

HINDUSTHAN UDYOG LTD.

BOARD OF DIRECTORS

V. N. AGARWAL, Managing Director
PRAKASH AGARWAL
RITU AGARWAL
ASIM KUMAR GHOSH
BINAYA KAPOOR

COMPANY SECRETARY

SHIKHA BAJAJ

AUDITORS

S. GHOSE & CO.
Chartered Accountants
KOLKATA - 700 001

BANKERS

IDBI BANK LIMITED
UNITED BANK OF INDIA

REGISTERED OFFICE

TRINITY PLAZA, 3RD FLOOR
84/1A, TOPSIA ROAD (SOUTH)
KOLKATA - 700 046

CORPORATE OFFICE

TEMPLE CHAMBER
6, OLD POST OFFICE STREET
KOLKATA - 700 001

HINDUSTHAN UDYOG LTD.

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 68th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2015.

COMPANY PERFORMANCE:

	2014 - 2015	2013 - 2014
	₹ in Lakhs	₹ in Lakhs
FINANCIAL RESULTS		
Total Revenue	4,420.49	4,616.62
EBITDA	435.08	418.51
Less :		
Finance Costs	169.49	163.96
Depreciation	180.46	174.00
Tax Expense	5.80	5.77
Profit after Tax (PAT)	79.33	74.78
Add : Opening Balance in Profit & Loss Account	(2,022.25)	(2,097.03)
Closing Balance	(1,942.92)	(2,022.25)

The Total Income of the Company for the year under review reduced by 4% to ₹ 4,420.49 Lakhs compared to that of last year which was due to the subdued industrial growth in the Country that affected all segments of the Economy particularly the Manufacturing Industries.

Even after reduction of Revenues the EBITDA % were maintained at the same level of 9% as last year which is appreciable.

Further the Profit after tax of Rs. 79.33 Lakhs reduced the Accumulated Losses of the Company from ₹ 2,022.25 Lakhs to ₹ 1,942.92 Lakhs.

Your Company is hopeful for having good year ahead in view of positive growth predicted on account of initiatives taken up by the Government in the various Industrial Sectors.

The Durgapur Unit continued to remain closed during the year.

DIVIDEND:

In view of the Brought forward unabsorbed accumulated losses, the Directors express their inability to recommend any dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated in clause 49 of the Listing Agreements with the Stock Exchanges is appended below:-

A. BUSINESS

The Company is engaged in the manufacturing of Alloy and Stainless Steel Castings with stringent quality requirements required in Turbines, Metal Shredding, Earth Moving and Mining Equipment, Power Plants, Pumps, Valves, Compressors and other Heavy Engineering Industries. It is also engaged in the manufacturing of Material Handling Equipments of varied nature required in Mines, Cement Plants, Power Plants and Other General Engineering Sectors. The Company has manufacturing units located in Kolkata and Nagpur.

B. REVIEW OF OPERATIONS & FUTURE PROSPECTS

The Company during the year continued improvements in quality of its Existing Products which has enabled it to maintain its margins and profitability.

The key operational highlights at both the Units were:-

Nagpur Unit

- Development of Pump Casings in Super Duplex Stainless Steel grade.
- Impellers, Bowl and bell in CD4MCuN Grade developed.
- Development of 9.5 M/T single piece Discharge Bowl in Grey Cast Iron.
- Installation and operation of new VTL Machine.
- Increase in Line moulding capacities by modification of existing line.

Kolkata Unit

- Successful development of Creep Steel Castings
- Development of Duplex Stainless Steel Grade 5A Castings with the help of technology for Hot Knockout obtained from Manchester, UK which reduces chances of rejections of castings due to cracks.
- Removal of Low Alloy and plain Carbon Steel Items so as to concentrate on making of only High Alloy Steel Castings (H.A.S.) with good margins.
- Getting good responses for H.A.S. Castings from several Pump, Valve and Steam Turbine Industries as delivery is being made in the shortest possible time.

In addition to the domestic market, the Company's products also have a good Export Market.

C. OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

The Company sees opportunity in the development and supply of high contribution items.

Further, good opportunity also exists in catering of new export markets which needs to be aggressively tapped.

However, your Company is exposed to certain risks and areas of concern for it are:-

- (i) Demand for Company's highly sophisticated steel casting products in few critical segments only.
- (ii) Stagnancy in the Market Demand due to General Economic conditions.
- (iii) Heavy Dependence on Few Customers in the Export Market.
- (iv) Currency Fluctuations in adverse direction.
- (v) Fluctuations in raw material prices can affect the bottomline as most of the orders are fixed price orders with no price variation clause.
- (vi) Pressure on Pricing.
- (vii) Increase in Prices of Power and other Manufacturing Overheads.

D. INTERNAL CONTROL SYSTEM

The Company has internal control procedures commensurate with the nature of its business and size of its operations. The objective of these procedures are to ensure efficient use and protection of the Company's resources, accuracy in financial reports and due compliance of statutes and Company policies and procedures.

The Internal Audit function is conducted by a Senior Management Team of the Company. The reports of such audit, the progress in implementation of recommendations contained in such reports and the adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodical meetings.

HINDUSTHAN UDYOG LTD.

E. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Industrial Relations were cordial during the year under review. At all levels, employees of the Company are fully committed to the growth of the Company and there was no loss of work due to any industrial relation problem during the year.

CORPORATE GOVERNANCE:

The principles of good Corporate Governance through professionalism, accountability, transparency, trusteeship and control have always been followed by your Company and it has complied with all the applicable provisions of Corporate Governance as per Clause 49 of the Listing Agreements with the Stock Exchanges.

A separate Report on Corporate Governance as prescribed by the Listing Agreement forms part of the Annual Report 2014-15 along with the Auditors' Certificate on its compliance in **Annexure B**.

DIRECTORS:

Mrs. Ritu Agarwal, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Her Brief Resume is attached to the Notice of the ensuing Annual General Meeting.

The Remuneration Policy for Directors, Key Managerial Personnel and Other Employees is annexed as part of this Report as **Annexure C**.

NO. OF BOARD MEETINGS HELD

During the year 2014-15, Five (5) Board Meetings were held on 30th May 14, 14th August 14, 20th September 14, 12th November 14 and 2nd February, 15.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(5) of The Companies Act, 2013, the Directors state as follows:-

- (i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of your Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the accounts for the financial year ended 31st March, 2015 on a "going concern" basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such were adequate and operating effectively.

BOARDEVALUATION:

The Board evaluated the effectiveness of its functioning and that of the Committees and of Individual Directors by seeking inputs on various aspects of Board/Committee Governance and considered and discussed in details the inputs received from the Directors.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in strategic planning and fulfillment of their obligations including but not limited to their participation in the Board/Committee Meetings.

INDEPENDENT DIRECTORS DECLARATION:

The Independent Directors meet the criteria of being Independent (as prescribed in The Companies Act, 2013 and Clause 49 of the Listing Agreements) and an Independency Certificate from them have been obtained.

AUDITORS:

Messrs S. Ghose & Co., Chartered Accountants, Statutory Auditors hold office till the conclusion of this AGM. They have expressed their willingness to continue as such and are eligible for re-appointment.

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of The Companies Act, 2013, the extract of Annual Return in Form MGT-9 pursuant to Rule 12 of The Companies (Management and Administration) Rules, 2014 is annexed herewith as Annexure D, as part of this Report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of The Companies Act, 2013 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by a Practicing Company Secretary is annexed herewith as Annexure E, as part of this Report.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company with its Related Parties during the financial year were on arm's length basis and in the ordinary course of business. The transactions with Related Parties are disclosed in the Notes to the Financial Statements.

VIGIL MECHANISM

In terms of Section 177(9) & (10) of The Companies Act, 2013, a Vigil Mechanism of Directors and Employees has been established, details of which are given in the Corporate Governance Report.

PARTICULARS OF EMPLOYEES

Information required to be given pursuant to the provisions of section 197(12) of The Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure F. However, disclosure required in terms of Rules 5(2) & (3) of said Rules are not applicable to the Company.

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

Particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required under section 134(3)(m) of The Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in the Annexure A.

CODE OF CONDUCT:

Your Company has formulated a Code of Conduct which applies to Board Members and Senior Management Personnel of the Company. Confirmations towards adherence to the Code during the Financial Year 2014-15 have been obtained from all the Board Members and Senior Management Personnel in terms of Clause 49 of the Listing Agreement and a declaration relating to compliance of this code during the year by all Board Members and Senior Management Personnel has been given by the Managing Director of the Company which accompanies this report.

ACKNOWLEDGEMENTS:

Your Directors would like to thank shareholders, customers, suppliers, bankers, employees and all other business associates for the continuous support given by them to the Company and their confidence in its management.

FOR AND ON BEHALF OF THE BOARD

V. N. AGARWAL
RITU AGARWAL
DIRECTORS

Place: Kolkata
Date: 29th May, 2015

HINDUSTHAN UDYOG LTD.

ANNEXURE “A”

PARTICULARS AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

ENERGY CONSERVATION MEASURES TAKEN :

All Units of the Company continues the endeavor to control and reduce the energy consumption per unit of production.

Energy Conservation Measures taken at the Units located in Kolkata are:

- i) Replacement of motors/ pumps/ lighting with energy efficient models.
- ii) Optimization of electrical distribution system.
- iii) Improvements to reduce heat gain/cooling losses from building.

Energy Conservation Measures taken at the Unit located in Nagpur are:-

- i) Bulk Production done through Induction Furnaces for melting instead of Electric ARC Furnace.
- ii) Rationalization of Pump Capacities and use in many areas of pumps with lower power ratings with the same efficiency.
- iii) Use of duplex billets instead of Loose Scrap for manufacturing of Duplex Steel Castings.

The above mentioned measures initiated across the Company's business will ensure savings in the Company's Energy Consumption. Even though the power costs have increased during the year under review, the same is comparable with the Industry Standards.

	POWER CONSUMPTION	For the year ended 31.03.2015	For the year ended 31.03.2014
1)	Electricity Units purchased (KWH in Lakhs) Total Amount (₹ In Lakhs) Rate/Unit (₹)	44.09 410.70 9.32	47.04 407.40 8.66
2)	Light Diesel Oil Units purchased (Ltrs. In Lakhs) Total Amount (₹ In Lakhs) Rate/Unit (₹)	1.87 87.99 47.05	2.08 91.44 43.96
3)	Consumption/Unit of production Product (Units): Steel, Alloy and Cast Iron Castings (MT) Electricity (KWH/MT) Light Diesel Oil (Ltrs./MT)	1,341 3,287 139	1,488 3,161 140

TECHNOLOGY ABSORPTION :

Research and Development (R&D) :

Research and Development is continuously carried on for improvement in the quality of the existing products and production process so as to bring them in line with the requirements of Customers or Industry Standards and the Company has succeeded in making out the improvements in the quality and efficiency in production.

Expenditure on Research and Development are charged under primary heads of accounts.

Technology absorption, adaptation and innovation

The Company has not imported any new technology during the last five years reckoned from the beginning of the Current Financial Year i.e. 1st April, 2014.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earned	₹ 1,552.71 Lakhs
Foreign Exchange used	₹ 19.81 Lakhs

FOR AND ON BEHALF OF THE BOARD

Place: Kolkata
Date: 29th May, 2015

V. N. AGARWAL
RITU AGARWAL
DIRECTORS

ANNEXURE “B”

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance :

1) THE COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good Governance practices stem from culture and mind set of the organization. As stakeholders across the country evidence keen interest in the practices and performance of Companies, Corporate Governance has emerged on the centre stage.

The Company has always believed in conducting its affairs in a fair and transparent manner and in maintaining the highest ethical standards in its dealings with all its constituents. It aims to constantly review its systems and procedures at all levels to achieve the highest level of Corporate Governance in the overall interest of all the Shareholders.

In terms of Clause 49 of the Listing Agreements with the Stock Exchanges, the details of compliances made by the Company for the year ended 31st March, 2015 are as follows:

2) BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that long term interests of the shareholders are being served.

The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. As on 31.03.2015 the Company's Board consisted of Five Directors out of which two were Independent Directors who are eminent Professionals with experience and expertise in Business, Industry, Finance and Law.

The Composition of the Board as on 31.03.2015 are as follows:-

Sl. No.	Category	No. of Directors	% of Total
1.	Executive Director & Promoter Managing Director	1	20.00
2.	Non-Executive Director & Promoter	2	40.00
3.	Independent Non-Executive Director	2	40.00
	TOTAL	5	100.00

HINDUSTHAN UDYOG LTD.

The further details relating to the Composition of the Board as on 31.03.2015 are as follows :

Sl.	Name of the Board Members	Category	No. of other Directorships in Indian Companies	No. of other Board Committee(s) of which he/she is a Member	No. of other Board Committee(s) of which he/she is a Chairperson
1.	Mr. V. N. Agarwal DIN:00408731	Managing Director & Promoter	10	6	1
2.	Mr. Prakash Agarwal DIN:00249468	Non - Executive Director & Promoter	12	5	—
3.	Mrs. Ritu Agarwal DIN:00006509	Non - Executive Director & Promoter	5	—	—
4.	Mr. Binaya Kapoor DIN:00544162	Independent Non - Executive Director	2	2	—
5.	Mr. A.K. Ghosh DIN:01424368	Independent Non - Executive Director	5	4	2

Mr. Prakash Agarwal is the son of Mr. V.N. Agarwal and husband of Mrs. Ritu Agarwal.

3) DETAILS OF BOARD MEETINGS & ANNUAL GENERAL MEETING HELD AND ATTENDED BY THE DIRECTORS DURING THE FINANCIAL YEAR 2014-2015

(i) During the Financial Year 2014-15 Six Board Meetings were held on:-

30th May 14, 14th August 14, 20th September 14, 12th November 14 and 2nd February, 15.

(ii) Details of Attendance record of the Directors at the Board Meetings and the last Annual General Meeting are as follows:

Name of the Board Members	No. of Board Meetings Attended	Attendance at the last AGM held on 27th September, 2014
Mr. V.N. Agarwal	5	Yes
Mr. Prakash Agarwal	5	Yes
Mrs. Ritu Agarwal	5	Yes
Mr. Binaya Kapoor	4	No
Mr. A.K. Ghosh	5	Yes

4) BOARD MEETINGS

- The Company's Governance policy requires the Board to meet at least four times in a year with a time gap between any two Board Meetings not exceeding one hundred and twenty days.
- In terms of Company's Corporate Governance Policy, all statutory, significant and material information (including compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances) are placed before the Board to enable it to discharge its responsibility.

HINDUSTHAN UDYOG LTD.

- iii) The Internal Guidelines for Board Meetings facilitate the decision making process at the Meeting of the Board in an informed and efficient manner.

5) BOARD AGENDA

Meetings are governed by structured Agenda. The Board Members in consultation with the Chairman may bring up any matter for the consideration of the Board.

6) BOARD PROCEDURE

- (i) The Members of the Board have been provided with the requisite information as required by Annexure X to Clause 49 of the Listing Agreements well before the Board Meetings and the same were dealt with appropriately.
- (ii) All Directors who are in various committees are within the permissible limits as stipulated in Clause 49(IIC) of the Listing Agreements. The Directors from time to time have intimated to the Company their Memberships/ Chairmanships in various Committees in other Companies.

7) POST-MEETING FOLLOW UP SYSTEM

The Governance process in the Company includes an effective post-meeting follow up, review and reporting process for action taken/pending on decision of the Board/Board Committees.

8) SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors held a Meeting on 2nd February 2015 without the presence of any Non-Independent Directors and Members of Management wherein they (i) reviewed the performance of Non-Independent Directors and the Board as a whole and (ii) assessed the quality, quantity and timelines of flow of information between the Company Management and Board that was necessary for the Board to effectively and reasonably perform their duties.

9) VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for the Directors and Employees which enable them to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The mechanism also provides for adequate safeguards against victimization of Directors/ Employees who avail the mechanism.

This functioning of this Policy is reviewed by the Audit Committee and it is ensured that no employee is denied access to the Committee.

10) COMMITTEES OF THE BOARD

Currently there are three Board Committees - the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. The Terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Signed Minutes of Board Committee Meetings are placed at the Board Meetings for the information of the Board.

i) AUDIT COMMITTEE

Audit Committee of the Board, inter alia provides re-assurance to the Board on the existence of an effective internal control environment that ensures:-

- (a) Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Compliance with Listing and legal requirements concerning financial statements.

- (c) Recommending to the Board the appointment/re-appointment of Statutory Auditors, fixation of their Audit Fees and approving payments made for any other services rendered by them.
- (d) Reviewing with the Management the Quarterly and the Annual Financial Statements before submission to the Board for approval.
- (e) Reviewing with the management the performance of the Statutory Auditors and the adequacy of internal control function.
- (f) Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- (g) Reviewing the Internal Audit function and the progress in the implementation of recommendations contained in the Internal Audit Report.
- (h) Efficiency and effectiveness of operations.
- (i) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (j) Reliability of financial and other management information and adequacy of disclosures
- (k) Compliance with all relevant statutes.
- (l) Approval or any subsequent modification of transactions of the Company with Related Parties.
- (m) Reviewing the functioning of Whistle Blower mechanism.

The composition of the Audit Committee as on 31.03.2015 is as follows:-

Name of the Director	Chairman/Member	Category
Mr. A. K. Ghosh	Chairman	Non Executive & Independent
Mr. Prakash Agarwal	Member	Non Executive & Promoter
Mr. Binaya Kapoor	Member	Non Executive & Independent

During the Financial Year 2014-2015 Four Audit Committee Meetings were held and the Attendance of the Members at the said Meetings is given below:-

Name of the Director	No. of meetings attended
Mr. A.K. Ghosh	4
Mr. Prakash Agarwal	4
Mr. Binaya Kapoor	4

ii) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee oversees redressal of Shareholders/ Investors grievances relating to transfer of shares, non-receipt of Balance Sheet etc.

The said Committee consists of Mr. A.K. Ghosh and Mr. Prakash Agarwal of which Mr. A. K. Ghosh is the Chairman.

Ms. Shikha Bajaj, Company Secretary acts as the Compliance Officer of the Company.

During the year ended 31st March 2015, no complaints/queries were received and no complaint/query was pending to be resolved as on 31st March, 2015. There were no transfer of shares pending for registration as on 31st March 2015 and all transfers, if any, had been effected within a period of 15 days from the date of their lodgment.

HINDUSTHAN UDYOG LTD.

iii) NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of Nomination and Remuneration Committee involves:-

- (a) Formulation of criteria for determining qualifications, positive attributes and independence of Director and recommend to the Board a policy relating to the remuneration of the Directors and Key Managerial Personnel.
- (b) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The Policy on Remuneration of Directors, Key Managerial Personnel and Other Employees of the Company is provided in Annexure forming part of Board Report.

The Composition of the Remuneration Committee as on 31.03.2015 is as follows:

Name of Director	Chairman/Member
Mr. A. K. Ghosh	Chairman
Mr. Prakash Agarwal	Member
Mr. Binaya Kapoor	Member

The remuneration of Managing Director is determined by the Board in terms of Companies Act, 2013 subject to the approval of Shareholders and recommendations of the Nomination and Remuneration Committee.

The Criteria for performance evaluation of Independent Directors is given below:-

- (a) Updated on skills, knowledge, familiarity with the Company, its business and the external environment in which it operates.
- (b) Participates in development of strategies.
- (c) Committed to the fulfillment of Directors obligations and fiduciary responsibilities.
- (d) Quality of analysis and judgment related to progress, opportunities and need for changes.
- (e) Contributes adequately to address the top management issues.
- (f) Considers adequately before approving any Related Party Transactions
- (g) Acts within authority and assists in protecting the legitimate interests of Company, Shareholders and its employees.
- (h) Ensures that vigil mechanism has been properly implemented and monitored.
- (i) Reports concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.
- (j) Does not disclose confidential information, commercial secrets, technologies, unpublished price sensitive information unless such disclosure is approved by the Board or required by law.

The Board of Directors, subject to the approval of the Members to be obtained at the ensuing AGM, re-appointed Mr. V.N. Agarwal as the Managing Director of the Company for a period of three years with effect from 1st January, 2015. The terms and conditions of his re-appointment including payment of remuneration was recommended by the Nomination and Remuneration Committee and approved by the Board at their respective Meetings held on 02.02.2015. All the members of the said Committee attended the Meeting.

HINDUSTHAN UDYOG LTD.

Details of Remuneration paid to Mr. V. N. Agarwal as Managing Director during 2014-15 are as follows:-

Salary	Perquisites	Total
Rs. 12,00,000/-	—	Rs. 12,00,000/-

Apart from Sitting Fees, no other remuneration is paid/payable to the Non-Executive Directors. Sitting fees paid to the Non-Executive Directors for the financial year ended 31st March 2015 were as follows:-

Name of the Director	Sitting Fees paid
Mr. Prakash Agarwal	Rs. 5,000/-
Mrs. Ritu Agarwal	Rs. 5,000/-
Mr. Binaya Kapoor	Rs. 4,000/-
Mr. A. K. Ghosh	Rs. 5,000/-

11) GENERAL MEETINGS

- i) Details of Annual General Meeting (AGM) held in the last three years are as under :

Financial Year	Location	Date	Time
2013 - 2014	Registered Office at : Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.	27th September, 2014	10 a.m.
2012 - 2013		25th July, 2013	11 a.m.
2011 - 2012		31st August, 2012	10 a.m.

- ii) Whether any Special Resolutions were passed in the previous Three AGMs

: Yes

Two Special Resolutions, as given below, were passed in the AGM held on 31.08.2012:-

- (a) Re-appointment of Mr. V. N. Agarwal as a Managing Director for a period of Three Years commencing from 01.01.2012
- (b) Postponement of date of redemption of 60,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 10/- each issued to V. N. Enterprises Limited from 9th March, 2012 to 9th March, 2017.

- iii) Whether Special Resolutions were put through Postal Ballot last year

: No

- iv) Are Special Resolutions proposed to be put through Postal Ballot this year

: No

- v) Procedure to be followed for Postal Ballot (if applicable)

: In accordance with the applicable provisions of the Companies Act, 2013 read with the Rules made thereunder.

12) DISCLOSURES

- i) There are no materially significant transactions with the Related Parties that may have potential conflict with the interests of the Company at large, except as disclosed in the Notes to the Financial Statements.
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital markets during the last three years.

HINDUSTHAN UDYOG LTD.

- iii) Your Company has a well laid out Code of Conduct and Business Ethics for the Board of Directors and Senior Management Personnel. It is one of the best means for increasing the transparency in the working of the Companies. The Board Members and the Senior Management Personnel of the Company adhere to this principle and compliance with the same is affirmed by each of them annually.
- iv) The Company is in compliance with the requirements of the Corporate Governance, which reflects in this Report.

13) MEANS OF COMMUNICATIONS

- (i) **Quarterly Results** : Quarterly Results: - Quarterly Results were announced within a period of 45 days from the end of the relevant Quarter (except for the last quarter) and were published in The Financial Express (English) and Dainik Statesmen/Ek din (Bengali) Newspapers. In place of the results for the last quarter, the Company opted to submit the Audited Financial results for the entire financial year.
- (ii) **Annual Reports** : Annual Reports containing, interalia Audited Annual Accounts, Directors' Report, Auditors' Report and other important information are circulated to members and others entitled thereto.
- (iii) **Website** : The Quarterly Results are not displayed on the Website of the Company.
- (iv) **Official News Releases**: Official News Releases, if any, are not displayed on the Website of the Company.
- (v) **Displays, Presentations etc** : Displays, presentations etc are not made to Institutional Investors/ Analysts and hence not displayed on the Company's Website.

14) GENERAL SHAREHOLDERS' INFORMATION

(i) Company Registration Details

The Company is registered in the State of West Bengal. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is **L27120WB1947PLC015767**.

(ii) Annual General Meeting to be held – Day, Date, Time and Venue :

Sl. No.	Particulars	Remarks
A.	Day	Tuesday
B.	Date	29.09.2014
C.	Time	10.00 a.m.
D.	Venue	Registered Office at : Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.

(iii) Financial Calendar for the Year 2015-2016:

Sl.	Particulars	Remarks
A.	1st Quarter ending 30th June, 2015	Before 14th August, 2015
B.	2nd Quarter and Half-year ending 30th September, 2015	Before 14th November, 2015
C.	3rd Quarter ending 31st December, 2015	Before 14th February, 2016
D.	4th Quarter and Annual Results for the year ending 31st March, 2016	Before 30th May, 2016

- (iv) **Dates of Book Closure** : 25.09.2015 – 29.09.2015
(Both days inclusive for the purpose of AGM)

(v) **Dividend payment date :** Not applicable since no dividend has been recommended for the year ended 31st March, 2015.

(vi) **Name of the Stock Exchanges at which Equity Shares are listed and Scrip Code assigned to the Company's shares at the respective Stock Exchanges :**

The Equity Shares of the Company are listed on the following Stock Exchanges :

1. The Calcutta Stock Exchange Limited (CSE)
7, Lyons Range, Kolkata – 700001
Scrip Code: 18142
2. The Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Mumbai - 400001
Scrip Code: 513039

The listing fees for the Financial Year 2014-2015 are being paid to both the Stock Exchanges.

(vii) **Market Price Data :**

There was no trading of the shares of the Company at the BSE and CSE during the year ended 31st March, 2015.

(viii) **Registrars and Share Transfer Agents :**

M/s Link Intime India Private Limited are the Registrar and Share Transfer Agents (RTA) of the Company.

Shareholders may address all their correspondences/queries relating to Dematerialization of Shares, transfer/transmission of physical securities, change of address, non-receipt of dividend or any other query relating to the Shares of the Company to them at the below mentioned Address :

LINK INTIME INDIA PRIVATE LIMITED

Fort Burlow
59C, Chowringhee Road, 3rd Floor
Room No. 5, Kolkata - 700020.
Tel : 033 2289 0540
Fax No: 033 2289 0539
E-mail ID : kolkata@linkintime.co.in

(ix) **Share Transfer System:**

All work relating to transfer of Physical Shares are processed by the Company's RTA at their above mentioned Address.

The same are registered and returned within a period of 15 days from the date of receipt if the documents are clear in all respects.

In terms of the requirement of Clause 47(c) of the Listing Agreement with Stock Exchanges, the Company obtains half yearly Certificates from a Practicing Company Secretary for due compliance of share transfer formalities.

(x) **Dematerialization of Equity Shares:-**

The Equity Shares of the Company are admitted with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for enabling the Investors to hold and trade in the shares of the Company in dematerialized form.

The ISIN Number as activated by both CDSL and NSDL in respect of our Equity Shares is INE582K01018.

HINDUSTHAN UDYOG LTD.

As on 31st March, 2015, 10,07,969 Equity Shares representing 14.04% of the Company's Total Equity Shares were held in dematerialized form.

(xi) Distribution Schedule:

The Distribution Pattern of the Equity Shares of the Company as on 31st March, 2015 is given below:

Sl. No.	No. of Equity Shares held	No. of Holders	% of total holders	No. of Shares	% of Shareholding
1.	1 – 5000	11	18.33	5,313	0.07
2.	5001 – 10000	2	3.34	19,052	0.27
3.	10001 – 50000	29	48.33	7,97,293	11.11
4.	50001 – 100000	5	8.33	3,25,267	4.53
5.	100001 – 500000	6	10.00	13,54,725	18.88
6.	500001 – above	7	11.67	46,75,075	65.14
	Total	60	100.00	71,76,725	100.00

(xii) Shareholding Pattern as on 31st March, 2015 :

Sl. No.	Category	No. of Equity Shares held	% of holding
A.	Promoters' holding :		
	1. Indian Promoters	50,42,210	70.26
	2. Persons acting in concert	—	—
	Sub-Total	50,42,210	70.26
B.	Non-Promoters' holding :		
	1. Institutional Investors	—	—
	2. Others :		
	— Private Corporate Bodies	1,73,117	2.41
	— Indian Public	19,61,398	27.33
	Sub-Total	21,34,515	29.74
	GRAND TOTAL	71,76,725	100.00

(xiii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and like impact on Equity:

NOT APPLICABLE [The Company has not issued any GDRs/ADRs/Warrants or any other Convertible Instruments]

(xiv) Plant Locations:

- 19, Dakshindari Road, Kolkata – 700048.
- Biren Roy Road (West) Ganipur, Mahestala, 24 Parganas (S) – 700141
- A-1/2, Butibori Industrial Area, Ruikhairi, MIDC-Butibori, Dist. Nagpur – 441122

(xv) Address for correspondence:

Shareholders should address their correspondence to the Company's RTA at their above mentioned Address or to the Secretarial Department of the Company at the following address :

HINDUSTHAN UDYOG LIMITED

Trinity Plaza, 3rd Floor
84/1A, Topsia Road (South),
Kolkata – 700 046
Tel : 033 3021 6800/6808
Fax No: 033 3021 6863
E-mail ID : kkg@hul.net.in

The above report has been placed before the Board at its Meeting held on 29th May, 2015 and the same was approved.

Place: Kolkata
Date: 29th May, 2015

V. N. AGARWAL
RITU AGARWAL
DIRECTORS

DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the Board Members and the Senior Management Personnel affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management Personnel in respect of the Financial Year 2014-2015.

Place: Kolkata
Date: 29th May, 2015

For Hindusthan Udyog Limited
V. N. Agarwal
Managing Director

HINDUSTHAN UDYOG LTD.

AUDITORS' CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

TO

THE MEMBERS OF HINDUSTHAN UDYOG LIMITED

We have examined the compliance of conditions of Corporate Governance by HINDUSTHAN UDYOG LIMITED for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements.

We state that no investor grievances are pending for a period exceeding one month as on 31st March, 2015 as per records maintained by the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. GHOSE & CO. LLP
Chartered Accountants
FRN : 302184E/E300007

Place: Kolkata
Date: 29th May, 2015

Chandan Chattopadhyay
Partner
Membership No. 051254

ANNEXURE “C”

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Company has formulated the Remuneration Policy for its Directors, Key Managerial Personnel and other Employees to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate People to run the Company successfully.

The Remuneration Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommendation to the Board the remuneration of Directors, Key Managerial Personnel and Other Employees of the Company.

I. REMUNERATION TO MANAGING DIRECTORS AND KEY MANAGERIAL PERSONNEL

- a) The Board on recommendation of the Nomination and Remuneration Committee reviews and approves the remuneration payable to the Managing Director and Key Managerial Personnel. The Remuneration of Managing Director is also subject to the Shareholders' approval in terms of The Companies Act, 2013 and the Rules framed thereunder.
- b) Their remuneration is reviewed and revised periodically, when such a revision is warranted by the market.
- c) The remuneration of Managing Director and Key Managerial Personnel shall comprise of fixed elements of remuneration and perquisites/benefits.

II. REMUNERATION TO NON EXECUTIVE DIRECTORS

The Non Executive Directors of the Company shall be entitled to Sitting Fees for attending the Board Meetings and the quantum of same shall be determined and revised by the Board from time to time subject to the limits provided under The Companies Act, 2013.

III. REMUNERATION TO OTHER EMPLOYEES

Employees shall be remunerated based on the factors comprising their qualifications, work experience, job profile, seniority, efficiency, roles and responsibilities in the organization and the prevailing remuneration levels for similar jobs.

Place: Kolkata
Date: 29th May, 2015

**V. N. AGARWAL
RITU AGARWAL
DIRECTORS**

HINDUSTHAN UDYOG LTD.

ANNEXURE “D”

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

For the Financial Year ended on 31st March, 2015

[Pursuant to Section 92(3) of The Companies Act, 2013 and Rule 12(1) of The Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	: L27120WB1947PLC015767
ii) Registration Date	: 3rd September 1947
iii) Name of the Company	: Hindusthan Udyog Limited
iv) Category/Sub-Category of the Company	: Indian Company limited by Shares
v) Address of the Registered Office and contact details	Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046 Ph: 033 3021 6800
vi) Whether listed company	Yes
vii) Name, Address and contact details of RTA	Link Intime India Private Limited Fort Burlow, 59C Chowringhee Road, 3rd Floor, Kolkata – 700020 Tel : 033 2289 0540 Fax No: 033 2289 0539 E-mail ID : kolkata@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the company
1.	Alloy Steel Castings	27310	94%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Company Name and Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	WPIL Limited Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (S), Kolkata – 700046	L36900WB1952 PLC020274	Associate Company	39.54%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year %				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Indian Promoters									
– Individuals	3,70,535		3,70,535	5.17	3,70,535	—	3,70,535	5.17	—
– Bodies Corporate	40,34,456	6,37,219	46,71,675	65.09	40,34,456	6,37,219	46,71,675	65.09	—
Sub Total (A)	44,04,991	6,37,219	50,42,210	70.26	44,04,991	6,37,219	50,42,210	70.26	—
B. Public Non Institutions									
– Indian Bodies Corporate	1,17,850	55,267	1,73,117	2.41	1,17,850	55,267	1,73,117	2.41	—
– Indian Individuals									
(a) holding nominal capital upto Rs. 1 Lakh	23,882	483	24,365	0.34	23,882	483	24,365	0.34	—
(b) holding nominal capital in excess of Rs. 1 Lakh	16,22,033	3,15,000	19,37,033	26.99	16,22,033	3,15,000	19,37,033	26.99	—
Sub Total (B)	17,63,765	3,70,750	21,34,515	29.74	17,63,765	3,70,750	21,34,515	29.74	—
C. Shares held by Custodians for GDRs & ADRs	—	—	—	—	—	—	—	—	—
GRANDTOTAL (A+B+C)	61,68,756	10,07,969	71,76,725	100.00	61,68,756	10,07,969	71,76,725	100.00	—

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change
		Nos.	% of total	% Shares Pledged to total	No. of Shares	% of total	% Shares Pledged to total	
1	V.N. Enterprises Ltd.	16,59,625	23.13	—	16,59,625	23.13	—	—
2	Bengal Steel Industries Ltd	5,98,600	8.34	—	5,98,600	8.34	—	—
3	Tea Time Limited	5,94,600	8.29	—	5,94,600	8.29	—	—
4	Neptune Exports Limited	5,90,400	8.23	—	5,90,400	8.23	—	—
5	Orient International Ltd	5,46,850	7.62	—	5,46,850	7.62	—	—
6	Asutosh Enterprises Ltd.	4,57,500	6.37	—	4,57,500	6.37	—	—
7	Premalata Agarwal	1,79,625	2.50	—	1,79,625	2.50	—	—
8	Prakash Agarwal	1,78,500	2.49	—	1,78,500	2.49	—	—
9	HSM Investments Limited	1,15,600	1.61	—	1,15,600	1.61	—	—
10	HSM International Pvt Ltd	1,08,500	1.51	—	1,08,500	1.51	—	—
11	Vishwanath Agarwal	12,410	0.17	—	12,410	0.17	—	—
	TOTAL	50,42,210	70.26	—	50,42,210	70.26	—	—

HINDUSTHAN UDYOG LTD.

(iii) Change in Promoters Shareholding (please specify, if there is no change)

There has been no change in the Promoters Shareholding during the year ended 31st March, 2015.

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of each Top Ten Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Change in holdings	Date-wise change and reasons
		Nos.	% of total	No. of Shares	% of total		
1	Poonam Jhaver	10,00,000	13.93	10,00,000	13.93	—	—
2	Mina Rungta	90,000	1.25	90,000	1.25	—	—
3	Shashi Chawla	60,000	0.84	60,000	0.84	—	—
4	Santosh Devi Gargawat	60,000	0.84	60,000	0.84	—	—
5	Rajesh Kumar Kayal	60,000	0.84	60,000	0.84	—	—
6	Metal Centre Limited	55,267	0.77	55,267	0.77	—	—
7	Sanjay Kumar Pasari	50,000	0.70	50,000	0.70	—	—
8	Ichamati Investments Limited	49,700	0.69	49,700	0.69	—	—
9	United Machine Co. Ltd.	47,200	0.66	47,200	0.66	—	—
10	Suresh Kumar Sangneria	42,000	0.58	42,000	0.58	—	—
	TOTAL	15,14,167	21.10	15,14,167	21.10	—	—

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year		Change in holdings	Date-wise change and reasons
		Nos.	% of total	Nos.	% of total		
KEY MANAGERIAL PERSONNEL							
1	Mr. V.N. Agarwal (Managing Director)	12,410	0.17	12,410	0.17	—	—
2	Ms. Shikha Bajaj (Company Secretary)	—	—	—	—	—	—
OTHER DIRECTORS							
1	Mr. Prakash Agarwal	1,78,500	2.49	1,78,500	2.49	—	—
2	Mrs. Ritu Agarwal	—	—	—	—	—	—
3	Mr. Binaya Kapoor	—	—	—	—	—	—
4	Mr. A.K. Ghosh	—	—	—	—	—	—

HINDUSTHAN UDYOG LTD.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
At the beginning of the year				
i) Principal Amount	8,03,60,592	15,50,00,000	—	23,53,60,592
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	8,03,60,592	15,50,00,000	—	23,53,60,592
Changes during the year (Addition)	2,12,21,482	—	—	2,12,21,482
At end of the year:				
i) Principal Amount	10,15,82,074	15,50,00,000	—	25,65,82,074
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	10,15,82,074	15,50,00,000	—	25,65,82,074

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Managing Director Total (Rs.)
1.	Gross salary	12,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under	—
2.	Stock Option	—
3.	Sweat Equity	—
4.	Commission	—
5.	Others	—
	Total (A)	12,00,000

HINDUSTHAN UDYOG LTD.

B. Remuneration to other directors:

Particulars of Remuneration	Directors' Name				Total (Rs.)
	Prakash Agarwal	Ritu Agarwal	Binaya Kapoor	A. K. Ghosh	
Independent Directors					
• Fees for attending board/committee meetings	—	—	4,000	5,000	9,000
• Commission	—	—	—	—	—
• Others, please specify	—	—	—	—	—
Total (1)			4,000	5,000	9,000
Other Non-Executive Directors					
• Fees for attending board/committee meetings	5,000	5,000	—	—	10,000
• Commission	—	—	—	—	—
• Others	—	—	—	—	—
Total (2)	5,000	5,000	—	—	10,000
Total = (1+2)	5,000	5,000	4,000	5,000	19,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM

Sl. No.	Particulars of Remuneration	Company Secretary Total (Rs.)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under	6,01,904
2.	Stock Option	—
3.	Sweat Equity	—
4.	Commission	—
5.	Others	—
	Total (A)	6,01,904

HINDUSTHAN UDYOG LTD.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

Place: Kolkata
Date: 29th May, 2015

V. N. AGARWAL
RITU AGARWAL
DIRECTORS

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

TO

THE MEMBERS OF HINDUSTHAN UDYOG LIMITED

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hindusthan Udyog Limited (“Company”) for the financial year ended on 31st March, 2015, according to the applicable provisions of:-
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder (Not applicable to the Company during audit period);
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during audit period);
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Not applicable to the Company during audit period);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during audit period);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during audit period);

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during audit period);
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period);
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period);

(vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

2. We have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and The Calcutta Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.

3. We further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes if any, in the composition of the Board that took place during the year under review were carried out in compliance with the provisions of the Act;
- (b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting;
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

**FOR RINKU GUPTA & ASSOCIATES
COMPANY SECRETARIES**

**RINKU GUPTA
COMPANY SECRETARY IN PRACTISE
ACS – 25068, CP NO. 9248**

**PLACE: KOLKATA
DATE: 29.05.2015**

HINDUSTHAN UDYOG LTD.

ANNEXURE “F”

PARTICULARS OF EMPLOYEE AND RELATED DISCLOSURES

- (a) Ratio of remuneration of each Director to the median remuneration of Company's employees of the Company for the financial year.

SL.	DIRECTOR NAME	DESIGNATION	RATIO TO MEDIAN REMUNERATION
1	MR. V.N. Agarwal	Managing Director	2.6

The Remaining Directors of the Company only received Sitting Fees for attending the Board Meetings and accordingly their remuneration and ratio of same to median remuneration are very low, hence not reported separately.

- (b) Percentage increase in remuneration of each Director, CFO, CEO, during the Financial Year

There was no increase in the remuneration of the Directors of the Company.

- (c) The percentage increase in the median remuneration of employee during the Financial Year was around 8%

- (d) The number of Permanent employees on the rolls of the Company is 224.

- (e) The explanation on the relationship between average increase in remuneration and company performance

The average increase in remuneration of employees is approx 8% and the same is guided by factors like inflation, normal salary revisions and external competitiveness.

The Total employee cost for the Financial Year ended 31st March, 2015 was Rs. 780.02 Lakhs (18% of Total Revenues) against Rs. 692.61 Lakhs (15% of Total Revenues) in the Previous Year.

- (f) Comparison of remuneration of KMP against Company performance

SL	PARTICULARS	KEY MANAGERIAL PERSONNEL		
		MD	CS	TOTAL
1	Remuneration (Rs. in lakhs)	12.00	6.02	18.02
2.	Revenue (Rs. In Lakhs)	4,420.49		
3.	Remuneration (% of Revenues)	0.27	0.14	0.41
4.	Profit before Tax (Rs. In Lakhs)	85.13		
5.	Remuneration (% of PBT)	14.10	7.07	21.17

- (g) Variations in the market capitalization, price earnings ratio as at the closing of current FY and previous FY and % increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with last public offer.

Not Applicable as the shares of the Company were not traded during the year at any of the Stock Exchanges in which it is listed nor has made any recent public offer.

- (h) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and whether there are any exceptional circumstances for increase in managerial remuneration.**

The average percentage increase in the salaries of employees during the year was 12.62% and the same was on account of yearly increments. However there was no increase in the managerial remuneration during the year.

- (i) The Key parameters for any variable component of remuneration availed by the Directors**

Not Applicable as there is no variable component in Directors' Remuneration.

- (j) The ratio of remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year.**

None

- (k) The Remuneration is as per the Remuneration Policy of the Company.**

Place: Kolkata
Date: 29th May, 2015

V. N. AGARWAL
RITU AGARWAL
DIRECTORS

HINDUSTHAN UDYOG LTD.

INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF

HINDUSTHAN UDYOG LIMITED

Report on the Financial Statements :

We have audited the accompanying Financial Statements of **HINDUSTHAN UDYOG LIMITED**, which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended on that date, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2015; and its profit and its cash flows for the year ended on that date..

Emphasis of Matter :

We draw attention to the following matters in the Notes to the Financial Statements:

- (a) Note No. 11 to the Financial Statements which describes that no provision for amortization has been made for Long term Leasehold Land at Durgapur.
- (b) The Company filed a lawsuit against Mahanadi Coalfields Ltd. for recovery of Rs. 91.93 lacs at Cuttack High Court for which no provision has been made in the accounts.

However, the Financial Statements of the Company have not been affected so far the going concern concept is concerned for the reasons as stated in the notes. Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations (WBCT Board/Tribunal/Appellate levels) on its financial position in its financial statements - Refer Note No. 28.1.b. to the Financial Statement.
 - ii. the Company does not have any long-term contract including derivative contract for which there is any material foreseeable losses.
 - iii. there is no amount which is required to be transferred to Investor Education and Protection Fund by the Company.

For S. GHOSE & CO. LLP
Chartered Accountants
FRN : 302184E/E300007

Chandan Chattopadhyay
Partner
Membership No. 051254

Place: Kolkata
Date : 29th May, 2015

HINDUSTHAN UDYOG LTD.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date attached)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- ii. (a) As explained to us the inventories of Finished Goods, Raw Materials and Stores and Spares have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In accordance with the information and explanations given to us, the procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared with book records were not material considering the size of the company and the nature of its business and the same have been properly adjusted in the accounts.
- iii. (a) The Company has granted loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. The no. of parties being one, the amount involved in this regard is Rs. 84.27 lacs (including interest) which have been fully recovered by the Company during the year.
- (b) This clause is not applicable as the company has recovered the full amount from the company during the year itself.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We have not observed any major weaknesses in the internal control system.
- v. According to information and explanations given to us, the Company has not accepted any deposits from the Public.
- vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013.
- vii. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, ESI, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, VAT, Cess and other statutory dues with the appropriate authorities.
- (b) According to the records of the Company and the information and explanations given to us, the following are the details of disputed dues in respect of Sales Tax as on 31st March, 2015 pending at WBCT Board/Tribunal/Appellate levels as shown in Enclosure-I.
- (c) No amount is required to be transferred to Investor Education and Protection Fund by the Company.
- viii. According to the information and explanation provided to us, the Company has accumulated losses of Rs. 19,42,91,9627/- as at 31st March, 2015 and it has not incurred any cash losses in the financial year ended on that date or in the immediate preceding financial year.

HINDUSTHAN UDYOG LTD.

- ix. Based on our audit procedures and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. Moreover, the Company has not issued debentures.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. The company has not taken any term loan during the year.
- xii. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For S. GHOSE & CO. LLP
Chartered Accountants
Firm Registration No. : 302184E/E300007

Place : Kolkata
Date : 29th May, 2015

Chandan Chattopadhyay
Partner
Membership No. 051254

STATEMENT OF DISPUTED LIABILITIES FOR SALES TAX 2014-2015

Sl. No.	Name of Statute	Nature of Dues	Amount (Rs.)	Period of which the amount relates	Where Dispute is pending
1.	West Bengal Sales Tax Act 1994	Assessed Dues	414,263.00	2004-2005	WBCT (A/R) Board
2.	Central Sales Tax Act 1956	Assessed Dues	181,067.00	2004-2005	WBCT (A/R) Board
3.	West Bengal Vat Act 2003	Assessed Dues	125,993.00	2005-2006	WBCT (A/R) Board
4.	Central Sales Tax Act 1956	Assessed Dues	4,729,101.00	2005-2006	WBCT (A/R) Board
5.	West Bengal Vat Act 2003	Assessed Dues	1,003,200.00	2008-2009	WBCT (A/R) Board
6.	Central Sales Tax Act 1956	Assessed Dues	54,969.00	2008-2009	WBCT (A/R) Board
7.	West Bengal Vat Act 2003	Assessed Dues	907,829.26	2009-2010	WBCT (A/R) Board
8.	Central Sales Tax Act 1956	Assessed Dues	140,076.00	2009-2010	WBCT (A/R) Board
9.	West Bengal Vat Act 2003	Assessed Dues	907,527.77	2011-12	Addl. Commissioner
10.	Central Sales Tax Act 1956	Assessed Dues	35,557.67	2011-12	Addl. Commissioner
11.	Central Sales Tax Act 1956	Assessed Dues	1,634,285.00	1998-1999	Registrar Maharashtra Sales Tax Tribunal, Mumbai
12.	Central Sales Tax Act 1956	Assessed Dues	5,926,481.00	1999-2000	Deputy Commissioner of Sales Tax (Appeal), Nagpur
13.	Bombay Sales Tax Act 1959	Assessed Dues	1,044,631.00	2000-2001	Deputy Commissioner of Sales Tax (Appeal), Nagpur
14.	Central Sales Tax Act 1956	Assessed Dues	1,389,004.00	2000-2001	Deputy Commissioner of Sales Tax (Appeal), Nagpur
15.	Central Sales Tax Act 1956	Assessed Dues	1,202,194.00	2001-2002	Registrar Maharashtra Sales Tax Tribunal, Mumbai
16.	Bombay Sales Tax Act 1959	Assessed Dues	949,067.00	2002-2003	Deputy Commissioner of Sales Tax (Appeal), Nagpur
17.	Central Sales Tax Act 1956	Assessed Dues	390,538.00	2002-2003	Deputy Commissioner of Sales Tax (Appeal), Nagpur
			21,035,783.37		

HINDUSTHAN UDYOG LTD.

Balance Sheet as at 31st March, 2015

I. EQUITY AND LIABILITIES	Notes	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
(1) Shareholder's Funds			
(a) Share Capital	3	131,767,250	131,767,250
(b) Reserves and Surplus	4	230,410,726	222,508,068
		362,177,976	354,275,318
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	3,455,881	4,115,072
(b) Long-term Liabilities	6	750,777	1,330,638
		4,206,658	5,445,710
(3) Current Liabilities			
(a) Short-term borrowings	7	253,243,221	231,362,548
(b) Trade payables	8	93,180,145	104,776,383
(c) Other current liabilities	9	135,447,754	105,944,297
(d) Short-term provisions	10	28,970,401	26,247,191
		510,841,521	468,330,419
Total		877,226,155	828,051,446
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	155,788,981	172,661,331
(ii) Capital Work In Progress		2,163,175	409,866
(b) Non-current Investments	12	46,180,093	46,180,093
(c) Long term Loans and advances	13	16,574,498	16,420,878
		220,706,747	235,672,168
(2) Current assets			
(a) Inventories	14	167,530,443	163,106,068
(b) Trade Receivables	15	229,347,750	260,045,990
(c) Cash and Cash Equivalents	16	12,873,565	8,433,774
(d) Short-term Loans and Advances	17	232,823,047	147,303,340
(e) Other Current Assets	18	13,944,603	13,490,106
		656,519,408	592,379,278
Total		877,226,155	828,051,446

Significant Accounting Policies & Notes on Financial Statements 1 to 28

For S. GHOSE & CO. LLP
Chartered Accountants
Firm Regn. No. 302184E/E300007

Chandan Chattopadhyay
Partner
Membership No. : 051254
Place : Kolkata
Date : 29th May, 2015

SHIKHA BAJAJ
Company Secretary

For and on behalf of the Board
V. N. AGARWAL
RITU AGARWAL
Directors

HINDUSTHAN UDYOG LTD.

Statement of Profit & Loss for the year ended 31st March, 2015

Particulars	Notes	For the year ended 31st March 2015 Rs.	For the year ended 31st March 2014 Rs.
I. Revenue from Operations (Gross)	19	455,467,782	477,835,345
Less : Excise Duty		31,678,038	36,872,592
		423,789,744	440,962,753
II. Other Income	20	18,259,163	20,699,125
III. Total Revenue (I + II)		442,048,907	461,661,878
IV. Expenses:			
Cost of Materials Consumed & Other Manufacturing Expenses	21	225,237,708	238,698,361
Purchase of Traded Goods		—	—
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	22	(3,823,057)	25,858,112
Employee Benefit Expenses	23	78,002,327	69,260,944
Finance Costs	24	16,949,400	16,396,112
Depreciation and Amortisation Expenses	25	18,046,241	17,399,942
Other Expenses	26	99,123,858	85,993,292
Total Expenses		433,536,477	453,606,763
V. Profit/ (Loss) Before Prior Period adjustments, Exceptional items and Tax (III - IV)		8,512,430	8,055,115
VI. Prior Period Adjustments		—	—
VII. Profit/(Loss) before exceptional items and tax (V - VI)		8,512,430	8,055,115
VIII. Exceptional Items		—	—
IX. Profit/(Loss) before tax (VII - VIII)		8,512,430	8,055,115
X. Tax expense:			
(1) Current Tax		580,000	577,000
(2) Deferred tax		—	—
(3) Tax for Earlier Year		—	—
XI. Profit/(Loss) after Tax (IX - X)		7,932,430	7,478,115
XII. Earning per equity share	27	1.11	1.04

Significant Accounting Policies & Notes on Financial Statements 1 to 28

For S. GHOSE & CO. LLP
Chartered Accountants
Firm Regn. No. 302184E/E300007

Chandan Chattopadhyay
Partner
Membership No. : 051254
Place : Kolkata
Date : 29th May, 2015

SHIKHA BAJAJ
Company Secretary

For and on behalf of the Board
V. N. AGARWAL
RITU AGARWAL
Directors

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**NOTE : 1 CORPORATE INFORMATION**

The Company is engaged in the manufacturing of Alloy and Stainless Steel Castings with stringent quality requirements required in Turbines, Metal Shredding, Heavy Earth Equipment, Pumps, Valves and Compressors and other Heavy Engineering Industries. It is also engaged in the manufacturing of Material Handling Equipments of varied nature required in the Mines, Cement Plants, Power Plants and other General Engineering Sectors. The manufacturing units are located in Kolkata and Nagpur.

NOTE : 2 SIGNIFICANT ACCOUNTING POLICIES**2.1 Accounting Convention:**

- i) The Financial Statements are prepared under the historical cost convention, on accrual basis in accordance with the provisions of The Companies Act, 2013.
- ii) Liquidated damages or claims are accounted for on settlement of claim.
- iii) Commission on sales is accounted for on submission of claim by / receipt of confirmation from agents/ principals.

2.2 Capital Subsidy:

Capital Subsidy not specifically related to Fixed Assets is credited to Capital Reserve and retained till the requisite conditions are fulfilled.

2.3 Fixed Assets & Depreciation:

Fixed assets are stated at their original cost of acquisition or construction and other incidental expenses, less accumulated depreciation.

Depreciation on Fixed Assets is charged on Written Down Value Method (On Straight Line Method for Nagpur Unit) at the rate specified in Schedule II of the Companies Act. 2013.

2.4 Investments:

Investments of the Company are held as Long Term Investment and are carried over at Cost.

2.5 Inventories:

Tools and Implements are written off at the rate of 25% every year.

The quantity of stock-in-trade is determined from time to time by physical verification carried out by the management and the verification of raw materials has been done at lower of cost and net realisable value. The cost formula used is FIFO (Weighted Average for Nagpur Unit). The valuation of Semi-finished Goods and Finished Goods/Trading Items has been done at lower of cost and net realizable value.

2.6 Foreign Currency Transactions :

Transaction in Foreign Currency is recorded at the rate of exchange prevailing at the date of the transactions. Monetary items denominated in Foreign Currencies at the Balance Sheet date are translated at the Balance Sheet date rates. Any income or expenses on account of exchange difference either on settlement or on translation at the Balance Sheet date is recognised in Profit and Loss Account in the year in which it arises.

HINDUSTHAN UDYOG LTD.

2.7 Retirements Benefits :

Provision for Gratuity and Leave Encashment liability to employees are made on the basis of Actuarial Valuation basis as per the requirement of the Accounting Standard – 15 (Revised) issued by the Institute Of Chartered Accountants of India.

2.8 Impairment of Asset :

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognised as an expense in the statement of Profit & Loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

2.9 Taxation :

Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by applying the tax rates as applicable. The deferred tax charge or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realization in future. Deferred tax assets / liabilities are reviewed as at each balance sheet date based on developments during the year and available case law, to reassess realization/liabilities.

2.10 Miscellaneous expenditure :

- a) Preliminary and Share Issue Expenses are written off over a period of ten years.

NOTE : 3 SHARE CAPITAL	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
Authorised Shares		
48,500,000 Equity Shares of Rs. 10/- each	485,000,000	485,000,000
6,000,000 10% Cumulative Redeemable Preference shares of Rs. 10/- each	60,000,000	60,000,000
	<u>545,000,000</u>	<u>545,000,000</u>
Issued, Subscribed & Paid-Up Shares		
7,176,725 Equity Shares of Rs. 10/- each	71,767,250	71,767,250
6,000,000 10% Cumulative Redeemable Preference shares of Rs. 10/- each (Due for Redemption on 9th March, 2017) (*)	60,000,000	60,000,000
Total	131,767,250	131,767,250

(*) No Preference Dividend is payable to Preference Shareholder in respect of aforesaid Preference Shares as they have waived their right in respect of any Preference Dividend from the date of allotment of these Shares till the date of their redemption.

HINDUSTHAN UDYOG LTD.

3.1 Reconciliation of shares outstanding at the beginning & at the end of the reporting period

Equity Shares	Nos.	As at 31st March, 2015	Nos.	As at 31st March, 2014
		Rs.		Rs.
At the beginning of the period	7,176,725	71,767,250	7,176,725	71,767,250
Issued during the period	NIL	NIL	NIL	NIL
Shares bought back during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the period	7,176,725	71,767,250	7,176,725	71,767,250

3.2 Aggregate number of Bonus share issued & share issued for consideration other than cash

Particulars	Nos.	As at 31st March, 2015	Nos.	As at 31st March, 2014
Equity share allotted as fully paid bonus share by capitalisation of reserve				
At the beginning of the year	NIL	NIL	NIL	NIL
Issued during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the year	—	—	—	—

Equity share allotted as fully paid up pursuant to contracts for consideration other than Cash				
At the beginning of the year	849,625	8,496,250	849,625	8,496,250
Issued during the year	—	—	—	—
Outstanding at the end of the year	849,625	8,496,250	849,625	8,496,250

3.3. Details of Shareholders holding more than 5% Shares in the Company

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Nos.	% Holding in the class	Nos.	% Holding in the class
Equity Shares of Rs. 10 Each				
1. V.N.Enterprises Limited	1,659,625	23.13	1,659,625	23.13
2. Poonam Jhaver	1,000,000	13.93	1,000,000	13.93
3. Bengal Steel Industries Limited	598,600	8.34	598,600	8.34
4. Tea Time Limited	594,600	8.29	594,600	8.29
5. Neptune Exports Limited	590,400	8.23	590,400	8.23
6. Orient International Limited	546,850	7.62	546,850	7.62
7. Asutosh Enterprises Limited	457,500	6.37	457,500	6.37

HINDUSTHAN UDYOG LTD.

NOTE : 4 RESERVES & SURPLUS	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
a) Capital Reserve		
Opening Balance	390,827,590	390,827,590
Addition	—	—
Deduction	—	—
Closing Balance	390,827,590	390,827,590
b) Share Premium Account		
Opening Balance	13,841,000	13,841,000
Addition	—	—
Deduction	—	—
Closing Balance	13,841,000	13,841,000
c) Revaluation Reserve (**)		
Opening Balance	4,901,795	4,935,108
Addition	—	—
Deduction	29,771	33,313
Closing Balance	4,872,024	4,901,795
d) Special Capital Incentive		
Opening Balance	3,000,000	3,000,000
Addition	—	—
Deduction	—	—
Closing Balance	3,000,000	3,000,000
e) General Reserve		
Opening Balance	12,162,074	12,162,074
Addition	—	—
Deduction	—	—
Closing Balance	12,162,074	12,162,074
f) Deficit (Profit & Loss Account)		
Opening Balance	(202,224,392)	(209,702,507)
Addition	7,932,430	7,478,115
Deduction	—	—
Closing Balance	(194,291,962)	(202,224,391)
Total	230,410,726	222,508,068

NOTE : 5 LONG TERM BORROWINGS	As at 31st March, 2015			As at 31st March, 2014		
	Rs.			Rs.		
	Non-Current (a)	Current (b)	Total (a + b)	Non-Current (a)	Current (b)	Total (a + b)
Long Term Loans						
Secured						
- From Bank * (HUL)	3,338,853	—	3,338,853	3,998,044	—	3,998,044
Deferred Sales Tax Loan (ANCL)	117,028	—	117,028	117,028	—	117,028
Total	3,455,881	—	3,455,881	4,115,072	—	4,115,072

* The Loan is secured by hypothecation of Motor vehicles and is repayable in monthly instalments.

HINDUSTHAN UDYOG LTD.

NOTE : 6 LONG TERM LIABILITIES	As at 31st March, 2015	As at 31st March, 2014
Advance from Customers	750,777	1,330,638
Total	750,777	1,330,638

NOTE : 7 SHORT TERM BORROWINGS	As at 31st March, 2015 Rs.			As at 31st March, 2014 Rs.		
	Non-Current (a)	Current (b)	Total (a + b)	Non-Current (a)	Current (b)	Total (a + b)
Short Term Loans Unsecured - From Body Corporate	—	155,000,000	155,000,000	—	155,000,000	155,000,000
Working Capital Loan From Bank Secured - Cash Credit From Banks **	—	98,243,221	98,243,221	—	76,362,548	76,362,548
Total	—	253,243,221	253,243,221	—	231,362,548	231,362,548

** The loan is repayable on demand and is secured by way of Hypothecation of Book Debts, Raw Materials, Work in Process and Finished Goods, Stores and Spares and Other Current assets, both Present and Future.

NOTE : 8 TRADE PAYABLES (#)	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Sundry Creditors for Goods and Services	93,180,145	104,776,383
Total	93,180,145	104,776,383

NOTE : 9 OTHER CURRENT LIABILITIES	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Advance from Customers	839,020	—
Payable to employees	4,149,401	2,884,102
Other Payables	130,459,333	103,060,195
Total	135,447,754	105,944,297

NOTE : 10 SHORT TERM PROVISIONS	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Provision For Income Tax	5,057,000	4,477,000
Provision For Gratuity	18,129,311	16,253,055
Provision For Leave Encashment	5,784,090	5,517,136
Total	28,970,401	26,247,191

(#) There are no Micro enterprises or Small scale enterprises to whom the Company owes any due which are outstanding as at 31st March, 2015. [31.03.2014 - NIL]

The above information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties are identified on the basis of the information available with the Company.

NOTE : 11 Fixed Assets

P A R T I C U L A R S	C O S T (Rs.)		A C C U M U L A T E D D E P R E C I A T I O N A N D A M O R T I S A T I O N (Rs.)		N E T B O O K V A L U E (Rs.)	
	01.04.2014	Addition	Deduction	31.03.2015	31.03.2014	31.03.2015
<u>TANGIBLE ASSETS</u>						
FREE-HOLD LAND	19,348,703	14,311	—	19,363,014	—	19,348,703
LEASEHOLD LAND	18,678,548	—	—	18,678,548	1,682,569	16,840,439
BUILDINGS & STRUCTURES	122,736,475	—	—	122,736,475	60,318,785	59,207,868
PLANT & EQUIPMENT	370,152,636	970,757	—	371,123,393	313,364,775	48,120,083
ELECTRONIC DATA PROCESSING MACHINES	3,965,291	139,660	—	4,104,951	3,755,198	177,939
ELECTRIC INSTALLATIONS	37,524,289	—	—	37,524,289	31,946,743	3,826,131
VEHICLES	13,958,671	—	41,300	13,917,371	7,956,749	4,124,934
FURNITURE & FITTINGS	27,840,814	83,502	—	27,924,316	22,519,277	4,128,573
ASSETS DISCARDED	—	—	—	—	63,213	—
Total	614,205,427	1,208,230	41,300	615,372,357	441,607,309	155,788,981
PREVIOUS YEAR	583,111,467	32,616,218	1,522,258	614,205,427	425,362,291	157,749,176

* Cost of leasehold land at Nagpur is amortised over the period of the lease of 95 years.
Provision for amortisation of long term leasehold land at Durgapur has not been made.

NOTE : 12 Investments (At cost)

P A R T I C U L A R S	FACE VALUE (Rs.)	AS AT 01.04.14		ADDITIONS (COST)		DEDUCTIONS (COST)		AS AT 31.03.15	
		No. of Shares/Units	Value (Rs.)	No. of Shares/Units	Value (Rs.)	No. of Shares/Units	Value (Rs.)	No. of Shares/Units	Value (Rs.)
NON-CURRENT INVESTMENT Investment in Equity Instruments									
a) (Quoted)									
Tea Time Ltd.	10	114,000	286,777	—	—	—	—	114,000	286,777
Phosphate Co. Ltd.	10	26,400	294,180	—	—	—	—	26,400	294,180
Northern Projects Ltd.	10	139,900	343,329	—	—	—	—	139,900	343,329
Asutosh Enterprises Ltd.	10	150,000	367,323	—	—	—	—	150,000	367,323
Neptune Exports Ltd.	10	230,500	474,186	—	—	—	—	230,500	474,186
Orient International Ltd.	10	165,000	488,711	—	—	—	—	165,000	488,711
Bengal Steel Industries Ltd.	10	345,000	882,248	—	—	—	—	345,000	882,248
WPIL Ltd.	10	3,861,659	35,748,081	—	—	—	—	3,861,659	35,748,081
Ador Welding Ltd.	10	3,000	1,256,503	—	—	—	—	3,000	1,256,503
Parsvnath Developers Ltd.	5	8,000	2,122,953	—	—	—	—	8,000	2,122,953
TOTAL A			42,264,291	—	—	—	—		42,264,291
b) (Unquoted)									
Hindusthan Parsons Ltd.	10	500,000	2,565,500	—	—	—	—	500,000	2,565,500
H. S. M. International Pvt. Ltd.	10	152,500	325,000	—	—	—	—	152,500	325,000
Tamilnadu Alkaline Batteries Ltd.	10	300,000	301,500	—	—	—	—	300,000	301,500
Spaans Babcock India Ltd.	10	25,000	250,000	—	—	—	—	25,000	250,000
Bengal Central Building Society Ltd.	10	10,000	100,000	—	—	—	—	10,000	100,000
Kabini Papers Ltd., in Liquidation	10	42,135	45,887	—	—	—	—	42,135	45,887
AKA Washeries India Pvt. Ltd.	10	2,000	20,000	—	—	—	—	2,000	20,000
Huwood Hindusthan Pvt. Ltd.	10	2,000	20,000	—	—	—	—	2,000	20,000
Macneill Electricals Ltd.	100	918	91,800	—	—	—	—	918	91,800
V N Enterprises Limited	100	1,800	181,115	—	—	—	—	1,800	181,115
TOTAL B			3,900,802	—	—	—	—		3,900,802
Investment in Govt. Securities (Non - trade) (Unquoted)			15,000		—		—		15,000
Total C			15,000		—		—		15,000
Total (A + B + C)			46,180,093		—		—		46,180,093

Aggregate value of Quoted Investments	As at 31st March 2015		As at 31st March 2014	
	Cost	Market Value	Cost	Market Value
	42,264,291	2,246,630,750	42,264,291	1,060,571,621

HINDUSTHAN UDYOG LTD.

NOTE : 13 LONG TERM LOANS AND ADVANCES	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
LOANS :		
Advances to Staff (Unsecured – Considered Good)	3,368,251	3,050,491
Capital Advances	—	255,477
ADVANCES RECOVERABLE IN CASH OR IN KIND		
Considered Good	279,336	279,336
Considered Doubtful	—	—
SECURITY DEPOSITS :		
Unsecured, Considered Good	12,926,911	12,835,574
Total	16,574,498	16,420,878

NOTE : 14 INVENTORIES	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Raw Material	70,792,095	73,721,416
Work-In progress	66,105,903	81,199,820
Finished Goods	23,181,726	675,126
Tools & Implements	7,450,719	7,509,706
Total	167,530,443	163,106,068

NOTE : 15 TRADE RECEIVABLES	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Outstanding for a period exceeding six months		
Unsecured, Considered Good	62,109,168	68,211,578
Others :		
Unsecured, Considered Good	167,238,582	191,834,412
Total	229,347,750	260,045,990

NOTE : 16 CASH & CASH EQUIVALENTS	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Balances With Banks		
a) In Current Account	7,750,469	4,278,160
b) In Fixed Deposit Account	3,367,814	3,423,241
	11,118,283	7,701,401
Cash In Hand	1,755,282	732,373
	1,755,282	732,373
Total	12,873,565	8,433,774

HINDUSTHAN UDYOG LTD.

NOTE : 17 SHORT TERM LOANS & ADVANCES	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Advance Income Tax and Other Taxes	7,875,170	8,580,245
Inter Corporate Deposit	—	—
<u>Advances recoverable in Cash or in kind :</u>		
Unsecured, Considered Good	222,068,286	136,033,975
Prepaid Expenses	1,186,746	408,950
<u>Security Deposits :</u>		
Unsecured, Considered Good	1,692,845	2,280,170
Total	232,823,047	147,303,340

NOTE : 18 OTHER CURRENT ASSETS	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Other Receivable (Considered Good)	13,930,341	13,475,844
Interest Accrued (Considered Good)	14,262	14,262
Total	13,944,603	13,490,106

HINDUSTHAN UDYOG LTD.

NOTE : 19 REVENUE FROM OPERATIONS	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
Sale of Products		
(a) Sale of Products	453,813,763	464,602,562
(b) Other Operating Income	1,654,019	13,232,783
Gross Revenue From Operations	455,467,782	477,835,345

NOTE : 20 OTHER INCOME	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
(a) Dividend Income		
(i) From Long Term Investments	7,738,318	7,741,318
(b) Rent Receipts	5,870,779	6,045,985
(c) Interest Received on Deposits	729,618	1,781,734
(d) Profit on Sale of Capital Assets (net of loss on assets sold/written off)	10,432	39,193
(e) Miscellaneous Receipts	3,910,016	4,618,795
(f) Claim Receipts	—	472,100
Total	18,259,163	20,699,125

NOTE : 21 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
Raw Material Consumed	139,267,826	145,131,229
Stores Consumed	43,333,497	49,807,976
Power & Fuel	41,292,678	41,689,430
Carriage Inward	1,343,707	2,069,726
Total	225,237,708	238,698,361

NOTE : 22 (INCREASE)/DECREASE IN INVENTORIES	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
Inventories at the end of the year		
Work in Progress	66,105,903	81,199,820
Finished goods	19,592,100	675,126
	85,698,003	81,874,946
Inventories at the beginning of the year		
Work in Progress	81,199,820	63,103,135
Finished goods	675,126	44,629,923
	81,874,946	107,733,058
Total	(3,823,057)	25,858,112

HINDUSTHAN UDYOG LTD.

NOTE : 23 EMPLOYEE BENEFIT EXPENSES	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
Salary, Wages, Bonus, Gratuity & Allowances	66,947,419	57,386,367
Contribution to Provident Fund , ESI & Other Fund	7,364,135	7,375,921
Staff Welfare Expenses	3,690,773	4,498,656
Total	78,002,327	69,260,944

NOTE : 24 FINANCE COST	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
(a) Interest Expenses	16,949,400	16,396,112
Total	16,949,400	16,396,112

NOTE : 25 DEPRECIATION & AMORTISATION EXPENSES	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
Depreciation	18,076,012	17,433,255
Adjusted Out of Revaluation Reserve	29,771	33,313
Total	18,046,241	17,399,942

HINDUSTHAN UDYOG LTD.

NOTE : 26 OTHER EXPENSES	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
Component Processing Expenses	32,405,444	34,219,076
Repair to Buliding	496,656	41,160
Repair to Machnery	5,713,725	5,211,166
Inspection & Testing	1,361,564	1,182,218
Excise Duties	5,086,009	1,749,511
Sales Tax	7,425,653	7,119,475
Commission, Discounts and Rebates	1,980,723	404,000
Transportation and Freight	8,504,430	10,071,660
Directors Remuneration	1,200,000	1,600,000
Directors Meeting Fees	19,000	19,000
Service Charges	7,320,110	6,449,439
Liquidated Damages	2,298,714	2,943,030
Electric Charges	95,131	-
Rent	3,787,344	3,890,760
Rates & Taxes	1,140,477	945,173
Bank Charges	634,492	491,774
Travelling Expenses	4,270,108	2,981,646
Conveyance Charges	746,450	468,634
Vehicle Maintenance	559,933	591,057
Other Repairs	2,601,494	1,775,475
Postage, Telegram & Telephone	537,984	418,390
Printing & Stationery Items	246,832	308,153
Insurance Charges	677,902	486,949
Payment to Auditors		
– As Auditors	90,000	90,000
– For Taxation matters	45,000	50,000
– For Certification/Limited review	62,000	60,000
Listing Fees	134,354	42,500
Subscription & Donation	392,345	402,316
Advertisement	84,792	13,930
Exchange Fluctuation	7,953,879	42,265
Miscellaneous Expenses	1,251,313	1,924,535
Total	99,123,858	85,993,292

NOTE : 27 EARNINGS PER EQUITY SHARE	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
Profit after Taxation	7,932,430	7,478,115
Weighted average number of Equity Shares outstanding	7,176,725	849,625
Basic & Diluted earnings per Share (Face value Rs. 10/-)	1.11	8.80

HINDUSTHAN UDYOG LTD.

NOTE : 28

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

28.1 Contingent Liabilities :

- a) Letters of Guarantee outstanding as at 31.03.15 Rs.63.81Lacs (Previous year Rs. 74.89 Lacs).
- b) Claim not acknowledged as debts: - Disputed demand for Sales Tax, Rs.210.36 Lacs (Previous year Rs. 200.93 Lacs) appealed against.

28.2 Opening Stock

	Current Year		Previous Year	
	Qty.	Rs.	Qty.	Rs.
i) Semifinished Products				
Steel Structure & Goods		3,300,000		3,300,000
Steel Casting Goods		7,78,99,820		5,98,03,135
		8,11,99,820		6,31,03,135
ii) Finished Products				
Steel Casting Goods	3.555 M/T	6,75,126	193.287 M/T	4,46,29,923
		6,75,126		4,46,29,923

28.3 Closing Stock

	Current Year		Previous Year	
	Qty.	Rs.	Qty.	Rs.
i) Semifinished Products				
Steel Structure & Goods		—		3,300,000
Steel Casting Goods		6,61,05,903		7,78,99,820
		6,61,05,903		8,11,99,820
ii) Finished Products				
Steel Casting Goods	89.021 M/T	1,95,92,100	3.555 M/T	6,75,126
		1,95,92,100		6,75,126

28.4 Actual Production

	Production	
	Current Year	Previous Year
Steel Castings	1,341.292 M/T	1,487.581 M/T

HINDUSTHAN UDYOG LTD.

28.5 Raw Materials Consumed

		Current Year		Previous Year	
		Qty.	Rs.	Qty.	Rs.
Scrap & Ferro Alloys	1440.677M/T		11,36,06,811	1667.96 M/T	9,76,35,383
Stores & Consumables			5,60,81,223		8,96,76,370
Components			1,28,31,121		75,71,058
Packing Materials			82,168		56,394
			18,26,01,323		19,49,39,205
Indigeneous	100%		18,26,01,323	100%	19,49,39,205

28.6 Sale of Goods

		Current Year		Previous Year	
		Qty.	Rs.	Qty.	Rs.
Steel Castings	1266.843 M/T		42,63,72,469	1497.095 M/T	41,70,34,592
Others			2,74,41,294		4,75,67,970
			45,38,13,763		46,46,02,562

28.7 Expenses in Foreign Currency

	Current Year	Previous Year
Sales Commission	19,80,723	4,04,000
	19,80,723	4,04,000

28.8 Earnings in Foreign Exchange

	Current Year	Previous Year
1) F.O.B value of Exports	15,06,65,386	12,20,00,691
2) Freight & Insurance Recovered	46,05,899	35,16,596

28.9 Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2015 mounts Receivable for export of goods

	Current Year		Previous Year	
	Amount in Foreign Currency	Amount (Rs.)	Amount in Foreign Currency	Amount (Rs.)
US DOLLAR	3,67,989	2,14,24,297	3,58,640	1,74,78,942
GREAT BRITAIN POUND	1,80,450	1,71,13,220	78,282	79,12,945
EURO	2,18,183	1,51,38,693	1,43,195	1,19,00,806

28.10 Related Party Disclosure :

a) Associated Company :
1) WPIL Limited

b) Key Management Personnel & their Relatives :

Mr. V N Agarwal	Managing Director
Mr. Prakash Agarwal	Director – Son of Mr. V. N. Agarwal
Mrs. Ritu Agarwal	Director – Wife of Mr. Prakash Agarwal

Transactions with Related Parties :

<u>Transaction</u>	<u>Associated Company</u>	<u>Key Management Personnel</u>
Sales & Services	19,17,02,776	—
Purchase of Goods	68,56,346	—
Dividend Received	77,23,318	—
Lease Rent Received	55,40,000	—
Interest Received	4,27,397	—
Remuneration (Mr. V. N. Agarwal)	—	12,00,000
Sitting Fees	—	19,000

28.11 Segment Reporting :

The Operation of the Company relates to Single Primary Business Segment i.e. Engineering (Steel Casting). Accordingly, there is no primary business segment. However, information about Secondary Segment based on Geographical locations of the Customers in Domestic & Exports Sales have been provided.

Information about Secondary Segments: - Geographical

	Rs. Lakhs
(i) Revenue by Geographical Market	
– India	2,985.43
– Outside India	1,552.71
	<u>4,538.14</u>
(ii) Addition to Fixed Assets and Intangible Assets	
– India	12.08
– Outside India	—
	<u>12.08</u>
(iii) Carrying Amount of Segment Assets	
– India	8,231.41
– Outside India	—
	<u>8,231.41</u>

HINDUSTHAN UDYOG LTD.

- 28.12** In view of present uncertainty regarding generation of sufficient future taxable income, net deferred tax assets at the year end including related debit for the year have not been recognised in these accounts on prudent basis.
- 28.13** Considering the external and internal impairment indicators, the management is of the opinion that no asset has been impaired as at 31st March' 2015. Consequently, no impairment loss has been recognised in the statement of Profit & Loss for the year ended 31st March' 2015.
- 28.14** Previous years' figures have been regrouped and rearranged, wherever necessary.

Significant Accounting Policies & Notes on Financial Statements 1 to 28

For S. GHOSE & CO. LLP
Chartered Accountants
Firm Regn. No. 302184E/E300007

Chandan Chattopadhyay
Partner
Membership No. : 051254
Place : Kolkata
Date : 29th May, 2015

SHIKHA BAJAJ
Company Secretary

For and on behalf of the Board
V. N. AGARWAL
RITU AGARWAL
Directors

HINDUSTHAN UDYOG LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended 31.03.2015 Rs.	For the year ended 31.03.2014 Rs.
A) Cash Flow from Operating Activities		
Net Profit before Interest & Tax	8,512,430	8,055,115
Adjustments for :		
Provision for gratuity	1,876,256	2,143,353
Provision for Leave Encashment	266,954	488,655
Depreciation	18,046,241	17,399,942
Loss/(Profit) on Sale of Investments	—	—
Loss/(Profit) on Sale of Fixed Assets	(10,432)	(39,193)
Dividend Received	(7,738,318)	(7,741,318)
Interest Received	(729,618)	(1,781,734)
Interest Paid	16,949,400	16,396,112
Misc exps W/ Off		
Operating Profit before Working Capital Changes	34,920,932	37,172,913
Adjustments for :		
Trade & Other Receivables	(55,429,584)	24,137,871
Inventories	(4,424,375)	32,946,452
Trade Payables	17,327,358	(112,307,745)
Cash Generated from/(used) in Operations	(5,353,688)	(20,302,490)
Income Tax Paid/Adjusted		
Net Cash From/(used in) operating activities	(5,353,688)	(20,302,490)
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(2,961,539)	—
Sale of Fixed Assets	15,000	621,776
Purchase of Investments		
Sale of Investments		
Dividend Received	7,738,318	7,741,318
Interest Received	729,618	1,781,734
Net Cash used in Investing Activities	5,521,397	10,144,828
C) Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (Net)	(659,191)	3,998,044
Proceeds from Short Term Borrowings (Net)	21,880,673	16,362,548
Interest Paid	(16,949,400)	(16,396,112)
Net Cash from/(used in) Financing Activities	4,272,082	3,964,480
Net Increase/(Decrease) in cash and		
Cash Equivalents (A + B + C)	4,439,791	(6,193,182)
Cash and Cash Equivalents as at the beginning of the year (Opening Balance) – Cash and Bank Balances	8,433,774	14,626,956
Cash and Cash Equivalents as at the end of the year (Closing Balance) – Cash and Bank Balances	12,873,565	8,433,774

For S. GHOSE & CO. LLP
Chartered Accountants
Firm Regn. No. 302184E/E300007

Chandan Chattopadhyay
Partner

Place : Kolkata
Date : 29th May, 2015

SHIKHA BAJAJ
Company Secretary

For and on behalf of the Board
V. N. AGARWAL
RITU AGARWAL
Directors

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across its entire width, providing a guide for handwriting or typing. The paper itself is a clean, off-white color. There are no margins, text, or other markings present on the page.

This image shows a full page of blank, lined paper. It features approximately 28 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.



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HINDUSTHAN UDYOG LTD.

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FORM A

1.	NAME OF THE COMPANY	HINDUSTHAN UDYOG LIMITED
2.	ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED	31 ST MARCH, 2015
3.	TYPE OF AUDIT OBSERVATION	MATTER OF EMPHASIS
4.	FREQUENCY OF OBSERVATION	APPEARING SINCE LAST YEAR
5.	TO BE SIGNED BY:-	
	CEO/MANAGING DIRECTOR NAME: V.N. AGARWAL	
	CFO	NONE
	AUDITOR OF THE COMPANY NAME: S. GHOSE & CO. LLP Chartered Accountants	
	AUDIT COMMITTEE CHAIRMAN NAME: A.K. GHOSH	