



HINDUSTHAN UDYOG LTD.

Registered Office :
"TRINITY PLAZA" 3rd Floor
84/1A, Topsia Road (South)
Kolkata-700 046, India
Phone : (033) 3021 6800 / 2285 1079 & 81
Fax : (033) 3021 6863
E-mail : hulho@hul.net.in
CIN No. : L27120WB1947PLC015767

Date: 06.11.2017

To
BSE Limited
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street,
Mumbai-400001

RE: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2016-17

Dear Sir,

Enclosed please find herewith the Annual Report of our Company for the Financial Year ended 31st March, 2017 in terms of Regulation 34(1) of SEBI (LODR) Regulations, 2015.

Thanking you.

Yours Faithfully,

FOR HINDUSTHAN UDYOG LIMITED


[V.N. AGARWAL]

MANAGING DIRECTOR

ENCLO: AS ABOVE



HINDUSTHAN UDYOG LTD.

Registered Office :
"TRINITY PLAZA" 3rd Floor
84/1A, Topsia Road (South)
Kolkata-700 046, India
Phone : (033) 3021 6800 / 2285 1079 & 81
Fax : (033) 3021 6863
E-mail : hulho@hul.net.in
CIN No. : L27120WB1947PLC015767

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventieth Annual General Meeting (AGM) of the Members of **HINDUSTHAN UDYOG LIMITED** will be held on Tuesday, the 26th day of September, 2017 at 10.00 a.m. at the Registered Office of the Company at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046 to transact the following business:-

ORDINARY BUSINESS:-

- I. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the financial year ended on that date together with the Directors' and Auditors' Reports thereon.
- II. To reappoint a Director in place of Mrs. Ritu Agarwal (DIN 00006509), who retires by rotation at this Meeting and being eligible offers herself for re-appointment.
- III. To appoint Statutory Auditors and fix their remuneration and for this purpose to consider and, if thought fit, to pass the following resolutions as **ORDINARY RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of The Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s Salarpuria & Partners, Chartered Accountants (Firm Registration No. 302113E) be and are hereby appointed as the Statutory Auditors of the Company (in place of S. Ghose & Co. LLP, Chartered Accountants, the retiring Auditors) for a term of five years commencing from the Company's Financial Year 2017-18 to hold office from the 70th AGM of the Company till the conclusion of the 75th AGM (subject to ratification of their appointment by the Members at every intervening AGM) on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors."

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

SPECIAL BUSINESS:-

- IV. To consider and if thought fit, to pass with or without modification(s), the following resolutions as **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the applicable provisions of The Companies Act, 1956/2013, the consent of the Company be and is hereby accorded for postponement of the date of redemption of 60,00,000, 10% Cumulative Redeemable Preference Shares of ₹ 10/- each aggregating to Rs. 600 Lakhs and issued to V.N. Enterprises Limited from 9th March, 2017 to 9th January, 2019."

"RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to all such acts, deeds and things as may be required in this connection."

- V. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as **SPECIAL RESOLUTION**:

MAKING OF LOANS, INVESTMENTS AND GUARANTEES

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and subject to necessary approvals, consents, sanctions and permissions of appropriate authorities, as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to make loan(s) and/or give guarantee(s)/provide any security(ies) in connection with loan(s) made either in Rupee or in any other foreign currency to the Company or other Bodies Corporate by any Banks/Financial Institutions/ Bodies Corporate and/or any other person, situated within or outside the country and/or to make investments by acquisition, subscription, purchase or otherwise the securities of any other Body Corporate upto an aggregate limit of Rs. 100 Crores notwithstanding that the aggregate of all investments, loans, guarantees or securities so far made along with the investments, loans, guarantees or securities to be made exceeds the limits as prescribed under the said section."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary in this regards and to settle all matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents and writings that may be required for the purpose of giving effect to this Resolution."

REGISTERED OFFICE:
TRINITY PLAZA, 3RD FLOOR,
84/1A, TOPSIA ROAD (SOUTH),
KOLKATA-700046
DATE: 30TH MAY, 2017
CIN: L27120WB1947PLC015767

BY ORDER OF THE BOARD
FOR HINDUSTHAN UDYOG LIMITED



[V.N. AGARWAL]
MANAGING DIRECTOR

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company.
2. The Register of Members and Share Transfer Books will remain closed from 20th September, 2017 to 26th September, 2017 both days inclusive.
3. Voting through electronic means:
 - (a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - (b) The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
 - (c) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - (d) The remote e-voting period shall commence on September 23 2017 at 9:00 am and end on September 25, 2017 at 5:00 p.m. During this period the Members of the Company as on the cut-off date of September 19, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - (e) The process and manner for remote e-voting are as under:-
 - i. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company]
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Name of the company".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to guptarinku123@gmail.com with a copy marked to evoting@nsdl.co.in
- II. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company or requesting physical copy]
- (i) Initial password is being provided separately:

<u>EVEN</u> <u>(REMOTE E-VOTING EVENT NO.)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- (f) In case of any queries, you may refer FAQs for Members and remote e-voting User Manual for Members available at the Download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

- (g) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (h) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 19, 2017.
- (i) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 19, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to Issuer at kkg@hul.net.in
- (j) However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- (k) A person, whose name is recorded in the Register of Members as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (l) Ms. Rinku Gupta, Company Secretary in Practice (Membership No. ACS-25068) has been appointed as the Scrutinizer for providing facility to the Members and to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (m) The Chairman of Meeting shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (n) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of conclusion of AGM, a consolidated scrutinizer's report of total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with the report of the Scrutinizer shall be placed on the website of NSDL immediately after its declaration and shall also be communicated to the Stock Exchanges.

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

ITEM NO. IV

The Board of Directors of the Company at their Meeting held on 7th February, 2017 noted that the Company's 60,00,000, 10% Cumulative Redeemable Preference Shares of ₹ 10/- each allotted to V.N. Enterprises Limited were due for redemption on 9th March, 2017.

In view of the brought forward unabsorbed accumulated losses and the losses in the current year, the Board of Directors decided subject to the approval of both the Equity and Preference Shareholder(s) to postpone the period of redemption of the said Preference Shares to 9th January, 2019.

The Board has received the written consent from the Preference Shareholder in this respect in terms of The Companies Act, 1956/2013.

The postponement also requires the approval of the Equity Shareholders as a Special Resolution. The Board therefore recommends that the Proposed Resolution as set out in Item No. IV be passed in the interest of the Company.

None of the Directors and Key Managerial Personnel or their respective relatives are concerned or interested in the said Resolution except to the extent of their Shareholdings in the Company.

The passing of the aforesaid resolutions does not relate to or affect any other Company.

ITEM NO. V

The Board of Directors of the Company at their Meeting held on 30th May, 2017 considered the support request often received from Associate/Group Companies to offer the Company's Corporate Guarantee and its assets as security in relation to the loan facilities availed by such Associate/Group Companies and their affiliates from Banks/Financial Institutions/Other Lenders.

The Board discussed that the Company, being the Promoter Company, can provide such Corporate Guarantee or security on its assets so as to support its Associate/Group Companies.

The Board therefore desired that authority be given to them to enable them to decide for and on behalf of the Company to provide such guarantees and/or security or to provide loans to other body corporate or invest funds of the Company in the securities of other Body Corporate in terms of The Companies Act, 2013, subject to a limit of Rs. 100 Crores.

As per Section 186 of the Companies Act, 2013, a Company cannot make investments, give loan or guarantee or provide any security in excess of the limits set out therein unless it is previously authorized by a Special Resolution. Hence, it is necessary to obtain approval for the same from the Members.

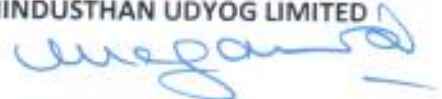
The Board therefore recommends passing of the Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the proposed resolutions.

The passing of the aforesaid resolutions does not relate to or affect any other Company.

REGISTERED OFFICE:
TRINITY PLAZA, 3RD FLOOR,
84/1A, TOPSIA ROAD (SOUTH),
KOLKATA-700046
DATE: 30TH MAY, 2017
CIN: L27120WB1947PLC015767

BY ORDER OF THE BOARD
FOR HINDUSTHAN UDYOG LIMITED



[V.N. AGARWAL]
MANAGING DIRECTOR

DISCLOSURE OF DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE AGM IN TERMS OF REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

NAME OF THE DIRECTOR	RITU AGARWAL
Date of Birth	31.03.1975
Date of First Appointment	30.05.2003
Qualifications	Bachelor of Business Data Processing from Lady Shri Ram College, New Delhi
No. of shares held	NIL
Nature of Expertise	Having considerable experience in Business Management and Multinational Market
Other Directorships in Indian Companies	1. WPIL Limited 2. Asutosh Enterprises Limited 3. Bengal Steel Industries Limited 4. Live-Life Buildcon Private Limited 5. Morgan Finvest Private Limited
Other Committee Memberships/Chairmanships	NONE

DIRECTORS' REPORT

TO THE MEMBERS OF HINDUSTHAN UDYOG LIMITED

Your Directors have pleasure in presenting their 70th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2017.

COMPANY PERFORMANCE:

	2016 - 2017	2015 - 2016
<u>FINANCIAL RESULTS</u>	<u>₹ IN LAKHS</u>	<u>₹ IN LAKHS</u>
Total Revenue	2,635.88	3,676.58
EBITDA	123.25	143.30
Less: Finance Costs	106.71	120.07
Depreciation	129.49	141.00
Profit before Tax (PBT)	(112.95)	(117.77)
Less: Tax Expense	-	0.26
Profit after Tax (PAT)	(112.95)	(118.03)

The Total Income of the Company for the year under review reduced on account of continuous decrease in the demand for the Company's Products. However, the EBITDA margins of the Company continued to be around 4% inspite of the fall in revenues.

Your Company is striving for overcoming the current challenges and is exploring options to improve its operations.

The Durgapur Unit continued to remain closed during the year.

DIVIDEND:

In view of the losses incurred by the Company in the current year as well as 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 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 key operational highlights at both the Units have been:-

- 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.
- Operation of new VTL Machine.
- Increase in Line molding capacities by modification of existing line.
- Successful development of Creep Steel Castings
- Development of Duplex Stainless Steel Grade 5A Castings
- 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.

C. OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

Opportunities for these Industries exist (a) in the development and supply of high contribution items and (b) catering to the requirements of export markets.

The risks and areas of concern for your Company are:-

- (i) Demand for Company's 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 that can affect 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.

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 industrial relation related 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 the Listing Regulations. A separate Report on Corporate Governance forms part of the Annual Report 2016-17 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.

NO. OF BOARD MEETINGS HELD

During the year 2016-17, Seven (7) Board Meetings were held on 11th April, 16, 27th May 16, 11th August 16, 5th October, 16, 9th November 16, 5th January 17 and 7th February, 17.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2017, 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, 2017 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
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such were adequate and operating effectively.

BOARD EVALUATION:

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 the Listing Regulations) and an Independency Certificate from them have been obtained.

AUDITORS:

M/s S. Ghose & Co. LLP., Chartered Accountants, the existing Statutory Auditors, hold office till the conclusion of the ensuing AGM and would have to vacate the same on its conclusion in terms of Section 139(2) of the Companies Act, 2013, dealing with rotation of Auditors.

Your Board has therefore proposed to appoint M/s Salarpuria & Partners, Chartered Accountants (Firm Registration No. 302113E) as the Statutory Auditors of the Company for a term of 5 years commencing from Financial Year 2017-18 and to hold the said office from the conclusion of the ensuing AGM till the conclusion of the AGM to be held in the Year 2022 (subject to ratification of their appointment at each intervening AGM). M/s Salarpuria & Partners, Chartered Accountants have expressed their willingness to act as such, if so appointed. The necessary resolution for their appointment is included in the Notice of the ensuing AGM.

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 C**, 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 D**, 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 E**.

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 2016-17 have been obtained from all the Board Members and Senior Management Personnel in terms of the Listing Regulations 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.

PLACE: KOLKATA

DATE: 30TH MAY, 2017

FOR AND ON BEHALF OF THE BOARD



DIRECTORS

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

ENERGY CONSERVATION MEASURES TAKEN:

The Units of the Company endeavor to control and reduce the energy consumption per unit of production. Energy Conservation Measures taken by the Company are:-

- i) Replacement of motors/ pumps/ lighting with energy efficient models.
- ii) Optimization of electrical distribution system.
- iii) Use of mostly Induction Furnaces for melting instead of Electric ARC Furnace.
- iv) Rationalization of Pump Capacities and use of pumps with lower power ratings with the same efficiency.
- v) Use of duplex billets instead of Loose Scrap for manufacturing of Duplex Steel Castings.

TECHNOLOGY ABSORPTION:

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

The Company has not imported any new technology during the last three years reckoned from the beginning of the Current Financial Year i.e. 1st April, 2016.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earned	₹ 993.28 Lakhs
Foreign Exchange used	₹ 23.51 Lakhs

PLACE: KOLKATA

DATE: 30TH MAY, 2017

FOR AND ON BEHALF OF THE BOARD




DIRECTORS

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.

The details of compliances made by the Company for the year ended 31st March, 2017 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 31.03.2017 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 31.03.2017 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.	Non-Executive & Independent Director	2	40.00
	TOTAL	5	100.00

Details relating to the Composition of the Board as on 31.03.2017 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	9	8	---
2.	Mr. Prakash Agarwal DIN:00249468	Non - Executive & Promoter	11	1	--
3.	Mrs. Ritu Agarwal DIN:00006509	Non - Executive & Promoter (Woman Director)	5	--	--
4.	Mr. Binaya Kapoor DIN:00544162	Non - Executive & Independent	2	1	--
5.	Mr. A. K. Ghosh DIN:01424368	Non - Executive & Independent	5	6	2

- The Committee Memberships/Chairmanships considers Audit Committee and Stakeholders Relationship Committee only.
- Mr. Prakash Agarwal is the son of Mr. V.N. Agarwal and husband of Mrs. Ritu Agarwal.
- The Non-Executive Directors do not hold any shares in the Company except for Mr. Prakash Agarwal who holds 5,16,200 shares.

3) **BOARD MEETINGS & AGM HELD DURING THE FINANCIAL YEAR 2016 - 17**

- (i) During the Financial Year 2016-17 Seven Board Meetings were held on:-
11th April, 2016, 27th May, 2016, 11th August 2016, 5th October, 2016, 9th November, 2016, 5th January, 2017 and 7th February, 2017.
- (ii) Attendance record of the Directors at the Board Meetings and the last AGM are as follows:-

Name of the Board Members	No. of Board Meetings Attended	Attendance at the last AGM held on 29 th September, 16
Mr. V. N. Agarwal	7	Yes
Mr. Prakash Agarwal	5	Yes
Mrs. Ritu Agarwal	7	Yes
Mr. Binaya Kapoor	4	No
Mr. A. K. Ghosh	7	Yes

4) BOARD MEETINGS

- i) 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.
- ii) 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.
- 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 are provided with the requisite information as required by Part A of Schedule II of Regulation 17(7) of SEBI (LODR) Regulations 2015 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 in terms of Regulation 26(1) of SEBI (LODR) Regulations, 2015. The Directors from time to time have intimated to the Company their Memberships/ Chairmanships in various Committees in other Companies.

7) POST MEETING FOLLOWUP 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 7th February 2017 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 31.03.2017 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 2016-17 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	3
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 Annual Report 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 was the Compliance Officer of the Company upto 31.01.2017.

During the year ended 31st March 2017, no complaints/queries were received and no complaint/query was pending to be resolved as on 31st March, 2017. There were no transfer of shares pending for registration as on 31st March 2017 and all transfers, if any, had been effected within a period of 15 days from the date of their lodgment.

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.
- (c) Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors.

The Composition of the Nomination and Remuneration Committee as on 31.03.2017 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.

During the year 2016-17 a Meeting of the Nomination and Remuneration Committee was held on 7th February, 2017.

Details of Remuneration paid to Mr. V.N. Agarwal as Managing Director during 2016-17 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 2017 were as follows:-

Name of the Director	Sitting Fees paid
Mr. Prakash Agarwal	Rs. 5,000/-
Mrs. Ritu Agarwal	Rs. 7,000/-
Mr. Binaya Kapoor	Rs. 4,000/-
Mr. A. K. Ghosh	Rs. 7,000/-

11) GENERAL MEETINGS

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

Financial Year	Location	Date	Time
2015 – 2016	Registered Office at : Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.	29 th September, 2016	10 a.m.
2014 – 2015		29 th September, 2015	10 a.m.
2013 - 2014		27 th September, 2014	10 a.m.

- ii) Whether any Special Resolutions were passed in the previous Three AGMs : Yes. Special Resolutions for Re-appointment of Mr. V.N. Agarwal as a Managing Director for a period of 3 Years commencing from 01.01.2015 was passed in the AGM held on 29.09.2015.
- 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.
- 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 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 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	Remark
A.	Day	Tuesday
B.	Date	26.09.2017
C.	Time	10.00 a.m.
D.	Venue	Registered Office at: Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.

(iii) **Financial Calendar for the Year 2017 - 18**

Sl.	Particulars	Remarks
A.	1 st Quarter ending 30 th June, 2017	Before 14 th August, 2017
B.	2 nd Quarter and Half-year ending 30 th September, 2017	Before 14 th November, 2017
C.	3 rd Quarter ending 31 st December, 2017	Before 14 th February, 2018
D.	4 th Quarter and Annual Results for the year ending 31 st March, 2018	Before 30 th May, 2018

- (iv) **Dates of Book Closure:** 20.09.2017 – 26.09.2017
(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, 2016.

- (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 2017-18 have been 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, 2017.

- (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 Listing Regulations the Company obtains half yearly Certificates from a Company Secretary in practice 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.

As on 31st March, 2017, 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, 2017 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	21.15	5,313	0.07
2.	5001 - 10000	2	3.84	19,052	0.27
3.	10001 - 50000	25	48.08	6,69,593	9.33
4.	50001 - 100000	2	3.84	1,15,267	1.61
5.	100001 - 500000	5	9.62	11,76,225	16.39
6.	500001 - above	7	13.47	51,91,275	72.33
	Total	52	100.00	71,76,725	100.00

(xii) Shareholding Pattern as on 31st March, 2017:-

	Category	No. of Equity Shares held	Percentage of holding
A.	Promoters' holding :		
	1. Indian Promoters	53,79,910	74.96
	2. Persons acting in concert	----	----
	Sub-Total	53,79,910	74.96
B.	Non-Promoters' holding :		

1. Institutional Investors	----	----
2. Others :		
-- Corporate Bodies	1,73,117	2.41
-- Indian Public	16,23,698	22.63
Sub-Total	17,96,815	25.04
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) **Commodity price risk or foreign exchange risk and hedging activities**

NOT APPLICABLE [The Company has got no significant exposure in respect of commodity price risk or foreign exchange risk and has not undertaken any hedging activity]

(xv) **Plant Locations:**

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

(xvi) **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 – 700046
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 30th May, 2017 and the same was approved.



PLACE: KOLKATA

DATE: 30TH MAY, 2017

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 2016-2017.

FOR HINDUSTHAN UDYOG LIMITED



PLACE: KOLKATA

DATE: 30TH MAY, 2017

[V. N. AGARWAL]
MANAGING DIRECTOR



AUDITORS' CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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 2017 in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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 the above Regulations.

We state that no investor grievances are pending for a period exceeding one month as on 31st March, 2017 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.



Place: Kolkata
Date: 30.05.2017

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

(Chandan Chattopadhyay)
Partner
Membership No. 051254

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN

For the Financial Year ended on 31st March, 2017

[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:

1.	CIN	L27120WB1947PLC015767
2.	Registration Date	3 rd September 1947
3.	Company Name	Hindusthan Udyog Limited
4.	Category/Subcategory of Company	Indian Company limited by Shares
5.	Address of Registered Office & Contact details	Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046 Ph: 033 3021 6800
6.	Whether Listed Company	Yes
7.	Name, Address and Contact details of RTA	Link Intime India Private Limited Fort Burlow, 59C Chowringhee Road, 3 rd 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.	Name & description of main products	NIC code of Product	% to Total Turnover of Company
1.	Alloy Steel Castings	73259920	95%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.	Company Name & Address	CIN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	WPIL Limited Trinity Plaza, 3 rd Floor, 84/1A, Topsia Road (S), Kolkata – 700046	L36900WB1952 PLC020274	Associate Company	39.54%	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

(i) Category-wise shareholding

Category of Shareholders	No. of shares held at beginning of year			No. of shares held at the end of year			% Change
	Physical	Demat	Total	Physical	Demat	Total	
A. Indian Promoters							
- Individuals	3,70,535	---	3,70,535	7,08,235	---	7,08,235	4.70
- Bodies Corporate	40,34,456	6,37,219	46,71,675	40,34,456	6,37,219	46,71,675	---
Sub Total (A)	44,04,991	6,37,219	50,42,210	47,42,691	6,37,219	53,79,910	74.96
B. Public Non Institutions							
- Indian Bodies Corporate	1,17,850	55,267	1,73,117	1,17,850	55,267	1,73,117	---
- Indian Individuals							
(a) holding nominal capital upto Rs. 1 Lakh	23,882	483	24,365	23,882	483	24,365	---
(b) holding nominal capital in excess of Rs. 1 Lakh	16,22,033	3,15,000	19,37,033	12,84,333	3,15,000	15,99,333	(4.70)
Sub Total (B)	17,63,765	3,70,750	21,34,515	14,26,065	3,70,750	17,96,815	25.04
C. Shares held by Custodians for GDRs & ADRs	---	---	---	---	---	---	---
GRAND TOTAL (A + B + C)	61,68,756	10,07,969	71,76,725	61,68,756	10,07,969	71,76,725	100.00

(ii) Shareholding of Promoters

Sl	Shareholder name	Shareholding at beginning of the year			Shareholding at end of the year			% Change
		Nos.	% of total	% shares pledged to total	Nos.	% 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	Prakash Agarwal	1,78,500	2.49	---	5,16,200	7.19	---
7	Asutosh Enterprises Ltd.	4,57,500	6.37	---	4,57,500	6.37	---
8	Premalata Agarwal	1,79,625	2.50	---	1,79,625	2.50	---
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	---	53,79,910	74.96	4.70

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

Sl. No.	Particulars	Promoters' Shareholding		Cumulative Shareholding during the year	
		No. of shares	%	No. of shares	%
1.	At the beginning of the year	50,42,210	70.26		
2.	Date of Increase: 05.10.2016				
3.	Increase during the year	3,37,700	4.70		
4.	Reason for increase: Transfer of shares				
5.	At the end of the year	53,79,910	74.96	53,79,910	74.96

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

Sl.	Name of each Top Ten Shareholders	Shareholding at beginning of year		Cumulative shareholding during the year		Change in holdings	Date-wise change and reasons
		Nos.	% of total	Nos.	% of total		
1.	Poonam Jhaver	10,00,000	13.93	10,00,000	13.93	---	---
2.	Santosh Devi Gangawat	60,000	0.84	60,000	0.84	---	---
3.	Bishnauth Investments Limited	55,267	0.77	55,267	0.77	---	---
4.	Ichamati Investments Limited	49,700	0.69	49,700	0.69		
5.	United Machine Co. Ltd.	47,200	0.66	47,200	0.66	---	---
6.	Sunil Kumar Suroolia	40,000	0.56	40,000	0.56	---	---
7.	Anil Kumar Suroolia	40,000	0.56	40,000	0.56	---	---
8.	Manju Devi Suroolia	40,000	0.56	40,000	0.56	---	---
9.	Anita Sharma	40,000	0.56	40,000	0.56		

10.	Santosh Kumar Rungta	34,400	0.47	34,400	0.47	---	---
	TOTAL	14,06,567	19.60	14,06,567	19.60	---	---

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.	Name of each Director and Key Managerial Personnel	Shareholding at beginning of year		Cumulative Shareholding during 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	5,16,200	7.19	4.70	05.10.2017 – Off market Purchase
2	Mrs. Ritu Agarwal	---	---	---	---	---	---
3	Mr. Binaya Kapoor	---	---	---	---	---	---
4	Mr. A.K. Ghosh	---	---	---	---	---	---

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
At beginning of the year:-				
i) Principal	1,65,58,108	13,50,00,000	---	15,15,58,108
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i + ii + iii)	1,65,58,108	13,50,00,000	---	15,15,58,108
Changes during the year (Reduction)	52,24,792	---	---	52,24,792
At end of the year:				
i) Principal	2,17,82,900	13,50,00,000	---	15,67,82,900
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i + ii + iii)	2,17,82,900	13,50,00,000	---	15,67,82,900

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl	Particulars of Remuneration	Managing Director Total (Rs.)
1	Gross Salary	
(a)	Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	12,00,000
(b)	Value of Perquisites u/s 17(2) of Income Tax Act, 1961	---
(c)	Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	---
2	Stock Option	---
3	Sweat Equity	---
4	Commission	---
5	Others	---
	TOTAL (A)	12,00,000

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 Meetings	---	---	4,000	7,000	11,000
- Commission	---	---	---	---	---
- Others	---	---	---	---	---
Total (1)	---	---	4,000	7,000	11,000
Other Non Executive Directors					
- Fees for attending Board Meetings	5,000	7,000	---	---	12,000
- Commission	---	---	---	---	---
- Others	---	---	---	---	---
Total (2)	5,000	7,000	---	---	12,000
Total (1+2)	5,000	7,000	4,000	7,000	23,000

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

Sl	Particulars of Remuneration	Company Secretary Total (Rs.)
1	Gross Salary	
(a)	Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	6,05,957
(b)	Value of Perquisites u/s 17(2) of Income Tax Act, 1961	---
(c)	Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	---
2	Stock Option	---
3	Sweat Equity	---
4	Commission	---
5	Others	---
	TOTAL (A)	6,05,957

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of 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: 30TH MAY, 2017

FOR AND ON BEHALF OF THE BOARD




DIRECTORS

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

TO

THE MEMBERS 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 year ended on 31st March, 2017 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, 2017, according to the applicable provisions of:-
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (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, 2015 (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 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (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) There are no such laws that are specifically applicable to the Company with respect to the sector in which it is operating except those relating to Air/Water Pollution Prevention and Control, applicable provisions of which have been complied with by the Company.

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

- (i) Secretarial Standards (SS-1 and SS-2) as issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, 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



A handwritten signature in blue ink, appearing to read "Rinku Gupta".

RINKU GUPTA
COMPANY SECRETARY IN PRACTISE
FCS – 9237, CP NO. 9248

PLACE: KOLKATA

DATE: 30.05.2017

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	2.4

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 5%

- (d) The number of Permanent employees on the rolls of the Company is 145.

- (e) 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 5% and the same was on account of yearly increments. However there was no increase in the managerial remuneration during the year.

PLACE: KOLKATA

DATE: 30TH MAY, 2017

FOR AND ON BEHALF OF THE BOARD



DIRECTORS



**Independent Auditor's 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 31 March 2017, the Statement of Profit and Loss and the cash flow statement for the year then ended, and 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 and presentation 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 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 31 March 2017 and its Loss and its cash flows for the year ended on that date.

Emphasis of Matters:

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, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the 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 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



- (g) 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 does not have any pending litigations which would impact on its financial position.
 - ii. the Company does not have any long-term contracts including derivative contracts – for which there is any material foreseeable losses.
 - iii. There is no amounts which is required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November' 2016 to 30th December' 2016. Based on audit procedures and relying on the disclosures made in the management, we report that the disclosures are in accordance with books at accounts maintained by the company and as produced to us by the Management.

For S Ghose & Co. LLP
Chartered Accountants
FRN- 302184E/E300007


C.A Chandan Chattopadhyay
Partner
Membership No.051254

Place:Kolkata

Date: 30 MAY 2017





**Annexure-A, to the Independent Auditor's Report
(Referred to in our report of even date attached)**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

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

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

2) The management has conducted the physical verification of inventory at reasonable intervals and no material discrepancy have been noticed on physical verification of the inventory as compared to books records.

3) As per information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of CARO are not applicable to the Company.

4) According to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

b) According to the information and explanation given to us, there are no dues of income tax, service tax, Sales Tax, duty of customs, and duty of excise on account of any dispute.

8) According to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.



9) Based upon the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of CARO are not applicable to the Company.

10) Based upon the audit procedures performed and according to the information and explanations given by the management, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) As per information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) As per information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and according to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and according to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of CARO are not applicable to the Company and hence not commented upon.

16) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For S Ghose & Co. LLP
Chartered Accountants
FRN- 302184E/E300007


C.A Chandan Chattopadhyay
Partner
Membership No.051254

Place: Kolkata

Date: 30 MAY 2017





Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **HINDUSTHAN UDYOG LIMITED** as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

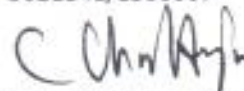
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S Ghose & Co. LLP
Chartered Accountants
FRN- 302184E/E300007



C.A Chandan Chattopadhyay
Partner
Membership No.051254

Place: Kolkata

Date: 30 MAY 2017



HINDUSTHAN UDYOG LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2017

AMOUNT IN RS.

	Notes	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	131,767,250	131,767,250
(b) Reserves and Surplus	4	207,261,984	218,581,597
		339,029,234	350,348,847
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	1,917,383	2,725,856
(b) Long-term Liabilities	6	-	436,283
		1,917,383	3,162,139
(3) Current Liabilities			
(a) Short-term borrowings	7	154,865,517	148,832,252
(b) Trade payables	8	54,446,308	74,922,315
(c) Other current liabilities	9	85,389,294	154,478,418
(d) Short-term provisions	10	28,149,146	31,317,199
		322,850,265	409,550,184
TOTAL		663,796,882	763,061,170
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
- Tangible assets	11	142,259,447	151,527,689
(b) Non-current Investments	12	45,998,978	46,180,093
(c) Long term Loans and advances	13	10,979,707	13,034,059
		199,238,132	210,741,841
(2) Current assets			
(a) Inventories	14	137,797,178	146,073,208
(b) Trade Receivables	15	142,573,400	191,268,952
(c) Cash and Cash Equivalents	16	13,464,772	14,187,234
(d) Short-term Loans and Advances	17	168,860,818	189,794,833
(e) Other Current Assets	18	1,862,582	10,995,102
		464,558,750	552,319,329
Total		663,796,882	763,061,170

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: 30th May, 2017



For and on behalf of the Board






DIRECTORS

HINDUSTHAN UDYOG LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

AMOUNT IN RS.

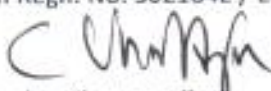
Particulars	Notes	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I. Revenue from Operations (Gross)	19	261,164,063	384,698,624
Less : Excise Duty		18,062,119	34,177,306
		243,101,944	350,521,318
II. Other Income	20	20,486,334	17,136,949
III. Total Revenue (I + II)		263,588,278	367,658,267
IV. Expenses:			
Cost of Materials Consumed & Other Manufacturing Expenses	21	109,464,018	200,111,532
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	22	5,942,224	5,595,265
Employee Benefit Expenses	23	72,076,454	71,383,116
Finance Costs	24	10,671,309	12,006,974
Depreciation and Amortisation Expenses	25	12,949,423	14,099,585
Other Expenses	26	63,780,677	76,237,992
Total Expenses		274,884,105	379,434,464
V. Profit/ (Loss) Before Prior Period adjustments, Exceptional items and Tax (III - IV)		(11,295,827)	(11,776,197)
VI. Prior Period Adjustments		-	-
VII. Profit/ (Loss) before exceptional items and tax (V - VI)		(11,295,827)	(11,776,197)
VIII. Exceptional Items		-	-
IX. Profit/ (Loss) before tax (VII - VIII)		(11,295,827)	(11,776,197)
X. Tax expense:			
- Tax for Earlier Year		-	26,325
XI. Profit/(Loss) after Tax (IX - X)		(11,295,827)	(11,802,522)
XII. Earning per equity share	27	(1.57)	(1.64)

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: 30th May, 2017



For and on behalf of the Board






DIRECTORS

HINDUSTHAN UDYOG LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

AMOUNT IN RS.

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A) Cash Flow from Operating Activities		
Net Profit before Tax	(11,295,827)	(11,776,197)
Adjustments for :		
Provision for gratuity	(2,837,081)	2,787,327
Provision for Leave Encashment	(330,972)	(440,529)
Depreciation	12,949,423	14,099,585
Loss/(Profit) on Sale of Fixed Assets	-	(1,599,451)
Dividend Received	(7,738,318)	(7,738,318)
Interest Received	(641,197)	(316,245)
Interest Paid	10,671,309	12,006,974
Operating Profit before Working Capital Changes	777,337	7,023,146
Adjustments for :		
Trade & Other Receivables	83,421,817	87,596,952
Inventories	8,276,030	21,457,235
Trade & Other Payables	(90,001,414)	458,340
Cash Generated from/ (used) in Operations	2,473,770	116,535,673
Income Tax Paid/Adjusted	(2,605,380)	(26,325)
Net Cash From/ (used in) operating activities	(131,610)	116,509,348
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(3,704,965)	(8,747,274)
Sale of Investments	181,115	2,645,000
Interest Received	641,197	316,245
Dividend Received	7,738,318	7,738,318
Net Cash used in Investing Activities	4,855,665	1,952,289
C) Cash Flow from Financing Activities		
Repayment of Long Term Borrowings (Net)	(808,473)	(730,025)
Proceeds/(Repayment) from/of Short Term Borrowings (Net)	6,033,265	(104,410,969)
Interest Paid	(10,671,309)	(12,006,974)
Net Cash from Financing Activities	(5,446,517)	(117,147,968)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(722,462)	1,313,669
Cash & Cash Equivalents as at the beginning of the period	14,187,234	12,873,565
Cash & Cash Equivalents as at the end of the period	13,464,772	14,187,234
Components of Cash & Cash Equivalents		
Balances With Banks		
- In Current Account	9,188,100	9,397,007
- In Fixed Deposits	3,416,469	3,367,814
Cash On Hand	860,203	1,422,413
	13,464,772	14,187,234



HINDUSTHAN UDYOG LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

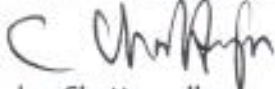
Note:

The above cash flow has been prepared under "Indirect Method" as prescribed under Accounting Standard 3- "Cash Flow Statement" given by ICAI.

For S. Ghose & Co. LLP

Chartered Accountants

Firm Regn. No. 302184E / E300007



Chandan Chattopadhyay

Partner

Membership No. : 051254



Place : Kolkata

Date: 30th May, 2017

For and on behalf of the Board



DIRECTORS

HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2017

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 in the nature of Special Capital Incentive 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 rates specified in Schedule II to 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



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2017

and net realizable 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 recognized in the Statement of Profit and Loss in the year in which it arises.

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.



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note : 3 SHARE CAPITAL	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Authorised Shares		
485,00,000 Equity Shares of Rs 10/- each	485,000,000	485,000,000
60,00,000 10% Cumulative Redeemable Preference shares of Rs 10/- each	60,000,000	60,000,000
	545,000,000	545,000,000
Issued, Subscribed & Paid-Up Shares		
71,76,725 Equity Shares of Rs 10/- each, fully paid	71,767,250	71,767,250
60,00,000 10% Cumulative Redeemable Preference shares of Rs 10/- each, fully paid (Due for Redemption on 9th January, 2019) (*)	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.

3. Reconciliation of shares outstanding at the beginning & at the end of the reporting period

Equity Shares	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	7,176,725	71,767,250	7,176,725	71,767,250
Issued during the period	-	-	-	-
Shares bought back during the year	-	-	-	-
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	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Rs.	Nos.	Rs.
Equity share allotted as fully paid bonus share by capitalisation of reserve				
At the beginning of the year	-	-	-	-
Issued during the year	-	-	-	-
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, 2017		As at 31st March, 2016	
	Nos.	%	Nos.	%
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
8. Prakash Agarwal	516,200	7.19	178,500	2.49



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

AMOUNT IN RS.

	As at 31st March, 2017	As at 31st March, 2016
Note : 4 RESERVE & SURPLUS		
a) Capital Reserve		
Opening Balance	390,827,590	390,827,590
Addition/ (Deduction)	-	-
Closing Balance	390,827,590	390,827,590
b) Share Premium Reserve		
Opening Balance	13,841,000	13,841,000
Addition/ (Deduction)	-	-
Closing Balance	13,841,000	13,841,000
c) Revaluation Reserve		
Opening Balance	4,845,417	4,872,024
Deduction	23,786	26,607
Closing Balance	4,821,631	4,845,417
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	(206,094,484)	(194,291,962)
Addition/ (Deduction)	(11,295,827)	(11,802,522)
Closing Balance	(217,390,311)	(206,094,484)
Total	207,261,984	218,581,597
Note : 5 LONG TERM BORROWINGS		
Long Term Loans		
Secured	1,800,355	2,608,828
- From Bank *	-	-
Deferred Sales Tax Loan	117,028	117,028
	1,917,383	2,725,856

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



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AMOUNT IN RS.	
	As at 31st March, 2017	As at 31st March, 2016
Note : 6 LONG TERM LIABILITIES		
Advance from Customers	-	436,283
Total	-	436,283
Note : 7 SHORT TERM BORROWINGS		
Term Loans		
Unsecured		
- From Body Corporate	135,000,000	135,000,000
Working Capital Loan From Bank		
Secured		
- Cash Credit From Banks **	19,865,517	13,832,252
Total	154,865,517	148,832,252
Note : 8 TRADES PAYABLES (#)		
Sundry Creditors for Goods and Services	54,446,308	74,922,315
Total	54,446,308	74,922,315
Note : 9 OTHER CURRENT LIABILITIES		
Advance from Customers	-	435,954
Payable to employees	5,100,562	3,821,323
Other Payables	80,288,732	150,221,141
Total	85,389,294	154,478,418
Note : 10 SHORT TERM PROVISIONS		
Provision For Income Tax	5,057,000	5,057,000
Provision For Gratuity	18,079,557	20,916,638
Provision For Leave Encashment	5,012,589	5,343,561
Total	28,149,146	31,317,199

** The loan is repayable on demand and is secured by way of Mortgage of Immoveable Properties of the Company at Ganipur, Kolkata and Nagpur and Hypothecation of Book Debts, Raw Materials, Work in Process and Finished Goods, Stores and Spares and Other Current assets, both Present and Future.

There are no Micro enterprises or Small scale enterprises to whom the Company owes any due which are outstanding as at 31st March, 2017. [31.03.2016 - 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.



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note : 11 FIXED ASSETS

AMOUNT IN RS.

PARTICULARS	COST			ACCUMULATED DEPRECIATION AND AMORTISATION			NET BOOK VALUE	
	01.04.2016	ADDITION	DEDUCTION	31.03.2017	01.04.2016	CHARGE THE YEAR	31.03.2017	31.3.2016
TANGIBLE ASSETS								
Freehold Land	19,363,014	-	-	19,363,014	-	-	-	19,363,014
Leasehold Land	18,678,548	-	-	18,678,548	1,984,074	155,540	2,149,614	16,528,934
Building & Structures	123,536,682	-	-	123,536,682	66,584,539	2,997,060	69,581,599	53,955,083
Plant & Equipment	375,770,452	3,605,865	-	379,376,317	328,373,515	7,056,007	335,429,522	47,396,937
Electronic Data Processing Machines	4,104,951	18,900	-	4,123,851	4,039,394	51,343	4,090,737	33,114
Electric Installations	37,524,289	-	-	37,524,289	34,338,904	546,481	34,885,385	2,638,904
Vehicles	14,624,645	-	-	14,624,645	10,091,246	1,410,751	11,501,997	3,122,648
Furniture & Fittings	28,146,939	80,200	-	28,227,139	24,800,158	756,026	25,556,184	2,670,955
Total	621,749,520	3,704,965	-	625,454,485	470,221,830	12,973,208	483,195,038	151,527,689
PREVIOUS YEAR	615,372,358	10,910,449	4,533,287	621,749,520	459,583,376	14,126,192	470,221,831	151,527,689

* 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.



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE - 12

NON CURRENT INVESTMENT : (At cost)

PARTICULARS	Face Value Rs.	As at 31st March, 2017		As at 31st March, 2017	
		No. of Shares/Units	Value Rs.	No. of Shares/Units	Value Rs.
<u>Investment in Equity Instruments</u>					
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
TOTAL (B)			3,719,687		3,900,802
Investment in Govt. Securities (Non - trade) (Unquoted)			15,000		15,000
TOTAL (C)			15,000		15,000
Total (A + B + C)			45,998,978		46,180,093

	As at 31st March 2017		As at 31st March 2016	
	Cost	Market Value	Cost	Market Value
	Rs.	Rs.	Rs.	Rs.
Aggregate value of Quoted Investments	42,264,291	1,798,305,858	42,264,291	1,520,059,008



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

AMOUNT IN RS.

	As at 31st March, 2017	As at 31st March, 2016
Note 13 : LONG TERM LOANS AND ADVANCES		
Loans		
Advances to Staff (Unsecured- Considered Good)	666,384	927,927
Advances recoverable in Cash or in kind		
Considered Good	126,528	249,336
Security Deposits :		
Unsecured, Considered Good :	10,186,795	11,856,796
Total	10,979,707	13,034,059
Note : 14 INVENTORIES		
Raw Material	58,481,301	58,449,402
Work-In progress	62,211,347	69,148,434
Finished Goods	11,949,167	11,601,555
Tools & Implements	5,155,363	6,873,817
Total	137,797,178	146,073,208
Note : 15 TRADE RECEIVABLES		
Outstanding for a period exceeding six months		
Unsecured, Considered Good :	113,551,231	54,431,620
Others :		
Unsecured, Considered Good :	29,022,169	136,837,332
Total	142,573,400	191,268,952
Note : 16 CASH & CASH EQUIVALENTS		
Balances With Banks		
a) In Current Account	9,188,100	9,397,007
b) In Fixed Deposit Account	3,416,469	3,367,814
	12,604,569	12,764,821
Cash In Hand	860,203	1,422,413
Total	13,464,772	14,187,234
Note :17 SHORT TERM LOANS & ADVANCES		
Advance Income Tax and Other Taxes	11,089,610	8,484,230
Advances recoverable in Cash or in kind		
Unsecured, Considered Good	155,329,391	179,387,013
Prepaid Expenses	1,040,754	406,607
Security Deposits :		
Unsecured, Considered Good :	1,401,063	1,516,983
Total	168,860,818	189,794,833
Note : 18 OTHER CURRENT ASSETS		
Considered good		
Other Receivables	1,848,320	10,980,840
Interest Accrued	14,262	14,262
Total	1,862,582	10,995,102



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AMOUNT IN RS.	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Note : 19 REVENUE FROM OPERATIONS		
(a) Sale of Products	259,661,189	381,744,786
(b) Other Operating Income	1,502,874	2,953,838
Gross Revenue From Operations	261,164,063	384,698,624
Note : 20 OTHER INCOME		
(a) Dividend Income		
- From Long Term Investments	7,738,318	7,738,318
(b) Rent Receipts	10,933,500	4,792,125
(c) Interest Received on Deposits	641,197	316,245
(d) Profit on Sale of Capital Assets (net of loss on assets sold/written off)	-	1,599,451
(e) Gain on F/Exchange Fluctuation	-	1,234,232
(f) Miscellaneous Receipts	1,173,319	954,100
(g) Claim Receipts	-	502,478
Total	20,486,334	17,136,949
Note : 21 COST OF MATERIALS CONSUMED & OTHER MANUFACTURING EXPENSES		
Raw Material Consumed	58,144,362	114,368,102
Stores Consumed	24,417,522	44,256,277
Power & Fuel	26,772,466	38,395,399
Carriage Inward	129,668	3,091,754
Total	109,464,018	200,111,532
Note : 22 (INCREASE) / DECREASE IN INVENTORIES		
Inventories at the end of the year		
Work in Progress	62,211,347	68,501,183
Finished goods	11,949,167	11,601,555
	74,160,514	80,102,738
Inventories at the beginning of the year		
Work in Progress	68,501,183	66,105,903
Finished goods	11,601,555	19,592,100
	80,102,738	85,698,003
Total	5,942,224	5,595,265
Note : 23 EMPLOYEE BENEFIT EXPENSES		
Salary, Wages, Bonus, Gratuity & Allowances	55,560,524	57,000,836
Contribution to Provident Fund , ESI & Other Fund	5,772,231	6,810,578
Staff Welfare Expenses	10,743,699	7,571,702
Total	72,076,454	71,383,116
Note :24 FINANCE COST		
Interest Expenses	10,671,309	12,006,974
Total	10,671,309	12,006,974



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AMOUNT IN RS.	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Note : 25 DEPRECIATION & AMORTISATION EXPENSES		
Depreciation	12,973,209	14,126,192
Less: Adjusted Out of Revaluation Reserve	23,786	26,607
Total	12,949,423	14,099,585
Note : 26 OTHER EXPENSES		
Component Processing Expenses	18,960,927	21,405,216
Repair to Bulding	-	89,000
Repair to Machinery	4,737,686	5,631,817
Inspection & Testing	285,128	1,710,568
Excise Duties	2,514,867	1,782,155
Sales Tax	1,548,585	6,803,170
Service Tax	11,480	2,475
Swachh Bharat Cess	30,695	16,968
Krishi Kalyan Cess	395	-
Commission, Discounts and Rebates	2,351,361	1,757,275
Transportation and Freight	5,859,196	6,343,844
Directors Remuneration	1,200,000	1,200,000
Directors Meeting Fees	23,000	18,000
Service Charges	6,382,443	7,642,424
Liquidated Damages	1,945,679	1,738,248
Electric Charges	291,564	366,147
Rent	3,204,444	3,876,524
Rates & Taxes	2,197,097	3,316,091
Bank Charges	542,537	356,534
Travelling Expenses	5,300,232	4,049,919
Conveyance Charges	102,084	584,228
Vehicle Maintenance	942,845	1,088,784
Other Repairs	1,432,943	1,702,736
Postage, Telegram & Telephone	463,595	534,696
Printing & Stationery Items	250,669	369,378
Insurance Charges	550,500	663,563
<u>Payment to Auditors</u>		
- As Auditors	90,000	90,000
- For Taxation matters	45,000	45,000
- For Certification/Limited review	105,000	63,000
Listing Fees	217,500	225,000
Subscription & Donation	178,517	326,273
Advertisement	38,013	77,096
Miscellaneous Expenses	1,976,695	2,361,864
Total	63,780,677	76,237,992
Note : 27 EARNINGS PER EQUITY SHARES		
Profit after Taxation	(11,295,827)	(11,802,522)
Weighted average number of Equity Shares outstanding	7,176,725	7,176,725
Basic & Diluted earnings per Share (Face value Rs. 10/-)	(1.57)	(1.64)



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note: 28 NOTES**28.1 Contingent Liabilities**

- a) Letters of Guarantee outstanding as at 31.03.2017 is Rs. 17.23 Lacs (Previous Year - Rs. 38.43 Lacs)
- b) Claim not acknowledged as debts: - Disputed demand for Sales Tax Rs. 131.32 Lacs (Previous Year - Rs. 140.47 Lacs) appealed against

28.2 Opening Stocki) **Semifinished Products**

Steel Casting Goods

ii) **Finished Products**

Steel Casting Goods

28.3 Closing Stocki) **Semifinished Products**

Steel Casting Goods

ii) **Finished Products**

Steel Casting Goods

28.4 Actual Production

Steel Castings

28.5 Raw Materials and Stores Consumed

Scrap & Ferro Alloys

Stores Components & Consumables

Packing Materials

Indigenous

%

28.6 Sale of Goods

Steel Castings

Others

28.7 Expenses in Foreign Currency

Sales Commission

28.8 Earnings in Foreign Exchange

F.O.B. Value of Exports

Freight & Insurance recovered

Current Year		Previous Year	
Qty	Rs.	Qty	Rs.
	69,148,434		66,105,903
57.945 M/T	11,601,555	89.021 M/T	19,592,100
	62,211,347		69,148,434
59.189 M/T	11,949,167	57.945 M/T	11,601,555
	929.661 M/T		1,166.592 M/T
	59,180,894		102,445,809
	23,205,094		56,021,050
	175,896		157,520
	82,561,884		158,624,379
	82,561,884		158,624,379
	100%		100%
897.084 M/T	248,552,693	1,143.646 M/T	372,893,915
	11,108,496		8,850,870
	259,661,189		381,744,785
	2,351,561		1,894,945
	96,451,291		75,842,292
	2,876,980		3,326,705
	99,328,271		79,168,997



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

28.9 Related Party Disclosures:

i) Relationship

Key Managerial Personnel (KMP) & 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

Associate Company

WPIL Limited (WPIL)

ii) Transactions with Related Parties

	WPIL Rs.	KMP Rs.
Sales & Services	102,097,662	-
Purchases	4,567,363	-
Dividend Receipts	7,723,318	-
Lease Rent Receipts	8,400,000	-
Managerial Remuneration - Mr. V.N. Agarwal	-	1,200,000
Directors Sitting Fees	-	12,000
Trade Receivables	59,699,814	-
Other Receivables	2,663,433	-

28.10 Segment Reporting

The operation of the Company relates to Single Primary Business Segment i.e. Engineering (Steel Castings). Accordingly, there is no primary business segment. However, information about Segment based on geographical location of the Customers i.e. Domestic & Export Sales have been provided:-

Information about Secondary Segments - Geographical

	Rs. In Lakhs
(i) Revenue by Geographical Market	
- India	1,851.99
- Outside India	964.51
	2,816.50
(ii) Addition to Fixed Assets	
- India	37.05
- Outside India	-
	37.05
(iii) Carrying amount of Segment Assets	
- India	6,067.08
- Outside India	-
	6,067.08



HINDUSTHAN UDYOG LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- 28.11 Foreign exchange currency exposures are not covered by derivative instruments as at March 31, 2017.
Amounts Receivable for export of goods:-

Foreign Currency	Current Year		Previous Year	
	Amt in FCY	Amt in Rs.	Amt in FCY	Amt in Rs.
US DOLLAR	330,317	19,249,856	178,857	9,909,564
GREAT BRITAIN POUND	166,108	13,589,723	104,891	10,140,240
EURO	56,866	3,960,405	5,584	399,535

- 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, 2017. Consequently, no impairment loss has been recognized in the Statement of Profit & Loss for the year ended 31st March, 2017

- 28.14 Disclosure in respect of Specified Bank Notes (SBN):

The details of Specified Bank Notes (SBN's) held and transacted during the period November 8, 2016 to December 30, 2016, as specified in the MCA Notification G.S.R. 308(E), dt March 31, 2017, is provided in the table below :

Particulars	SBNs Rs.	Other denomination notes Rs.	Total Rs.
Closing cash in hand as on November 8, 2016	150,000	1,155,230	1,305,230
Transactions between 08.11.2016 and 30.12.2016			
Add: Withdrawal from Bank Accounts	-	680,000	680,000
Add: Receipts for permitted transactions	-	16,261	16,261
Less: Paid for permitted transactions	-	496,792	496,792
Less: Deposited in Bank Accounts	150,000	-	150,000
Closing cash in hand as on December 30, 2016	-	1,354,699	1,354,699


- 28.15 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: 30th May, 2017



For and on behalf of the Board






DIRECTORS