In Cash Credit accounts	-	17.18
ii. Cheques, drafts on hand	-	333.96
iii. Cash on hand	4.49	5.02
iv Postage and Stamps	0.02	0.00
v Deposits with banks/financial Institutions	15,625.00	-
<b>Total</b>	<b>20,195.80</b>	<b>517.18</b>

Refer Note: 43 for Classification of Financial Assets



Notes to the condensed standalone interim financial statements

Note:15 Other Bank balances (₹ in Lacs)

Particulars	As at	
	30th September, 2018	31st March, 2018
Earmarked Balances with banks*	385.73	245.28
Deposits with banks/financial Institutions	31,000.00	-
<b>Total</b>	<b>31,385.73</b>	<b>245.28</b>

\* Earmarked balances with banks pertain to unpaid dividend accounts with banks.

Refer Note: 43 for Classification of Financial Assets



Notes to the condensed standalone interim financial statements

Note: 16 Equity Share Capital

Particulars	(₹ in Lacs)	
	As at 30th September, 2018	As at 31st March, 2018
<b>Authorised</b>		
5,50,00,000 Equity Shares of ₹ 10/- each	5,500.00	5,500.00
	5,500.00	5,500.00
<b>Issued, Subscribed and Fully paid-up</b>		
3,99,59,142 Equity Shares of ₹ 10/- each	3,995.91	3,995.91
1,150 Forfeited Equity Shares	0.04	0.04
<b>Total</b>	<b>3,995.95</b>	<b>3,995.95</b>

Notes to the condensed standalone interim financial statements

Note: 17 Other Equity

(₹ In Lacs)

Particulars	As at	
	30th September, 2018	31st March, 2018
<b>A. Capital Reserves</b>		
Balance as per the last financial statements	3,138.24	3,138.24
Add: Additions during the year	-	-
<b>Closing balance</b>	<b>3,138.24</b>	<b>3,138.24</b>
<b>B. Capital Redemption Reserve</b>		
Balance as per the last financial statements	1,893.57	1,893.57
Add: Current year transfers	-	-
<b>Closing balance</b>	<b>1,893.57</b>	<b>1,893.57</b>
<b>C. Securities Premium</b>		
Balance as per the last financial statements	1,269.61	1,269.61
Add : Received during the year	-	-
<b>Closing balance</b>	<b>1,269.61</b>	<b>1,269.61</b>
<b>D. Retained Earnings</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	39,823.38	39,823.38
Add: Transfer from Statement of Profit and Loss during the year	-	-
<b>Closing balance</b>	<b>39,823.38</b>	<b>39,823.38</b>
<b>Surplus/(Deficit) balance in Statement of Profit and Loss</b>		
Balance as per the last financial statements	130,667.99	36,962.22
Add: Amount transferred from Statement of Profit and Loss	165,919.47	108,133.93
Less: Dividend Paid	19,979.57	11,987.74
Less: Dividend distribution tax on paid on dividend	4,106.86	2,440.42
Less: Amount Transferred to General Reserve	-	-
<b>Closing balance</b>	<b>272,501.03</b>	<b>130,667.99</b>
<b>E. Items of other comprehensive income</b>		
Balance as per the last financial statements	72.93	96.47
Remeasurement of Defined benefit plans	(75.81)	(23.54)
<b>Closing balance</b>	<b>(2.88)</b>	<b>72.93</b>
<b>Total</b>	<b>318,622.94</b>	<b>176,865.78</b>
<b>F. Preference share capital</b>		
<b>Authorised Preference share capital</b>		
15,00,000 (Previous year 15,00,000) Equity Shares of ₹ 10/- each	1,500.00	1,500.00
<b>Total</b>	<b>1,500.00</b>	<b>1,500.00</b>

The company has not issued any Preference shares till 30th September 2018.

**NATURE AND PURPOSE OF RESERVES**

**1) Capital Reserve:**

The Company created part of Capital Reserve on account of warrant money forfeited and part on profit made on hive off of Steel business.

**2) Securities Premium:**

Securities Premium reserve is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provision of the Companies Act 2013.

**3) Capital Redemption Reserve:**

The Company created Capital Redemption Reserve at the time of redemption of Preference Shares and buy back of its own shares. The reserve can be utilised for issuing bonus shares.



Notes to the condensed standalone interim financial statements

Note: 18 Borrowings  
( ₹ in Lacs)

Particulars	Non Current		Current	
	As at 30th September, 2018	As at 31st March, 2018	As at 30th September, 2018	As at 31st March, 2018
Loans repayable on demand from banks (Secured)				
Working Capital loans from banks			34,191.57	29,745.49
<b>Total</b>			<b>34,191.57</b>	<b>29,745.49</b>

Loans from Financial Institutions and Banks/other lending institutions are/shall be secured by way of joint equitable mortgage of all the immovable properties (present and future) of Graphite and Thermal Power units at Mandideep and Hydrel unit at Tawa Nagar ranking on pari-passu basis and hypothecation of all movable assets of the Company (except book debts) subject to prior charge of the company's bankers on specified movable assets in respect of working capital borrowings. (Refer Note No. 44 for carrying amount of assets pledged as security for borrowings.)

CURRENT BORROWINGS

Particulars	Maturity date	Terms of Repayment	Interest Rate	As at	
				30th September, 2018	31st March, 2018
LOANS REPAYABLE ON DEMAND	Payable on Demand	Payable on Demand	At negotiated rates		
Secured					
Working Capital from Banks				34,191.57	29,745.49
<b>Total</b>				<b>34,191.57</b>	<b>29,745.49</b>

a) Working Capital Borrowings from Banks are secured by hypothecation of all stocks present and future, stores, spare parts, packing materials, raw materials, finished goods, goods in transit / process, book debts, outstanding monies receivable, claims, bills etc.

b) Second charge by way of joint equitable mortgage of immovable properties of the Company in respect of Graphite & Thermal Power units at Mandideep and Hydrel unit at Tawanagar. The said charge in favor of bank shall rank sub-ordinate and subservient to the existing charges created by the Company in favor of financial institutions and banks for their term loans.

(Refer Note No. 44 for carrying amount of assets pledged as security for borrowings.)



Notes to the condensed standalone interim financial statements

Note: 19 Trade Payables

Particulars	As at	As at
	30th September, 2018	31st March, 2018
(A) Total outstanding dues of micro enterprises and small enterprises	230.34	245.97
(B) Total outstanding dues of Other Creditors	47,407.49	24,398.46
(C) Total outstanding dues of Other Creditors-Related Parties	47,637.83	24,644.43



Notes to the condensed standalone interim financial statements

(₹ in Lacs)

Particulars	Non- Current		Current	
	As at 30th September, 2018	As at 31st March, 2018	As at 30th September, 2018	As at 31st March, 2018
Security Deposits - From Outsiders	13.86		160.16	134.02
Interest accrued but not due on borrowings			175.41	141.80
Unpaid dividends-Unclaimed#			385.73	245.28
Derivative Financial Instruments			2,428.34	
Other payables				
Employees Related			6,861.43	4,057.53
Others	45.41	42.50	4,711.32	3,335.36
	59.27	42.50	14,722.37	7,913.99

# Unpaid dividend do not include any amount due and outstanding required to be credited to the Investor's Education and Protection Fund.

Refer Note: 43 for Classification of Financial Liabilities



Notes to the condensed standalone interim financial statements

Note: 21 Provisions

(₹ in Lacs)

Particulars	Non- Current		Current	
	As at 30th September, 2018	As at 31st March, 2018	As at 30th September, 2018	As at 31st March, 2018
Provision for employee benefits				
Compensated absences	377.14	340.90	67.53	68.75
Total	377.14	340.90	67.53	68.75



Notes to the condensed standalone interim financial statements

Particulars	Note: 22 Deferred Tax Liabilities (Net)		(₹ in Lacs)	
	As at	As at	31st March, 2018	As at
		30th September, 2018		
<b>Deferred tax liabilities (A)</b>				
Property Plant and Equipments		12,375.44		12,221.24
Fair valuation of Investments		61.48		-
<b>Deferred tax assets (B)</b>				
Items deductible on payment basis		208.76		145.61
Provision for doubtful debts and others		202.72		158.83
<b>Net Deferred tax Liability (A)-(B)</b>		<b>12,025.44</b>		<b>11,916.80</b>



Notes to the condensed standalone interim financial statements

Note 23 Other Liabilities

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at 30th September, 2018	As at 31st March, 2018	As at 30th September, 2018	As at 31st March, 2018
Deposits from employees against various schemes	198.69	208.08	87.85	79.03
Advance from Customers	-	-	2,926.13	1,485.65
Statutory dues payable (Including PF and TDS)	-	-	4,334.58	2,656.97
Others	-	-	719.54	512.61
<b>Total</b>	<b>198.69</b>	<b>208.08</b>	<b>8,068.09</b>	<b>4,734.26</b>



Notes to the condensed standalone interim financial statements

Particulars	(₹ in Lacs)	
	As at 30th September, 2018	As at 31st March, 2018
Provision for Income Tax( Net of advance tax of ₹80,000 Lacs Previous year ₹ 44,500 Lacs )	11,239.24	3,080.38
Total	11,239.24	3,080.38



Notes to the condensed standalone interim financial statements

Note: 25 Revenue From Operations

(₹ in Lacs)

Particulars	Half Year Ended		Half Year Ended
	30th September, 2018	30th September, 2017	
Sale of Products			
Manufactured goods			
Graphite Electrodes (Refer note 50)	329,023.80		60,397.65
Power (Net of inter-divisional sales of `5,576.24 Lacs ,Previous year ` 10497.42 Lacs )	0.37	329,024.17	123.55
Other Operating Income			60,521.21
REC sales	15.17		136.62
Fly Ash Income	80.37		134.12
Export Incentives	8,998.11		1,532.53
		9,093.65	1,803.27
		338,117.82	62,324.47



Notes to the condensed standalone interim financial statements

Particulars	(₹ in Lacs)	
	Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
Interest Income	1,675.78	20.40
Rent received	40.95	32.45
Gain on sale of Current investment (Net)	473.25	4.71
Gain/Loss on Fair Valuation of Non Current Investments	332.15	-
Gain/Loss on Fair Valuation of Current Investments	19.72	-
Liabilities / provisions no longer required, written back	251.25	8.28
Miscellaneous Sales / Receipts	179.69	261.90
<b>Total</b>	<b>2,972.79</b>	<b>327.74</b>



Notes to the condensed standalone interim financial statements

**Note: 27 Cost of Material Consumed** (₹ in Lacs)

Particulars	Half Year Ended	
	30th September, 2018	30th September, 2017
Raw Material Consumed		
Opening Stock	12,942.18	1,770.38
Add : Purchases	89,039.48	27,263.03
	101,981.66	29,033.41
Less: Closing Stock	32,863.74	5,864.68
<b>Cost of Material Consumed</b>	<b>69,117.92</b>	<b>23,168.73</b>



Notes to the condensed standalone interim financial statements

Note: 28 Changes In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade (₹ in Lacs)

Particulars	Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
Inventories at the end of the period		
Finished Goods	20,299.90	7,722.62
Work-in-progress	34,165.38	12,044.57
<b>Total (A)</b>	<b>54,465.28</b>	<b>19,767.19</b>
Inventories at the beginning of the period		
Finished Goods	10,166.41	6,501.88
Work-in-progress	17,528.15	11,845.08
<b>Total (B)</b>	<b>27,694.56</b>	<b>18,346.96</b>
Excise duty on increase/(decrease) of finished goods (C )	-	(434.84)
<b>Total [(B)-(A)+(C )]</b>	<b>(26,770.72)</b>	<b>(1,855.07)</b>



Notes to the condensed standalone interim financial statements

Particulars	(₹ in Lacs)	
	Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
Salaries and Wages	9,337.29	2,606.81
Contribution to Provident and other Funds	301.04	277.75
Staff Welfare expenses	161.31	196.32
<b>Total</b>	<b>9,799.65</b>	<b>3,080.88</b>



Notes to the condensed standalone interim financial statements

Note: 30 Finance Cost

Particulars	(₹ in Lacs)	
	Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
Interest Expense		
Term Loans	-	1,286.03
Working Capital Borrowings	839.95	1,310.14
Exchange difference regarded as an adjustment to borrowing cost	-	(3.79)
Interest Cost on Employee Benefit Plans	10.06	13.02
Others	4.24	4.59
<b>Total</b>	<b>854.25</b>	<b>2,609.99</b>



Notes to the condensed standalone interim financial statements

Note: 31 Depreciation and Amortisation Expenses

Particulars	(₹ in Lacs)	
	Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
Depreciation of tangible assets*	3,564.28	3,596.18
Amortisation of intangible assets**	3.86	2.13
Total	3,568.15	3,598.33

\* Refer note 4

\*\* Refer note 7



Notes to the condensed standalone interim financial statements

Particulars	(₹ in Lacs)	
	Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
Excise Duty (Refer note 45)	-	834.00
<b>Total</b>	<b>-</b>	<b>834.00</b>



Notes to the condensed standalone interim financial statements

Note: 33 Other Expenses

(₹ In Lacs)

Particulars	Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
Consumption of stores and spare parts(Including Refractory Blocks)	5,636.02	3,310.91
Job/Process Charges	225.14	149.61
Power and fuel	14,264.33	15,370.12
Less: Interdivisional Purchases	(5,576.24)	(10,497.42)
Repairs and maintenance		
Plant and Machinery	2,495.17	1,579.47
Building	171.47	139.13
Others	305.27	250.67
Insurance	466.16	139.86
Rent (Refer Note 41)	45.17	42.73
Rates and taxes	37.72	18.83
Directors' sitting fees and incidental expenses	209.82	25.66
Freight & forwarding	6,962.05	3,576.49
Packing Expenses (including Packing material consumption)	814.49	675.45
Commission	1,893.84	751.03
Claims, Rebates and Discount	126.93	6.32
Donations	9.67	0.12
Power generation charges	0.05	0.12
Travelling Expenses	184.06	101.75
Postage and Communication	47.91	36.07
Payment to auditors(Refer details below*)	9.17	10.12
Expenditure on CSR Activities	145.69	8.00
Legal and Professional Expenses	823.98	222.98
Vehicle Running & Maintenance	35.85	36.61
Provision for doubtful debts and advances	246.76	(583.04)
Bad debts	22.30	191.85
Duties and Taxes	6.07	2.99
Loss on sale/discard of Property Plant and Equipments	60.05	1.98
Foreign Currency Fluctuation	127.58	(146.70)
Miscellaneous Expenses	497.13	363.13
<b>Total</b>	<b>30,293.63</b>	<b>15,784.84</b>



Notes to the condensed standalone interim financial statements

Note 34 : Other Comprehensive Income

Particulars	(₹ in Lacs)	
	Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
(i) Items that will not be reclassified to profit or loss		
-Remeasurement of Defined Benefits Plans	(116.54)	(30.59)
<b>Total</b>	<b>(116.54)</b>	<b>(30.59)</b>



## Notes to the condensed standalone interim financial statements

### Note 35: Earnings per share

The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share"

Particulars	Half Year Ended	
	30th September, 2018	30th September, 2017
Net profit/ (loss) after tax attributable to equity shareholders (in Lacs)	165,919.47	10,522.68
Weighted average number of equity shares in calculating basic EPS	39,959,142	39,959,142
Basic earning per share(₹)	415.22	26.33
Diluted earning per share*(₹)	415.22	26.33

\* There are no potential equity shares



Notes to the condensed standalone interim financial statements

**NOTE: 36 SEGMENT REPORTING**

The Company's Chief Operational Decision Makers consisting of Chief Executive Officer and Chief Finance Officer examines the company's performance both from product and geographic perspective and has identified two segments, i.e., Graphite electrodes (including other carbon products) and power. The business segments are monitored separately for the purpose of making decisions about resource allocation and performance assessment.

The Reportable Segments are:

- Graphite Electrodes (including other carbon products) - The segment comprises of manufacturing of graphite electrodes
- Power Generation - The segment comprises of generation of power for captive consumption and sale.

Segment Measurement

The measurement principles for segment reporting are based on IND AS 108. Segment's performance is evaluated based on segment revenue and profit and loss from operating activities. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

Sales between segments are carried out at arm's length price and are eliminated on consolidation.

**1) Segment Revenue :**

Particulars	Graphite( including other carbon products)			Power		Unallocable items/ Others			Company Total	
	Half Year ended September 2018	Half Year ended September 2017	Half Year ended September 2018	Half Year ended September 2018	Half Year ended September 2017	Half Year ended September 2018	Half Year ended September 2017	Half Year ended September 2018	Half Year ended September 2017	
<b>a) Segment Revenue</b>										
Turnover	338,021.62	61,943.60	5,672.15	10,878.21	0.07	343,694.06	72,821.89			
Less: Inter Segment turnover	-	-	5,576.24	10,497.42	-	5,576.24	10,497.42			
External Turnover	<b>338,021.62</b>	<b>61,943.60</b>	<b>95.91</b>	<b>380.80</b>	<b>0.07</b>	<b>338,117.82</b>	<b>62,324.47</b>			
<b>b) Segment Result before interest &amp; taxes</b>	<b>253,450.68</b>	<b>14,574.28</b>	<b>(1,240.14)</b>	<b>3,425.25</b>	<b>15.87</b>	<b>252,222.84</b>	<b>18,015.41</b>			
Add: Interest Income						1,675.78	20.40			
Add: Gain on sale of Investments( Including gain/(loss) on Fair Valuation)						805.41	4.71			
Less: Financial Expenses						496.02	2,609.99			
Profit Before Tax						254,208.00	15,430.53			
Less: Income Tax (including Deferred tax)						88,308.24	4,907.85			
Net Profit for the period	2,938.25	2,963.48	602.48	615.78	19.05	165,899.77	10,522.68			
Depreciation						3,568.15	3,598.32			

( \* in Laacs)

Notes to the condensed standalone interim financial statements

2) Secondary Revenue (By Geographical Location) :

Particulars	(₹ in Lacs)					
	Within India		Outside India		Total	
	Half Year ended September, 2018	Half Year ended September, 2017	Half Year ended September, 2018	Half Year ended September, 2017	Half Year ended September, 2018	Half Year ended September, 2017
a) Segment Revenue	99,053.15	21,882.75	239,064.67	40,441.73	338,117.82	62,324.48

3) Other Details

Particulars	(₹ in Lacs)						
	Graphitex (including other carbon products)		Power		Unallocable items/ Others		Company Total
	As at 30th September, 2018	As at 31st March, 2018	As at 30th September, 2018	As at 31st March, 2018	As at 30th September, 2018	As at 31st March, 2018	
Segment Assets	318,169.38	231,129.71	16,306.71	16,607.03	116,730.13	15,820.58	451,206.23
Segment Liabilities	117,892.90	73,757.97	4,102.75	3,370.55	6,591.60	5,567.06	128,587.25
Capital Exp. Incurred during the year	2,510.53	1,925.33	5.21	5.19	44.90	72.91	2,560.65
							263,557.32
							82,695.58
							2,003.44

4) Details of Unallocated Items

	(₹ in Lacs)	
Segment Assets	As at 30th September, 2018	As at 31st March, 2018
Property, Plant & Equipments	207.24	196.46
Investment Property	349.39	357.95
Investments	67,968.11	14,925.88
Inventories	14.07	12.03
Trade Receivables	0.02	0.12
Cash and Cash Equivalents	16,726.95	16.91
Bank balances other than Cash & Cash equivalents	31,385.73	245.28
Financial Assets-Loans	49.55	35.47
Other Assets	29.07	30.48
<b>Total:-</b>	<b>116,730.13</b>	<b>15,820.57</b>

	(₹ in Lacs)	
Segment Liabilities	As at 30th September, 2018	As at 31st March, 2018
Deferred Tax Liability	92.56	7.36
Other Financial Liability	4,739.41	2,944.93
Other Liabilities	1,615.65	2,487.68
Provisions	143.97	127.09
<b>Total:-</b>	<b>6,591.59</b>	<b>5,567.06</b>

Notes to the condensed standalone interim financial statements

5) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is as follows:

Revenue from External Customers	Half Year ended September, 2018	Half Year ended September, 2017
India	99,053.15	21,882.75
Saudi Arabia	22,902.96	695.05
USA	31,080.34	5,282.30
Egypt	9,884.62	4,464.59
TURKEY	29,900.57	5,359.93
SPAIN	28,550.63	2,747.94
Others*	116,745.55	21,891.92
<b>Total</b>	<b>338,117.82</b>	<b>62,324.48</b>

\*Others includes revenue from countries having less than 10% of total revenue from outside India

6) The Company's major sales are export based which is diversified in different countries and none of the customer contributes 10% or more of the total company's revenue for the half year ended September '18 and half year ended September '17.



Notes to the condensed standalone interim financial statements

Note: 37 Commitment & Contingencies

1) Contingent Liabilities

(₹ In Lacs)

Particulars	As at	As at
	30th September, 2018	31st March, 2018
For Taxation matters		
a) Excise duty under appeal	232.95	232.95
b) Service Tax	1,166.58	1,166.58
c) Income Tax	7,691.21	7,691.21
d) Sales Tax	477.40	481.56
Other than Taxation matters		
a) Power Related	2,900.37	2,541.20
b) Labour related matters	42.60	42.60
c) Others	116.00	116.00

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the company's favor in respect of all the items listed above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

Further Company has deposited amount to the tax authorities against the cases, which shown as payment under protest in note 12 of Other assets.

2) Commitment Outstanding

(₹ In Lacs)

Particulars	As at	As at
	30th September, 2018	31st March, 2018
a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹ 177.61 Lacs, (previous year ₹ 721.37 Lacs.)]	614.85	481.82

3) Financial Guarantee

(₹ In Lacs)

Particulars	As at	As at
	30th September, 2018	31st March, 2018
The Company has with RSWM Ltd on joint and several basis provided Guarantee in favor of International Finance Corporation (IFC) on behalf of M/s AD Hydro Power Ltd.*	600.00	600.00

\*Note- Since the loss allowance was estimated to be nil, the guarantee is not recognised in the books

## Note:38 Related Party Disclosure

a)	Names of related parties where control exists and with whom transactions have taken place during the year	Related Parties	
		Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
	Relationship		
A)	Subsidiary		(i) HEG Graphite Products & Services Ltd.*
B)	Associates	(i) Bhitwara Energy Limited (ii) Bhitwara Infotechnology Ltd	(i) Bhitwara Energy Limited (ii) Bhitwara Infotechnology Ltd
C)	Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.	Sh. L. N. Jhunjhunwala Smt. Mani Devi Jhunjhunwala Sh. Ravi Jhunjhunwala Sh. Riju Jhunjhunwala Sh. Rishabh Jhunjhunwala Smt. Rita Jhunjhunwala Sh. Ravi Jhunjhunwala-CMD & CEO Sh. Riju Jhunjhunwala-Non-Executive Director Sh. Raju Rustogi-Chief Operating Officer and Chief Financial Officer Sh. Vivek Chaudhary-Company Secretary	Sh. L. N. Jhunjhunwala Smt. Mani Devi Jhunjhunwala Sh. Ravi Jhunjhunwala Sh. Riju Jhunjhunwala Sh. Rishabh Jhunjhunwala Smt. Rita Jhunjhunwala Sh. Ravi Jhunjhunwala-CMD Sh. Riju Jhunjhunwala-Non-Executive Director Sh. Raju Rustogi-Chief Operating Officer and Chief Financial Officer Sh. Vivek Chaudhary-Company Secretary
D)	Key Management Personnel		
E)	Trust Under Common Control	(a) Hindustan Electro Graphite's Staff Gratuity Fund Trust (b) Hindustan Electro Graphite's Officers Contributory P.F. Trust (c) Hindustan Electro Graphite's Ltd Senior Executive Superannuation Fund Trust	(a) Hindustan Electro Graphite's Staff Gratuity Fund Trust (b) Hindustan Electro Graphite's Officers Contributory P.F. Trust (c) Hindustan Electro Graphite's Ltd Senior Executive Superannuation Fund Trust
F)	Enterprises over which any person described in (c) or (d) is able to exercise significant influence.	RSWM Ltd Malana Power Company Ltd Giltedged Industrial Securities Ltd Purvi Vanijya Niyajan Ltd Shashi Commercial Co Ltd	RSWM Ltd Malana Power Company Ltd Giltedged Industrial Securities Ltd Purvi Vanijya Niyajan Ltd Shashi Commercial Co Ltd

\* Note: "HEG Graphite Products and Services Ltd, a wholly owned subsidiary ("WOS") of the Company, the name of which has been struck-off under Section 248 (5) of the Companies Act, 2013, upon the application made by WOS under Section 248(2) of the Companies Act, 2013, from the Register of Companies and WOS stands dissolved w.e.f. 21st December, 2017.

## B Transaction during the year with related parties

Relationship	Name of the Related Party	Nature of Transaction	Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
1) Associates	M/s Bhitwara Energy Ltd	Reimbursement received	1.09	-
		Reimbursement made	0.11	-
2) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.	Sh. L.N. Jhunjhunwala	Dividend Paid	89.87	-
	Smt. Mani Devi Jhunjhunwala	Dividend Paid	51.68	-
	Sh Ravi Jhunjhunwala	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	119.60	118.86
		Commission	6,500.00	240.00
		Dividend Paid	175.39	-
	Sh Riju Jhunjhunwala	Director sitting fee	2.65	2.10
		Commission	25.00	-
		Dividend Paid	116.65	-
	Sh Rishabh Jhunjhunwala	Dividend Paid	93.06	-
	Smt Rita Jhunjhunwala	Dividend Paid	112.16	-
3)				
Key Management Personnel	Sh. Ravi Jhunjhunwala-CMD & CEO	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	119.60	118.86
		Commission	6,500.00	240.00
		Dividend Paid	175.39	-
	Sh. Raju Rustogi-Chief Operating Officer and Chief Financial Officer	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	74.81	41.46
	Sh. Vivek Chaudhary-Company Secretary	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	16.31	6.89
4) Trust Under Common Control	(a) Hindustan Electro Graphite's Staff Gratuity Fund Trust	Contribution in Employee Benefit Scheme	-	-
		Payment received on retirement and termination	-	-
	(b) Hindustan Electro Graphics Officers Contributory P.F. Trust	Contribution in Employee Benefit Scheme	-	30.32
		Payment received on retirement and termination	-	-

		Contribution in Employee Benefit Scheme	
	(c) Hindustan Electro Graphite's Ltd Senior Executive Superannuation Fund Trust	1.41	158.46
	Payment received on retirement and termination	-	-
	RSWM Ltd	21.76	21.48
	Rent Paid	-	6.33
	Rent Received	20.13	13.12
	Reimbursement received	9.70	18.68
	Reimbursement made	489.00	-
	Dividend Paid	-	-
	Shashi Commercial Co. Ltd.	14.63	13.49
	Rent Paid	357.59	-
	Dividend Paid	-	-
	Purvi Vanijaya Niyojan Ltd.	1.71	1.73
	Rent Paid	0.11	-
	Reimbursement made	872.68	-
	Dividend Paid	-	-
	Giltedged Industrial Securities Ltd.	12.04	11.22
	Rent Paid	252.33	0.00
	Dividend Paid	-	-
	Malana Power Co.Ltd.	1.41	0.21
	Reimbursement received	-	-

**C) Details of Outstanding Balance**

Sl.No.	Related Party	Name of the Related Party	Particulars	As at 30th September, 2018	As at 31st March, 2018
1	Associates	Bhilwara Energy Ltd.	Investments	14,506.88	14,506.88
			Loan and Advances	0.27	0.11
		Bhilwara Infotechnology Ltd	Investments	419.00	419.00
2	Enterprises over which any person described in (b) or (c) is able to exercise significant influence.	RSWM Ltd	Loan and Advances	0.18	0.18
		Malana Power Co.Ltd.	Loan and Advances	1.90	1.90

D) Commitments with Related Parties		Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
Particulars			
The Company has with RSWM Ltd. on joint and several basis provided guarantee in favor of International Finance Corporation (IFC) on behalf of Ad Hydro Power Ltd.		600.00	600.00
E) Key Managerial Person		Amount (₹ in Lacs)	
Particulars		Half Year Ended 30th September, 2018	Half Year Ended 30th September, 2017
Short term benefits			
Post employment benefits#		6,769.85	389.96
- Other Long Term Benefits		22.53	19.35
Share based payments			
Dividend		292.03	-
Total		7,084.41	409.31

# Remuneration does not include provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.



Notes to the condensed standalone interim financial statements

Note : 39 Indian Accounting Standard-19 "Employee Benefits"

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the period are as under :

(₹ in Lacs)

Particulars	Half Year Ended	Half Year Ended
	30th September, 2018	30th September, 2017
Employer's contribution to Provident Fund	122.02	114.09
Employer's contribution to Superannuation Fund	87.51	77.94
Employer's contribution to ESIC	29.59	31.92

Defined Benefit Plan

The Following table set out the funded status of the gratuity plan and amounts recognised in the balance sheet:

Particulars	As At	As At
	30th September, 2018	31st March, 2018
<b>I. Change in Defined Benefit Obligation (DBO):</b>		
Present Value of Defined benefit obligation at the beginning of the year	1,156.35	1,134.68
1. Interest Cost	45.10	83.40
2. Current Service Cost	36.24	66.02
3. Past Service Cost including curtailment (Gains)/Losses		33.90
4. Benefits paid	(74.04)	(224.08)
5. Actuarial Changes (Gain)/Loss	69.79	62.42
Present Value of Defined benefit obligation at the end of the year	<b>1,233.43</b>	<b>1,156.35</b>
<b>II. Change in Fair Value of Assets:</b>		
Fair Value of Plan Assets at the beginning of the year:	1,307.99	1,193.82
1. Expected Return	4.26	114.17
2. Actual Company Contribution	-	-
4. Benefits paid	-	-
Fair Value of Plan Assets at the end of the year	1,312.25	1,307.99
<b>III. Net Assets/(liability) recognized in Balance Sheet:</b>		
1. Present value of Defined Benefit Obligation	1,233.43	1,156.35
2. Fair Value on Plan Assets	1,312.25	1,307.99
<b>Net Assets/(Liability) recognized in balance sheet (2-1)</b>	<b>78.83</b>	<b>151.64</b>
<b>IV. Expenses recognised during the year</b>		
<b>In Statement of Profit and Loss</b>		
Current Service Cost	36.24	99.92
Net Interest on net defined benefit liability / (asset)	(5.91)	(4.35)
<b>Net Cost</b>	<b>30.32</b>	<b>95.57</b>
<b>In Other Comprehensive Income</b>		
Actuarial Gain/ (Loss) on Obligation	(69.79)	(62.42)
Actuarial Gain / (Loss) for the year on Asset	(46.75)	26.43
<b>Net Income/(Expense) for the period Recognised in OCI</b>	<b>(116.54)</b>	<b>(35.99)</b>
<b>V. Recognised in Other Comprehensive Income for the year</b>		
1. Actuarial changes arising from changes in demographic assumptions (Gain/ (Loss))	-	-
2. Actuarial changes arising from changes in financial assumptions (Gain/ (Loss))	(39.63)	37.79
3. Actuarial changes arising from changes in experience adjustments (Gain/ (Loss))	(30.16)	(100.21)
4. Return on plan assets excluding interest income (Gain/ (Loss))	(46.75)	26.43
5. Recognised in Other Comprehensive Income- (Gain/ (Loss))	(116.54)	(35.99)

VI. The major categories of plan assets as a percentage of the fair value of total plan assets :

Insurer Management Fund	1.00	1.00
-------------------------	------	------

VII. Actuarial Assumptions:

Discount Rate (per annum)	8.26	7.80
Salary escalation (per annum)	6.50	5.50
Expected Rate of Return (per annum)	8.26	7.80
Retirement age	58/60	58/60
Mortality Rate during employment	100% of ALM (2006-08)	100% of ALM (2006-08)

VIII. Withdrawal rates:

Age:		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

IX. Sensitivity Analysis of the defined benefit obligation.

a) Impact of the change in discount rate

Impact due to increase of 0.50%-Increase(Decrease) in obligation	(43.99)	(39.46)
Impact due to decrease of 0.50 %-Increase(Decrease) in obligation	47.12	42.20

b) Impact of the change in salary increase

Impact due to increase of 0.50%-Increase(Decrease) in obligation	41.22	39.95
Impact due to decrease of 0.50 %-Increase(Decrease) in obligation	(39.99)	(37.82)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



**Notes to the condensed standalone interim financial statements**

**Note:40 Events after the Reporting Period**

The Company have declared dividend of ₹30 per Equity Share of ₹10 each, aggregating ₹11,987.74 including ₹2,464.11 dividend distribution tax for the financial year 2018-19 in his board meeting held on 31st October,2018

**Note 41 Financial risk management and objective policies**

The company is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

**(A) 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 other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings and deposits. The company is exposed to interest rate risk on variable rate long term and short term borrowings.

**(i) Foreign Currency Risk:**

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO

**a) Foreign currency forward contracts outstanding as at the balance sheet date**

Category	Currency	Nature	As at 30th September, 2018		As at 31st March, 2018		Purpose
			(USD) in Millions	(INR Lacs)	(USD) in Millions	(INR Lacs)	
Plain Vanilla Forwards ( Sold )	USD/ INR	Sold	114.85	8,167.54	36.00	2368.03	Hedging
Plain Vanilla Forwards	EURO/ USD	Sold	10.00	USD 1.1834	3.50	USD 1.2555	Hedging

Notes to the condensed standalone interim financial statements

b) Particulars of foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Particulars	Currency	As at	
		30th September, 2018	31st March, 2018
		Amount in INR(₹ in Lacs)	Amount in INR(₹ in Lacs)
<b>Financial Liabilities</b>			
Secured Loan	USD	-	-
	Euro	-	-
Creditors(Net of Advances)	USD	33,581.40	11,418.87
	Euro	34.28	38.21
Other payables	USD	1,180.86	1,116.99
	Euro	2,356.09	1,375.28
Net exposure to foreign currency risk (liabilities)	USD	34,762.26	12,535.86
Net exposure to foreign currency risk (liabilities)	Euro	2,390.37	1,413.49
Debtors(Net of Advances)	USD	58,150.16	36,110.71
	Euro	37,067.38	31,098.34
Net exposure to foreign currency risk (assets)	USD	58,150.16	36,110.71
Net exposure to foreign currency risk (assets)	Euro	37,067.38	31,098.34

(c) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

The following table demonstrates the sensitivity in the USD and Euro to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

Particulars	Impact on Profit	
	For the half year ended	For the year ended
	30th September, 2018	31st March, 2018
<b>USD Sensitivity</b>		
Increase by 6% ( Previous year 1%)	1,403.27	235.75
Decrease by 6% ( Previous year 1%)	-1,403.27	-235.75
<b>EURO Sensitivity</b>		
Increase by 8% ( Previous year 4%)	2,774.16	1,187.39
Decrease by 8% ( Previous year 4%)	-2,774.16	-1,187.39

Notes to the condensed standalone interim financial statements

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

(a) Interest Risk Exposure:

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:  
(` in Lacs)

Particulars	As At	
	30th September, 2018	31st March, 2018
Variable Rate Borrowings	34,191.57	29,745.49
Fixed Rate Borrowings	-	-
<b>Total Borrowings</b>	<b>34,191.57</b>	<b>29,745.49</b>

As at the end of the reporting period, the company has the following variable rate borrowings outstanding:

Particulars	As At 30th September, 2018		As At 31st March, 2018	
	Weighted Average Interest Rate	Outstanding Balance (` in Lacs)	Weighted Average Interest Rate	Outstanding Balance (` in Lacs)
Working Capital Loans from banks	5.55%	34,191.57	6.32%	29,745.49
<b>Total</b>	<b>5.55%</b>	<b>34,191.57</b>	<b>6.32%</b>	<b>29,745.49</b>
		<b>100</b>		<b>100</b>

An analysis of the maturities is provided in note - 46 (C) below. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total

(b) Sensitivity:

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on Profit	
	For the half year ended 30th September, 2018	For the year ended 31st March, 2018
Interest Rate - Increase by 60 basis points	-205.15	-178.47
Interest Rate - decrease by 60 basis points	205.15	178.47

(iii) Price risk:

The company is not exposed to any price risk as there is no investment in equities outside the group and the company doesn't deal in commodities.

(B) Credit Risk:

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, unsecured loan to subsidiary company and other financial instruments.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, 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 risk on an ongoing basis through each reporting period.

Notes to the condensed standalone interim financial statements

(a) Expected Credit Loss for Financial Assets

As at 30th September 2018

Financial assets to which loss allowance is measured using 12 months Expected credit loss (ECL)	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss	(' in Lacs)	
				Carrying amount net of impairment provision	
Loans to Employees	164.67	0%	-	164.67	
Security Deposits	735.48	0%	-	735.48	
Other Financial Assets	386.79	0%	-	386.79	

Financial assets to which loss allowance is measured using lifetime Expected credit loss(ECL)	Not Due	Less than 12 months	12 to 15 months	15 to 18 months	18 to 21 months	21 to 24 months	More than 24 months	Total
Trade Receivables- Other than ECGC	6,840.41	126,959.48	89.00	87.64	248.04	2.13	460.18	134,686.89
Due under ECGC	0.00	0.00	0.00	0.00	0.00	0.00	116.39	116.39
Expected Loss Rate			25%	50%	75%	100%	100%	
Expected Credit Losses	0.00	0.00	22.25	43.82	186.03	2.13	460.18	714.41
Carrying amount of Trade receivables	6,840.41	126,959.48	66.75	43.82	62.01	0.00	116.39	134,088.87

For the year ending 31st March 2018

Financial assets to which loss allowance is measured using 12 months Expected credit loss(ECL)	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss	Expected Credit Loss	Carrying amount net of impairment provision
Loans to Employees	107.12	0%	-	-	107.12
Security Deposits	721.72	0%	-	-	721.72
Other Financial Assets	109.43	0%	-	-	109.43

Notes to the condensed standalone interim financial statements

Financial assets to which loss allowance is measured using lifetime Expected credit loss(ECL)	Not Due	Less than 12 months	12 to 15 months	15 to 18 months	18 to 21 months	21 to 24 months	More than 24 months	Total
Trade Receivables- Other than ECGC	72,073.61	24,482.89	415.27	6.97	46.84	23.68	390.13	97,439.38
Due under ECGC							288.47	288.47
Expected Loss Rate			10%	20%	30%	50%	100%	
Expected Credit Losses	0.00	0.00	41.53	1.39	14.05	11.84	390.13	458.94
Carrying amount of Trade receivables	72,073.61	24,482.89	373.74	5.58	32.79	11.84	288.47	97,268.91

Provisioning Norms of Debtors

Ageing of debtor on the basis of invoice date	Provision in % 2018-19	Provision in % 2017-18
Upto 12 Months	Nil	Nil
12 to 15 months	25%	10%
15 to 18 months	50%	20%
18 to 21 months	75%	30%
21 to 24 months	100%	50%
More than 24 months	100%	100%

(b) Reconciliation of loss allowance provision -  
Trade receivables

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model:

Particulars	Current half year ended 30th September, 2018	Previous Financial year ending 31st March, 2018
As at the beginning of year	458.94	1,241.92
Provided during the year	255.47	
Reversal of provisions		(782.98)
As at the end of the year	714.41	458.94

Notes to the condensed standalone interim financial statements

(C) Liquidity Risk:

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Prudent liquidity risk management implies maintaining sufficient availability of standby funding through an adequate line up committed credit facilities of ₹ 2,205.20 Lacs( previous year ₹ 28,754.51 Lacs ) to meet obligation when due and close out market position.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:  
As at 30th September 2018

Particulars	Less than 3 months	3 to 6 months	6-12 months	12months to 3 years	More than 3 years	Total
Borrowings:(Non-Current)	-	-	-	-	-	-
Borrowings:(Current)	34,191.57	-	-	-	-	34,191.57
Trade payables	14,061.83	33,576.00	-	-	-	47,637.83
Other financial liabilities	6,421.32	1,709.00	6,357.59	532.15	36.13	15,056.19

As at 31st March, 2018

Particulars	Less than 3 months	3 to 6 months	6-12 months	12months to 3 years	More than 3 years	Total
Borrowings:(Non-Current)	-	-	-	-	-	-
Borrowings:(Current)	29,745.49	-	-	-	-	29,745.49
Trade payables	21,970.74	2,673.69	-	-	-	24,644.43
Other financial liabilities	3,442.35	4,057.38	456.77	-	-	7,956.50

**Note : 42 Capital Management****(a) Risk Management**

The companies objective when managing capital are to:

- i) 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
  - (ii) Maintain an optimal capital structure to reduce the cost of capital
- In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**(i) The gearing ratios were as follows:**

Particulars	As at	
	30th September, 2018	31st March, 2018
a) Debt*	34,191.57	29,745.49
b) Cash & Cash Equivalents	(20,195.80)	(517.18)
(c) Net Debt (a)+(b)	13,995.77	29,228.31
Total equity	322,618.90	180,861.73
Net Debt to Equity Ratio	0.04	0.16

\* Debt is defined as long- term and short-term borrowings ( excluding derivative, financial guarantee contracts and contingent consideration), refer note 18 for the details of borrowings.

**(ii) Loan Covenants:**

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- 1) Total Outside Liability (TOL) to Tangible Net Worth (TNW) ratio not be more than 3
- 2) Current Ratio not be less than 1.0
- 3) Interest Coverage Ratio not be less than 2.0
- 4) Gross Debt Service Coverage Ratio(DSCR) not be less than 1
- 5) Total Debt to EBITDA less than 5.5

The company has complied with all the covenants as on 30th September,2018

**(b) Dividends**

Particulars	As at	
	30th September, 2018	31st March, 2018
<b>i) Equity Shares</b>		
Final Dividend paid for the year ended 31st March, 2018 of ₹50 per fully paid equity share	19,979.57	11,987.74
Interim Dividend paid during the year ended 31st March, 2018 of ₹30 per fully paid equity share		
<b>ii) Dividends not recognised at the end of the reporting year</b>		
In addition to above dividends, since period end the company has declared the payment of a Interim dividend of ₹30 per equity share.	11,987.74	
In addition to above dividends, since year end the directors have recommended the payment of a Interim dividend of ₹50 per equity share .		19,979.57



Notes to the condensed standalone interim financial statements

Note 43. Financial Instruments- Accounting Classification and Fair Value Measurement

(₹ in Lacs)

Particulars	As at 30th September, 2018			As at 31st March, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
-Equity instruments	0.01	-	-	0.01	-	-
-Bonds	5,276.28	-	-	-	-	-
-Fixed Maturity Plans	43,958.95	-	-	-	-	-
-Non Convertible Debentures	2,032.00	-	900.15	-	-	828.84
Loans	-	-	386.80	-	-	85.04
Others	-	-	-	24.39	-	-
Derivative financial assets	-	-	-	-	-	-
Trade Receivables	-	-	134,088.87	-	-	97,268.90
Cash and Cash Equivalents	-	-	20,195.80	-	-	517.18
Bank balances other than cash & Cash equivalents	-	-	31,385.73	-	-	245.28
<b>Total Financial Assets</b>	<b>51,267.24</b>	-	<b>186,957.33</b>	<b>24.40</b>	-	<b>98,945.24</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	34,191.57	-	-	29,745.49
Trade Payables	-	-	47,637.83	-	-	24,644.43
Other Financial Liabilities	-	-	14,781.64	-	-	7,956.50
Derivative financial Liability	2,428.34	-	0	-	-	-
<b>Total Financial Liabilities</b>	<b>2,428.34</b>	-	<b>96,611.04</b>	-	-	<b>62,346.41</b>



**Notes to the condensed standalone interim financial statements**

**(i) Fair value hierarchy**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying value largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates evaluated by the Company based on the parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account the expected losses of these receivables.

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

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liabilities

Level 2: Other techniques for which all the inputs have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31st March, 2018

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets at Fair value through profit or loss</b>				
Quoted equity investment	0.01	0.01	-	-
Derivative financial assets	24.39	24.39	-	-
<b>Total</b>	<b>24.40</b>	<b>24.40</b>	<b>-</b>	<b>-</b>

(` in Lacs)

Notes to the condensed interim financial statements

As at 30th September, 2018

(₹ in Lacs)

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at Fair value through profit or loss				
Investments-Bonds	5,276.28	5,276.28	-	-
Investments-Fixed Maturity Plans	43,958.95	43,958.95	-	-
Investments-Non Convertible Debentures	2,032.00	2,032.00	-	-
Quoted equity investment	0.01	0.01	-	-
<b>Total</b>	<b>51,267.23</b>	<b>51,267.23</b>	-	-
Financial Liabilities at Fair value through profit or loss				
Derivative financial Liability	2,428.34	2,428.34	-	-
<b>Total</b>	<b>2,428.34</b>	<b>2,428.34</b>	-	-

(ii) Valuation technique used to determine fair value

The following methods and assumptions were used to estimate the fair values

- i. Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ii. The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.



Notes to the condensed standalone interim financial statements

NOTE 44. Carrying Amount of pledged Assets

Particulars	₹ in Lacs)	
	As at 30th September, 2018	As at 31st March, 2018
<b>First Charge</b>		
Property, Plant & Equipment	81,520.07	82,814.06
<b>Total (A)</b>	<b>81,520.06</b>	<b>82,814.06</b>
<b>Secondary Charge</b>		
<b>Current Assets</b>		
(a) Trade receivables	134,088.87	97,268.90
(b) Inventories	95,645.59	51,143.57
<b>Total (B)</b>	<b>229,734.45</b>	<b>148,412.47</b>
<b>Total (A+B)</b>	<b>311,254.51</b>	<b>231,226.53</b>



**Notes to the condensed standalone interim financial statements**

Note 45. In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the period 1 April to 30 June 2017 were reported gross of Excise Duty and net of VAT / CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current period in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, certain expenses where credit of GST is available are also being reported net of taxes.

**Note: 46**

The comparative financial information of the Company for the six months period ended 30 September, 2017, wherever reflected in the Interim Condensed Standalone Financial Statements, is unaudited.

**Note: 47**

Previous year figures have been regrouped/reclassified, wherever necessary to conform the current period/year classification.

**Signed in terms of our report of even date**

**For SCV & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 000235N/N500089

**Ravi Jhunjhunwala**  
Chairman, Managing Director & CEO  
DIN No. 00060972

**Riju Jhunjhunwala**  
Director  
DIN No. 00061060

**Sanjiv Mohan**  
Partner  
Membership No. 086066

**Raju Rustogi**  
Chief Financial Officer & Chief Operating Officer

**Shekhar Agarwal**  
Vice Chairman  
DIN No. 00066113

**Vivek Chaudhary**  
Company Secretary  
Membership No. A13263

**D.N.Davar**  
Director  
DIN No. 00002008

Place : Noida (U.P.)

Dated: 26th November, 2018