

ANNUAL REPORT 2013-2014



HINDUSTHAN URBAN INFRASTRUCTURE LIMITED
(An enterprise of THE HINDUSTHAN GROUP)



HINDUSTHAN URBAN INFRASTRUCTURE LTD

DIRECTORS

Shri R.P. Mody, Chairman
Shri V.A. Mody
Shri O.P. Shroff
Shri Suman J. Khaitan
Shri Subhash Madan

MANAGING DIRECTOR

Shri S.S. Bhuwania

SR. VICE PRESIDENT-FINANCE & SECRETARY

Shri M.L. Birmiwala

AUDITORS

M/s. K.M. Agarwal & Co.

BANKERS

Canara Bank
State Bank of India

REGISTERED OFFICE

'Kanchenjunga' (7th Floor)
18, Barakhamba Road,
New Delhi -110001.

WORKS

Faridabad	(Haryana)
Gwalior	(Madhya Pradesh)
Mandideep	(Madhya Pradesh)
Guwahati	(Assam)

LISTING OF EQUITY SHARES

(Listing fee paid)
The Delhi Stock Exchange Association Limited
3/1, Asaf Ali Road,
New Delhi-110002.

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor,
Okhla Industrial Area, Phase-1,
New Delhi - 110020.

CONTENTS

	Page No.
1. Directors' Report	3
2. Standalone Financial Statement	
a. Auditors Report	14
b. Balance Sheet	18
c. Profit & Loss Account	19
d. Cash Flow Statement	20
e. Notes to Financial Statement	21
3. Consolidated Financial Statement	
a. Auditors Report	40
b. Balance Sheet	44
c. Profit & Loss Account	45
d. Cash Flow Statement	46
e. Notes to Financial Statement	47
4. Notice	66

DIRECTORS' REPORT

To
The Shareholders,
Your Directors present their fifty-fourth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2014.
The operating results of the Company for the year are as follows:

	2013-2014	(₹ '000) 2012-2013
The profit for the year after meeting all expenses but before providing for Gratuity, Depreciation, Taxation and extra-ordinary income is	123,137	363,932
From which have to be deducted :		
Gratuity according to statutory requirement	1,104	7,166
Depreciation for the current year	133,741	127,172
Provision for Taxation	10,383	2,819
Provision for Dividend	1,443	2,886
Tax on Dividend	267	468
Leaving a balance of	(23,801)	223,421
To which have to be added:		
The balance brought forward from the previous year	1,735	-
Making a total of	(22,066)	223,421
Out of which transferred from/(to) General Reserve	22,066	(221,686)
Leaving a balance to be carried forward to next year's account	--	1,735

02. During the year under review, the gross revenue of the Company has increased by 11.73 % at ₹ 791.98 Crores as compared to ₹ 708.85 Crores in 2012-2013. The profit before depreciation has decreased from ₹ 3568.00 Lacs to ₹ 1166.00 Lacs on account of uneconomic working of insulator division.
03. Although, the company has suffered loss yet, in view of comfortable order position of Cable and Conductor division and steps taken to improve the working of Insulator division, your Directors have recommended a dividend of Re.1/- per equity share for the financial year ended March 31, 2014, amounting to ₹ 16,88,104/- (inclusive of tax of ₹ 2,45,219/-). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.
The dividend will be paid to members whose names appear in the Register of Members as on August 27, 2014; in respect of shares held in dematerialised and physical form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.
04. The Consolidated Financial Statements prepared in accordance with the Accounting Standard-21 and are attached with the Annual Report, pursuant to Clause 32 of the Listing Agreement.
05. The name of the company was changed from Hindusthan Vidyut Products Limited to Hindusthan Urban Infrastructure Limited with effect from 24th February, 2014 after taking due approval from the shareholders of the company in the Extra Ordinary General Meeting and approval from the Ministry of Corporate Affairs. The same was under taken with a vision to diversify the business in new verticals of infrastructure.
06. During the year the company has been awarded for its Cable & Conductor division Integrated Management System (IMS) certificate by Bureau VERITAS U.K. comprising of ISO: 9001: 2008 (Quality Management Systems), ISO: 14001: 2004 (Environment Management System) and BS OHSAS: 18001: 2007 (Occupational Health & Safety Management System) .
07. The company has taken effective steps to start Greenfield facilities for manufacture of conductors at Khurda, Near Bhubaneswar in the state of Odisha. It is expected to commence production during the current Financial Year.
08. The company is taking steps to develop its land at Bangalore into residential apartments by appointing various senior officials needed to implement the project.
09. During the year under review, the existing subsidiary namely Hindusthan Speciality Chemicals Limited (Formerly: Hindusthan Alkalies Limited) became wholly owned subsidiary of your Company with effect from 09.09.2013.
In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary company are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary company is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary company will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its wholly owned subsidiary company.

DIRECTORS' REPORT (Contd.)

10. There has been decline in the margin in Cable & Conductor division due to competitive market conditions. Whereas the margin of insulator division is under pressure due to dumping from China. Efforts are being made to improve the working of both the divisions.
11. During the year the company has successfully executed export orders (including sale under global tenders in India) worth ₹ 125.22 Crores approximately as compared to ₹ 69.85 Crores during 2012-2013. We are continuously striving to increase our export order book and add more markets.
12. The availability of our prime raw material for cables & conductor division i.e. aluminium, remained satisfactory. However, there were fluctuations in prices both in the domestic and international market.
13. The availability of power improved except at Mandideep Works. The Company has been able to keep the factories running with the help of captive power generating capacity.
14. The order book position of Conductor remained satisfactory. Efforts are being made to secure more orders by participating in larger number of tenders.
15. Pursuant to Clause 49 of the Listing Agreement with Delhi Stock Exchange, a separate section titled 'Corporate Governance' is attached to this Annual Report.
16. Your directors would like to confirm that:
 - (i) In preparation of the annual accounts, the applicable accounting standards have been followed.
 - (ii) The selected accounting policies have been applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
 - (iii) Proper and sufficient care has been taken for the 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 fraud and other irregularities;
 - (iv) The annual accounts have been prepared on a going concern basis.
17. Statement of the employees getting remuneration requiring disclosure under Section 217(2A) of the Companies Act, 1956 ("the Act") and Rules framed there under, is enclosed.
18. The Companies Act, 2013 provides for appointment of independent directors, Sub-section (10) of Section 149 of the Companies Act, 2013 (effective April 1, 2014) provides that independent directors shall hold office for a term of up to five consecutive years on the Board of a company, and shall be eligible for re-appointment on passing a special resolution by the shareholders of the company.

Sub-section (11) states that no independent director shall be eligible for more than two consecutive terms of five years. Sub section (13) states that the provisions of retirement by rotation as defined in sub-section (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

Our non-executive (independent) directors (Shri. O P Shroff and Shri. Suman J. Khaitan) were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. The Board of Directors has been advised that non-executive (independent) directors so appointed would continue to serve the term that was ascertained at the time of appointment as per the resolution pursuant to which they were appointed. Therefore, it stands to reason that only those non-executive (independent) directors who will complete their present term at the ensuing Annual General Meeting of the Company, being eligible and seeking re-appointment, be considered by the shareholders for re-appointment for a term up to five consecutive years. Accordingly, Sh. O P Shroff and Suman J Khaitan will retire by rotation in the ensuing Annual General Meeting and being eligible offers themselves for appointment as independent directors.

Non-executive (independent) directors who do not complete their term at the ensuing Annual General Meeting, will continue to hold office till the expiry of their term and thereafter would be eligible for re-appointment for a fixed term in accordance with the Companies Act, 2013.
19. M/s K M Agarwal & Co., Chartered Accountants, (Firm Registration No. 853N) Statutory Auditors of the company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The company has received letter from them to the effect that their re-appointment, if made would be within the prescribed limit under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.
20. The Company has appointed M/s J. K. Kabra & Co., Cost Accountants for conducting the audit of cost records of the Company for the financial year 2014-15.

For and on behalf of the Board of Directors

R.P. MODY
Chairman

Place : New Delhi
Date : 27th May, 2014

DIRECTORS' REPORT (Contd.)

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

I. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken.

- (i) Rentar Fuel Catalyst is under installation to improve the efficiency of DG sets.
- (ii) Installed LNG station in the plant and converted kilns in to dual fuels to use LNG as one of the fuel. LNG being cheaper fuel than Propane and HSD.
- (iii) The company have installed pyro block in the kilns.
- (iv) Installed Automatic Power factor controller which has resulted in power factor as 1.00.
- (v) Installed maximum demand controller which has resulted in reduction in contract demand from 2900 KVA to 2400 KVA.

(b) Additional Investments and proposals, if any, being implemented for reduction for consumption of energy.

No specific additional investment proposals being implemented.

(c) Total energy consumption and energy consumption per unit of production of energy consumption and consequent impact on the cost of production of goods.

₹ 40 Lacs saved per month in power cost by installation of LNG station and pyroblock in our kilns.

The company has earned incentive of ₹ 42.35 Lacs during the Financial Year due to installation of Automatic Power factor controller.

(d) Total Energy consumption and energy consumption per unit of production as per Form-A in respect of industries specified in the Schedule thereto.

Not applicable.

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to Rules.

1. Research & Development (R&D)

- (a) Specific areas in which R&D carried out by the Company. Nil.
 - (b) Benefit derived as a result of the above R&D. Nil.
 - (c) Future Plan of action Nil.
 - (d) Expenditure on R&D
 - i) Capital
 - ii) Recurring
 - iii) Total
 - iv) Total R&D expenditure as a percentage of total, turnover
- } Negligible.

2. Technology absorption, adaptation and innovation.

- (a) Efforts, in brief, made towards technology absorption, adaptation and innovation. Nil.
- (b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. Nil.
- (c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year).

Technology Imported	Year of Import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons thereof, and future plans of action.
Not applicable.			

III. Foreign Exchange Earning and outgo

(a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

The company has been able to export its products for ₹ 125.22 crores (including sale under global tender in India) during the year despite tough competition. Steps are being taken to secure more business for supply of company's products to global markets. Efforts are also being made not only to retain existing customers but to increase the export by introducing new buyers.

(b) Total Foreign Exchange used and earned (₹ In Lacs)

Used : ₹ 8178.75
Earned : ₹ 12,866.38

INFORMATION UNDER SECTION 217 (2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) AMENDMENT RULES, 1999 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

Name / Qualification	Age (Yrs.)	Designation/ Nature of Duties	Remuneration (₹)	Date of Commencement of Employment	Experience (Yrs.)	Particulars of Last Employment
Shri Vivek Kohli B.E.(Elec.)	57	President (Strategic New Business & Projects)	72,16,800	29.10.2012	35	Chief Technology Officer & Head Operations, Sterlite Technologies Ltd. 4 Yrs.
Shri Manakkal Subramanian Jaiganesh B.Sc., M.B.A.	42	CEO Real Estate	36,42,150	14.11.2013	21	Vice President (Sales & Marketing) Pashmina Developers. 3 Yrs.

NOTE: Remuneration includes salary, leave encashment, gratuity, house rent allowance, conveyance allowance, Company's contribution to Provident fund, leave travel assistance, expenditure incurred on accommodation and medical and taxable value of perquisites.

None of the employee is a relative of any Director of the company.

Place : New Delhi
Date : 27th May, 2014

For and on behalf of the Board of Directors
R.P. MODY
Chairman

ANNEXURE TO DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance emerges from the application of best and sound business practices which ensure that the company operates within the regulatory framework. The adoption of such corporate practices ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large.

Clause 49 of the Listing Agreement with Delhi Stock Exchange incorporated certain disclosure requirements related to Corporate Governance, with the purpose of enhancing statutory compliances. In pursuance of this objective, we are pleased to report the following:

1. BOARD OF DIRECTORS

- (i) The strength of the Board was seven which was reduced to six due to resignation of Sh. R P Tripathi on 27.07.2013. The strength of the Board is of six directors as on 31st March, 2014. The Chairman, Shri R.P. Mody is a Non-Executive Director. Except Shri S.S. Bhuwania, Managing Director, all other Directors are Non-Executive Directors. Three Directors are independent i.e. Shri O.P. Shroff, Shri Suman J. Khaitan and Shri Subhash Madan.
- (ii) The Board met four times during the period April, 2013 to March, 2014 i.e. on 27.04.2013, 27.07.2013, 17.10.2013 and 07.02.2014 with a clearly defined agenda circulated in advance of each meeting.
- (iii) Attendance record of the participating Directors is as follows:

Sl. No.	Name of Director	Board Meeting		No. of other	
		Held	Attended	Directorship	Committee Membership
1	Sh. R.P. Mody	4	4	9	-
2	Sh. V.A Mody	4	-	1	-
3	Sh. O.P. Shroff	4	4	-	-
4	Sh. Suman J. Khaitan	4	4	10	13
5	Sh. R.P. Tripathi	4	2	-	-
6	Sh. Subhash Madan	4	3	4	-
7	Sh. S.S. Bhuwania	4	4	1	-

Last Annual General Meeting held on 30.08.2013 was attended by S/Shri O.P. Shroff, Subhash Madan and S.S. Bhuwania.

- (iv) No pecuniary transactions have been entered into with any of the Non Executive Directors of the Company, save and except the payment of sitting fees of Rs. 5,000/- per meeting for attending the meeting of the Board/Committee(s).
- (v) The company ensures compliance of various statutory requirements by all its business units.
- (vi) All the Statutory Registers that are required to be maintained, are properly maintained and continuously updated.

2. AUDIT COMMITTEE

The Audit Committee has been reconstituted on 03.09.2013. The Audit Committee comprises of Shri O.P. Shroff as Chairman, Shri V.A. Mody and Shri Subhash Madan as members. Shri M.L. Birniwala is the Secretary of the Committee. Four meetings of the Committee have been held 27.04.2013, 27.07.2013, 17.10.2013 and 07.02.2014. The Audit Committee meetings are held at Registered Office of the Company and all the meetings were attended by Chairman and members except Shri Subhash Madan who had attended three meetings. Statutory Auditors, Cost Auditor and Chief Finance Officer of the Company were also invited in the meetings.

The Committee is overseeing the company's financial reports and disclosure of its financial information and reviewing the adequacy of internal audit function. It recommends the appointment of Auditors and fixation of their remuneration and payment for any other services. The Committee also reviews Annual Accounts of the company. The previous Annual

ANNEXURE TO DIRECTORS' REPORT (Contd.)

General Meeting of the company was held on 30.08.2013 and was attended by Shri O.P. Shroff, Chairman and Shri Subhash Madan, member of the Audit Committee.

3. REMUNERATION COMMITTEE:

The Remuneration Committee has been reconstituted on 03.09.2013. The Remuneration Committee comprises three Non-Executive Directors namely Shri O.P. Shroff as Chairman, Shri Suman Jyoti Khaitan and Shri Subhash Madan as members. Shri M.L. Birmiwala is the Secretary of the Committee. There is no change in remuneration paid to Managing Director. No Remuneration Committee meeting was held during the year.

4. SHAREHOLDER'S GRIEVANCE COMMITTEE

The Shareholder's Grievance Committee has been reconstituted on 03.09.2013. The Shareholder's Grievance Committee comprises two Non-Executive Directors and one Executive Director namely Shri Subhash Madan as Chairman, Shri Suman Jyoti Khaitan and Shri S S Bhuwania as members. Shri M.L. Birmiwala is the Secretary of the Committee.

5. SHARE TRANSFER COMMITTEE

The Committee consists of Managing Director and Sr. Vice President-Finance & Secretary of the Company and responsible for approving the transfer, transmission, consolidation of securities, issuance of duplicate certificates etc. Meeting of the Committee is held twice a month to consider and approve the transfer of shares held in physical form if there is such a request. The Board takes note of the transfer of shares approved by the committee in their next meeting. The company has no transfer/consolidation requests pending at the close of the year.

The committee met on four occasions during the period April, 2013 to March, 2014.

6. GENERAL BODY MEETINGS

(i) The details of the last three Annual General Meetings are as under:

Financial Year	Venue	Date	Time	Special Resolution Passed
2010-2011	Premises of Hindusthan Vidyut Products Ltd, Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi.	05.08.2011	10.00 A.M.	Nil
2011-2012	- do -	01.09.2012	10.15 A.M.	Nil
2012-2013	- do -	30.08.2013	09.15 A.M.	Nil

(ii) **Postal Ballot:**

No special resolution was passed through Postal Ballot during the financial year 2013-14.

7. DISCLOSURES

(i) Material significant related party transactions which may have potential conflict with the interests of the Company at large:

None; confirmation has been placed before the Audit Committee and the Board that all related party transactions during the year under reference were in the ordinary course of business and on arm's length basis.

(ii) Details of non-compliances, penalties, strictures by Stock Exchanges/ SEBI/Statutory Authorities on any matter related to capital markets during the last three years:

None

(iii) Pecuniary relationships or transactions with Non-Executive Directors:

None

(iv) Material non-listed subsidiary companies as defined in Clause 49 of the Listing Agreement with Stock Exchanges:

Hindusthan Speciality Chemicals Limited (wholly owned subsidiary company)

ANNEXURE TO DIRECTORS' REPORT (Contd.)

(v) The Company has adopted Whistle Blower policy as per the provision of Companies Act, 2013 and as required by the Listing Agreement with Stock Exchange.

8. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:

The company has adopted a Code of Conduct for its Directors and Senior Management personnel and the same has been posted on the company's website.

9. MEANS OF COMMUNICATION

The Company's quarterly results are approved and taken on record by the Board within the prescribed period and sent immediately to Delhi Stock Exchange. These results are normally published in newspapers i.e. Financial Express in English & Veer Arjun in Hindi. These results are also displayed on the website of the company i.e. www.thehindusthangroup.co.in.

10. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting : Tuesday 2nd September, 2014
Date and venue : Premises of Hindusthan Urban Infrastructure Ltd.,
Kanchenjunga, 7th Floor, 18, Barakhamba Road,
New Delhi – 110001.
2. Financial Calendar(Tentative)
Financial Reporting for Quarter ending June 30, 2014 : End July, 2014
Financial Reporting for Quarter ending September : End October, 2014
30, 2014
Financial Reporting for Quarter ending December 31, : End January, 2015
2014
Financial Reporting for Quarter/ year ending 31st : End May, 2015
March, 2015 (audited)
3. Book Closure : 27th August, 2014 to 2nd September, 2014.
4. Dividend Payment date : On or before 30th September, 2014
Mode of Payment : The members may avail the facility to receive
the dividend for the year by way of ECS transfer/
dividend warrants or as per the bank mandates.
5. Unclaimed/Unpaid Dividend : The dividend for the year 2005-2006 remaining
unclaimed for a period of 7 years has been
transferred to the Investor Education and
Protection Fund established by the Central
Government pursuant to Section 205C of the
Companies Act,1956 as per the dates given
below:-
Date of Payment of Dividend : 12.08.2006
Date of transfer to Investor Education
and Protection Fund : 12.09.2013
The unclaimed dividend for the financial year 2006-2007 onwards shall be transferred to Investor Education
and Protection Fund established and notified by the Central Government, after a period of seven years, from
the relevant dates. Thus, on or before 11.08.2014, Unclaimed Dividend for the financial year 2006-2007 will
be transferred to the fund. Members who have not en-cashed their dividend warrants for the aforesaid year
may approach the company for obtaining duplicate dividend warrants/ revalidation of dividend warrants
before this date.
6. Listing of equity shares : Delhi Stock Exchange. Listing fee up to the year
2014-2015 have been paid to Stock Exchange.
7. Stock Code : 10942 with DSE.
For dematerialization –INE799B01017
8. Investor Service:
The requests received by the company are attended to expeditiously, Members are requested to provide
complete detail regarding their queries quoting folio number, number of shares etc.

ANNEXURE TO DIRECTORS' REPORT (Contd.)

9. Distribution of Shareholding as on March 31, 2014

As on March 31, 2014, your company had 936 shareholders having the total equity shares. The following is the distribution:

No. of Shares held	No. of Shareholders	% of shareholders	Aggregate shares held	% of shareholding
1 – 500	850	90.81	83494	5.79
501 – 1000	40	4.27	30614	2.12
1001 – 2000	16	1.71	22830	1.58
2001 – 3000	10	1.07	24730	1.71
3001 – 4000	1	0.11	3300	0.23
4001 – 5000	4	0.43	18500	1.28
5001 – 10000	1	0.11	6100	0.42
10001 & above	14	1.49	1253317	86.86
Total	936	100	1442885	100

10. The shareholding pattern as on March 31, 2014

Shares held by	No. of Shares	% of Shareholding
Banks and Financial Institutions	5600	0.39
Foreign holdings (NRIs)	690	0.05
Bodies Corporate	51841	3.59
Directors/Relatives of Directors	2620	0.18
General Public	305589	21.18
Group Companies	1076545	74.61

11. Dematerialization of Shares:

Company has joined hands with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) to facilitate holding and trading of securities in electronic form. The dealing in company's equity shares is in demat form only. As on date 94.21% of equity capital of the company has been dematerialised.

12. Stock Market Data:

Since the shares of your Company are listed only on Delhi Stock Exchange which is closed since long for trading in shares, no stock market data are available.

13. Registrar & Transfer Agents:

M/s. Skyline Financial Services Pvt. Ltd, D-153/A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi – 110020.

14. Share Transfer System:

The Company has share transfer committee consisting of Shri S.S. Bhawania, Managing Director and Shri M.L. Birmiwala, Sr. Vice President-Finance & Secretary of the Company. The share transfer committee meets twice a month to approve the transfer/ transmission/ transposition, issue of duplicate share certificates and consolidation of shares in physical form in case there is/are such request and duly transferred shares are generally dispatched within the prescribed period under the Companies Act, 1956/Guidelines of the Stock Exchange.

The Company's shares are also being traded in dematerialised form with effect from 26.03.2001. The company has appointed M/s. Skyline Financial Services Pvt. Ltd as Registrar & Share Transfer Agents (RTA) for transfer of shares in demat as well as physical form and to entertain requests for dematerialization of shares from physical form.

ANNEXURE TO DIRECTORS' REPORT (Contd.)

15. Plant Locations : 12/1, Milestone, Delhi Mathura Road
Faridabad - 121003 (Haryana)
: Industrial Area, P.O. Birla Nagar,
Gwalior - 474004 (M.P)
: Insulators & Electricals Company
1-8, New Industrial Area, P.B. No. 1
Mandideep - 462046 (M.P)
: Brahmaputra Industrial Park
Village: Sila, Mouza Silasundari Gopa
Kamrup, Guwahati-781021(Assam)
16. Address for Correspondence : Hindusthan Urban Infrastructure Ltd,
Kanchenjunga, 7th Floor,
18, Barakhamba Road
New Delhi - 110001.
- E-mail : huil@thehindusthangroup.co.in
Website : www.thehindusthangroup.co.in
Phone No. : 23310001(5 Lines)
Fax No. : 011-23313707

17 Information about directors proposed to be appointed/reappointed:

Sl. No.	Name	Nature of Expertise	Particulars of Other Directorship
1.	Shri O.P. Shroff	Shri O.P. Shroff aged 74 years is a Fellow Member of The Institute of Chartered Accountants of India and Sr. Partner of M/s. B.K. Shroff & Co., Chartered Accountants. He has 48 years experience in Accounting and Audit profession.	1. Paramount Enterprises Ltd. 2. Hindusthan Speciality Chemicals Limited.
2.	Shri Suman J. Khaitan	Shri Suman J. Khaitan aged 55 years is a Law Graduate and has 26 years experience in legal consultancy in all fields. He is a member of Management Committees of various leading Chamber of Commerce.	1. JSL Limited 2. KPL International Ltd. 3. Lumax Industries Ltd. 4. Monnet Power Company Ltd 5. Oriental Carbon & Chemicals Ltd. 6. Indo Rama Synthetics (India) Ltd. 7. Skipper Electricals (Ind.) Ltd. 8. Gopi Nursery Pvt. Ltd. 9. Suman Khaitan Advisory Services Pvt. Ltd.

For and on behalf of the Board

R.P. MODY
Chairman

Place : New Delhi
Date : 27th May, 2014

ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Developments

The growth of Power Sector in India is strong and market is growing every year. Transmission & Distribution sector will entail an investment of USD 120 billion (₹ 7,20,000 Crores) in the 12th five year plan to evacuate 1,00,000 MW of power generation capacity being added in the country. India is targeting a gross domestic product (GDP) growth rate of 8-9% in the coming years. To enable this growth, the country's economy needs the support of its power sector.

2. Opportunities & Threats

Researcher's analysts forecast the Electrical Conductors market in India to grow at 13.56 percent over the period 2013-2018. One of the key factors contributing to this market growth is the increasing demand due to replacement activities in the country.

There are opportunity of more Porcelain Insulators sales due to higher investments planned in power sector resulting into subsequent higher demand.

The industry faces challenges both domestically and internationally. Low capacity utilizations, especially in the transmission & distribution (T&D) segment, and the growing threat of low cost imports are some of the key challenges.

3. Segment-wise or Product-wise Performance

There has been increase in production and sales of Cables and Conductors while there has been marginal increase in production and sale of Insulators. Efforts are being made to improve the performance of Insulators division including installation of LNG station in the plant and converted kilns in to dual fuels to use LNG as one of the fuel, LNG being cheaper fuel than Propane and HSD.

4. Future Outlook

The government has taken several initiatives for the growth and development of the sector such as setting up of ultra-mega power projects, encouraging private sector participation through PPPs electrification programme and allowing foreign investments upto a limit of 49% in power trading. The investment climate is very positive in the power sector with government permitting 100% FDI through automatic route. Due to surge in the sector, the power sector has witnessed higher investment flows than envisaged.

5. Risk and Concerns

Increasing imports from China, increase in cost of fuel and use of Polymer Insulators by major customers is major concern for Insulators division. Continuous efforts are being made to secure more and more export orders for Insulators to offset the declining domestic demand.

6. Internal Control Systems and their adequacy

The company is having adequate internal control systems and procedures commensurate with the size of the company. The company has appointed internal auditors instead of conducting internal audit departmentally which will ensure that the internal control systems are properly followed and no room is left for any fraud or embezzlement.

7. Financial/Operational Performance

The turnover has improved by about 11.73%, mainly due to Cables & Conductors division resulting in overall profit before Depreciation and Taxation of ₹ 12.31Crores. However, there is loss in Insulators division due to under utilization of capacity, increased competition and rise in cost of all inputs.

8. Human Resources/Industrial Relations

It is the company's belief that the Human Resource is the driving force towards progress and success of a Company. The company seeks to motivate and retain its professional by offering reasonable compensation and opportunity to grow in the organization. The total permanent employees strength of the company was 780 as on 31st March, 2014. The industrial relations in all Works remained cordial during the year.

ANNEXURE TO DIRECTORS' REPORT (Contd.)

This report to the Shareholders is in compliance with the Corporate Governance Standard incorporated in the Listing Agreement with the Stock Exchange and as such cannot be construed as holding out for any forecast, projection, expectation, invitation, offer, etc. within the meaning of applicable Securities' Laws and Regulations.

Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to Company's operations include domestic and international economic conditions affecting demand, supply and price conditions, changes in government regulations, tax regimes and other statutes.

For and on behalf of the Board

R.P. MODY
Chairman

Place : New Delhi

Date : 27th May, 2014

Auditors' Certificate on Compliance of Corporate Governance Under Corporate Governance Clause of the Listing Agreement(s).

The Members of
Hindusthan Urban Infrastructure Limited,
(Erstwhile Hindusthan Vidyut Products Limited)

We have examined the compliance of conditions of Corporate Governance by M/s Hindusthan Urban Infrastructure Limited (erstwhile Hindusthan Vidyut Products Limited) for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. 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 in all material respect with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending against the company as per the records maintained by the shareholder/ Investor grievance committee.

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

For K M Agarwal & Co
Chartered Accountants
(Regn. No. 000853N)

Place : New Delhi

Dated: 27th May, 2014

(D.K.AGARWAL)
PARTNER
(Membership No. 016952)

ANNEXURE TO DIRECTORS' REPORT (Contd.)

CEO/CFO CERTIFICATE

We hereby certify that –

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2014 and that to the best of our knowledge and belief;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee;
- (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

S.S. BHUWANIA
MANAGING DIRECTOR/CEO

M.L. BIRMIWALA
SR.V.P-FINANCE & SECRETARY/CFO

Place : New Delhi

Date : 27th May, 2014

Declaration by the Managing Director on the Code of Conduct

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, I, S.S. Bhuwania, Managing Director of Hindusthan Urban Infrastructure Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the year ended 31st March, 2014.

Place : New Delhi

Date : 27th May, 2014

S.S. Bhuwania
Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED (*ERSTWHILE HINDUSTHAN VIDYUT PRODUCTS LIMITED*)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Hindusthan Urban Infrastructure Limited (*erstwhile Hindusthan Vidyut Products Limited*) ("the Company") which comprises of the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 of material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, , the 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:

- (a) *In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2014;*
- (b) *In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and*
- (c) *In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches/depots not visited by us. The report on the accounts of Guwahati Works audited by branch auditors has been forwarded to us and has been appropriately dealt by us in preparing our report.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts and with the returns received from other branches/depots not visited by us and the returns from the Guwahati Works audited by Branch Auditors.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - e. On the basis of written representations received from directors as on March 31st 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31st 2014 ,from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Act.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For K M Agarwal & Co
(Chartered Accountants)
(Regn. No. 000853N)

Place : New Delhi
Dated : 27th May, 2014

(D.K.AGARWAL)
PARTNER
(Membership No. 016952)

INDEPENDENT AUDITORS' REPORT (Contd.)

Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements

Re: Hindusthan Urban Infrastructure Limited (*erstwhile Hindusthan Vidyut Products Limited*)

- i)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As informed to us, company has phased programme of physical verification of its fixed assets, which in our opinion is reasonable having regards to the size of the company and the nature of its fixed assets. Management has physically verified the fixed assets during the year and as informed to us, no material discrepancies were noticed as compared to books of accounts.
 - c. In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii)
 - a. As explained to us inventories (except stock lying with third parties and in-transit) were physically verified during the year by the management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification as compared to the book records.
- (iii)
 - a. According to the information and explanations given to us, during the year the Company has not taken / granted any loan secured or unsecured from or to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b. Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount & interest thereon and overdue amount are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system.
- (v)
 - a. According to the information and explanations provided by the management, we are of the opinion that there were no such transactions for which particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 of the Act.
 - b. Since there are no such transactions, the comments regarding terms and conditions, transactions for which particulars of contracts or arrangements referred to in Section 301 of the Act are not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and hence provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under with regard to the deposits accepted from the public are not applicable to the company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained by the Company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix)
 - a. According to the records of the Company, the Company is generally regular in depositing material undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax,

INDEPENDENT AUDITORS' REPORT (Contd.)

sales-tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities. There was no material undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

- b. According to the records of the Company, there are no dues outstanding of sales tax, income tax, service tax, custom duty, wealth tax, excise duty and cess on account of any dispute, other than the following:

Name of Statue	Nature of Dues	Periods to which the amount pertain	Amount in Rs. (Net of Deposit)	Forum where dispute is pending
Central Sales Tax Act, 1956 & Sales Tax/VAT Act of Various states	Purchase Tax	2003-04	7500000/-	Hon'ble Supreme Court
-----do-----	Sales Tax, Haryana	2004-05	1720197/-	Tribunal, Chandigarh
-----do-----	Sales Tax, U.P	1985-96	64307/-	Assistant Commissioner (Assessment), Ghaziabad
-----do-----	Sales Tax, U.P	1995-96	488619/-	Assistant Commissioner (Assessment), Ghaziabad
-----do-----	Sales Tax, U.P	2001-02	925200/-	Hon'ble High Court, Allahabad
-----do-----	Sales Tax, M.P	1998-99	5703610/-	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	1999-00	6927530/-	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	2000-01	7038828/-	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	2001-02	493857/-	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	2002-03	688323/-	Asst. Commissioner Gwalior
-----do-----	Local Area Development Tax	2007-08	705501/-	Joint Excise and Taxation Commissioner (Appeal), Faridabad
-----do-----	-----do-----	2008-09	1846757/-	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana & another)
-----do-----	-----do-----	2009-10	2349019/-	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana & another)
-----do-----	-----do-----	2010-11	2068629/-	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana & another)
-----do-----	-----do-----	2011-12	1624819/-	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana & another)
-----do-----	-----do-----	2012-13	1022166/-	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana & another)
Municipal Corporation, Gwalior	Property Tax	1997-2010	1611687/-	Hon'ble High Court directed to Commissioner, Municipal Corporation to Reassess the case
Municipal Corporation, Faridabad	Development Charges at Faridabad Work Land		9285750/-	Hon'ble Civil Court, (Adjudication) Faridabad
Central Excise	No proper Endorsement on Bill of Entry.		31869030/-	Tribunal , New Delhi
Income Tax Department	Income Tax	2005-06	1840570/-	CIT (Appeal), Income Tax, New Delhi
Income Tax Department	Income Tax	2008-09	462534/-	Tribunal, Agra
-----do-----	Income Tax	2009-10	293308/-	Commissioner of Income Tax (Appeal)
-----do-----	Income Tax	2009-10	372906/-	Commissioner of Income Tax (Appeal)
-----do-----	Income Tax	2010-11	47620/-	Commissioner of Income Tax (Appeal)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash loss in the current year *and during preceding financial year*.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. We have been informed that the Company has not issued debentures.

INDEPENDENT AUDITORS' REPORT (Contd.)

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
- (xiv) The Company has not dealt in or traded in shares, securities, debentures and other securities except that it has investments in shares / units which are held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees in favour of financial institution or bank for loans taken by others
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed during the year by the Company were, prima facie, applied by the Company for the purpose for which loans were obtained.
- (xvii) According to the information and explanation given to us, on an overall examination of the balance sheet of the company, we are of the opinion that no funds raised on short-term basis have been used for long-term investment by the company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For K M Agarwal & Co
(Chartered Accountants)
(Regn. No. 000853N)

Place : New Delhi
Dated : 27th May, 2014

(D.K.AGARWAL)
PARTNER
(Membership No. 016952)

Balance Sheet as at 31st March, 2014

	Note No.	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	1	1,44,28,850	1,44,28,850
Reserves and Surplus	2	2,64,66,67,056	2,59,93,42,436
(2) Non-Current Liabilities			
Long-Term Borrowings	3	25,04,07,026	33,63,08,522
Deferred Tax Liabilities (Net)	4	20,64,01,000	19,59,53,000
Other Long Term Liabilities	5	-	5,30,55,405
Long Term Provisions	6	6,71,00,292	6,51,18,091
(3) Current Liabilities			
Short-Term Borrowings	7	1,19,95,15,285	71,27,36,841
Trade Payables	8	1,03,83,86,578	94,52,40,245
Other Current Liabilities	9	61,80,86,977	45,50,99,752
Short-Term Provisions	10	5,12,93,066	4,70,11,956
Total		6,09,22,86,130	5,42,42,95,098
II. ASSETS			
(1) Non-Current Assets			
<i>Fixed Assets</i>	11		
(i) Tangible Assets		1,58,76,95,404	1,68,96,44,610
(ii) Intangible Assets		7,09,096	7,44,156
(iii) Capital Work-in-Progress		19,98,56,948	10,91,33,024
Non-Current Investments	12	37,42,94,279	33,92,06,422
Long Term Loans and Advances	13	22,68,38,770	12,53,95,252
Other Non-Current Assets	14	4,89,81,768	4,60,21,716
(2) Current Assets			
Inventories	15	77,35,76,050	1,00,65,50,558
Trade Receivables	16	2,45,08,25,542	1,76,71,99,771
Cash and Cash Equivalents	17	14,30,05,625	8,36,47,235
Short-Term Loans and Advances	18	27,89,16,031	25,39,52,715
Other Current Assets	19	75,86,617	27,99,639
Total		6,09,22,86,130	5,42,42,95,098

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

27 (A & B)

As per our report of even date
For K M AGARWAL & CO.
Chartered Accountants
FRN: 853N

R.P.Mody
(DIN No.00140503)

Director

D K AGARWAL
Partner
M.No.16952

M.L.Birmiwala
Sr.V.P.Finance & Secy.

S.S.Bhuwania
(DIN No.00107171)

Managing
Director

Place: New Delhi
Date: 27th day of May, 2014

Statement of Profit & Loss for the year ended 31st March, 2014

	Note No.	2013-14 (₹)	2012-13 (₹)
I. Revenue from Operations	20	7,18,71,20,147	6,38,93,12,313
II. Other Income	21	2,07,35,013	2,05,96,658
III. Total Revenue (I +II)		<u>7,20,78,55,160</u>	<u>6,40,99,08,971</u>
IV. Expenses:			
Cost of Materials Consumed	22	5,03,85,46,848	4,61,92,00,412
Purchase of Stock-In-Trade		21,41,385	-
Changes in Inventories of Finished goods, Work-in-Progress and Scrap	23	20,15,34,328	(20,34,50,909)
Employee Benefit Expense	24	27,50,25,543	25,50,76,610
Finance Costs	25	25,50,98,656	23,84,82,981
Depreciation and Amortization Expense		13,37,41,137	12,71,72,502
Other Expenses	26	1,31,89,16,256	1,14,38,34,232
Total Expenses		<u>7,22,50,04,153</u>	<u>6,18,03,15,828</u>
V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		(1,71,48,993)	22,95,93,143
VI. Exceptional Items		54,41,301	-
VII. Profit/ (Loss) before extraordinary items and tax (V-VI)		(1,17,07,692)	22,95,93,143
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax (VII - VIII)		<u>(1,17,07,692)</u>	<u>22,95,93,143</u>
X. Tax expenses:- (Refer Note No. 27 B (8))			
Current tax		(65,259)	1,38,535
Deferred tax		1,04,48,000	26,80,000
XI. Profit(Loss) for the period from continuing operations (IX-X)		<u>(2,20,90,433)</u>	<u>22,67,74,608</u>
XII. Earning per equity share:- (Refer Note No.27B(9))			
(1) Basic		(15.31)	157.17
(2) Diluted		(15.31)	157.17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS 27 (A & B)

As per our report of even date
For K M AGARWAL & CO.
Chartered Accountants
FRN: 853N

R.P.Mody
(DIN No.00140503)

Director

D K AGARWAL
Partner
M.No.16952

M.L.Birmiwala
Sr.V.P.Finance & Secy.

S.S.Bhuwania
(DIN No.00107171)

Managing
Director

Place: New Delhi
Date: 27th day of May, 2014

CASH FLOW STATEMENT FOR THE YEAR 2013-14

	31.03.2014 (₹)	31.03.2013 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	(1,17,07,692)	22,95,93,143
Adjustments for :		
Depreciation	13,37,41,137	12,71,72,502
Unrealised Foreign Exchange Loss/(Gain)	2,81,82,616	3,62,708
Finance Cost	25,50,98,656	23,84,82,981
Liquidated Damages	11,02,788	29,69,121
Exceptional Item	(54,41,301)	-
Rates and Taxes (Wealth Tax)	7,45,000	4,02,000
Interest Received	(1,40,90,404)	(1,01,74,296)
Dividend Received	(29,52,885)	(48,70,475)
Loss/(Profit) on Sale of Fixed Assets	2,77,728	2,31,465
Loss/(Profit) on Sale of Investment	(5,34,973)	(29,72,251)
Operating Profit Before Working Capital Changes	<u>38,44,20,670</u>	<u>58,11,96,898</u>
Add/Less: (Increase)/Decrease in Current Assets		
Trade Receivables	(70,77,27,575)	(31,22,16,514)
Loans & Advances	(3,57,66,594)	(4,47,24,259)
Inventories	23,29,74,508	(23,88,17,086)
Add/Less: Increase/(Decrease) in Current Liabilities		
Current Liabilities & Provisions	<u>23,94,98,623</u>	<u>11,12,88,739</u>
Operating Profit After Working Capital Changes	<u>11,33,99,632</u>	<u>9,67,27,778</u>
Direct Tax Paid (net of refund)	42,85,609	4,60,80,702
Rates & taxes (Wealth Tax Paid)	5,77,200	3,64,800
Net Cash (used in) Operating Activities	<u>10,85,36,823</u>	<u>5,02,82,276</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(18,36,83,178)	(23,38,93,336)
Sale of Fixed Assets	27,19,171	12,91,066
Purchase of Investment	(4,00,00,700)	(74,50,17,212)
Sale of Investment	1,35,02,440	76,09,20,473
Interest Received	85,76,520	1,13,25,121
Dividend Received	29,52,885	48,70,475
Capital Subsidy	6,85,12,126	-
Net Cash from Investing Activities	<u>(12,74,20,736)</u>	<u>(20,05,03,413)</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds From Short Term Borrowings	45,27,62,340	27,22,40,843
Proceeds From Long Term Borrowings	34,19,808	12,95,00,000
Payment of Short term Borrowings	-	(3,21,73,190)
Payment of Long term Borrowings	(15,65,33,304)	(14,22,30,056)
Finance Cost	(21,80,73,976)	(24,33,89,850)
Dividend Paid	(33,32,565)	(17,18,862)
Net Cash from Financing Activities	<u>7,82,42,303</u>	<u>(1,77,71,115)</u>
Net Increase/ (Decrease) in cash & cash Equivalent	5,93,58,390	(16,79,92,252)
Cash & cash Equivalent at Beginning of the Year	<u>8,36,47,235</u>	<u>25,16,39,487</u>
Cash & cash Equivalent at End of the Year	<u>14,30,05,625</u>	<u>8,36,47,235</u>

Notes: (i) Cash & Cash Equivalents include ₹ 4,45,090/- (Previous Year ₹ 4,01,448/-) of Unpaid Dividend not available for use of Company and ₹ 11,00,37,114/- (Previous Year ₹ 6,93,25,420/-) is related to Fixed Deposit Receipts having maturity for more than 3 months.

(ii) Previous year figures have been re-grouped/re-arranged wherever considered necessary.

As per our report of even date
For K M AGARWAL & CO.
Chartered Accountants
FRN: 853N

R.P.Mody
(DIN No.00140503)

Director

D K AGARWAL
Partner
M.No.16952
Place: New Delhi
Date: 27th day of May, 2014

M.L.Birmiwala
Sr.V.P.Finance & Secy.

S.S.Bhuwania
(DIN No.00107171)

Managing
Director

Notes to Financial Statements for the year ended 31st March, 2014

I. EQUITY AND LIABILITIES		As At 31.03.2014	As At 31.03.2013
(1) Shareholder's Funds		(₹)	(₹)
Share Capital :- NOTE NO - 1			
(a) AUTHORISED			
25,00,000 Equity Shares of ₹ 10/-each.		2,50,00,000	2,50,00,000
(b) ISSUED			
14,43,000 Equity Shares of ₹ 10/-each.		1,44,30,000	1,44,30,000
(c) SUBSCRIBED AND FULLY PAID UP			
14,42,885 Equity Shares of ₹ 10/-each.		1,44,28,850	1,44,28,850
		<u>1,44,28,850</u>	<u>1,44,28,850</u>
(d) RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING			
Opening Balance		14,42,885	14,42,885
Add:- Addition during the Year		-	-
Less:- Deletion during the Year		-	-
Closing Balance		14,42,885	14,42,885
(e) SHAREHOLDERS HOLDING MORE THAN 5%		As on 31.03.2014	As on 31.03.2013
		(₹)	(₹)
NAME OF SHAREHOLDER	No. of Shares	% of Share holding	No. of Shares
			% of Share holding
M/s. Hindusthan Consultancy & Services Ltd.	7,08,825	49.12%	7,08,825
M/s. Carbo Industrial Holdings Ltd.	1,32,820	9.21%	1,32,820
M/s. Promain Ltd.	1,17,900	8.17%	1,17,900

Reserves and Surplus:- NOTE NO - 2

	As At 31.03.2014	As At 31.03.2013
	(₹)	(₹)
(a) Capital Redemption Reserve	26,43,500	26,43,500
(b) Revaluation Reserve	1,24,63,531	1,30,29,456
Less:- Transferred to General Reserve	3,83,143	5,65,925
	<u>1,20,80,388</u>	<u>1,24,63,531</u>
(c) General Reserve	2,58,25,00,000	2,36,02,48,211
Add/(Less):- Transferred from / (To) Profit and Loss A/c #	(2,20,65,999)	22,16,85,864
Deferred Tax Reversal on Land at Bangalore	26,13,323	
Transferred from Revaluation Reserve	3,83,143	5,65,925
	<u>2,56,34,30,467</u>	<u>2,58,25,00,000</u>
(d) Capital Reserve *	-	-
Add:- Reserve on Government Subsidy	6,85,12,126	-
Transferred from Forfeited Share Amount	575	575
	<u>6,85,12,701</u>	<u>575</u>
(e) Profit & Loss Account	17,34,830	-
Add:- Profit / (Loss) for the year	(2,20,90,433)	22,67,74,608
Transferred from General Reserve #	2,20,65,999	-
Less:- Appropriations		
Transferred to General Reserve	-	22,16,85,864
Short Provision of tax on Dividend for Previous Year	22,293	-
Proposed Dividend on Equity	14,42,885	28,85,770
Tax on Dividend	2,45,218	4,68,144
	<u>2,64,66,67,056</u>	<u>2,59,93,42,436</u>

* During the year, the company has changed the accounting treatment of Government subsidy receivable from Assam Government as 'Capital Subsidy' and the same has been credited to Capital Reserve Account as per Accounting Standard -12 and the legal opinion taken by the company. The same was considered as revenue subsidy and credited to profit and loss account in the previous financial year. Consequently subsidies for ₹ 3,27,38,191/- towards Sales tax and ₹ 3,57,73,935/- towards excise duty have been taken to Capital reserve which has resulted in reduction of profits by ₹ 6,85,12,126/-. Further, Forfeited shares amount of ₹575/- also transferred to Capital Reserve.

The Company, during the year, transferred ₹ 2,20,65,999/- from General Reserve account to Profit & Loss Account, pursuant to section 205A(3) of the Companies Act, 1956 and the Companies (Declaration of Dividend out of reserves) Rules, 1975 and proposed dividend out of the accumulated profits for the previous years.

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
(2) Non Current Liabilities		
Long Term Borrowings :- NOTE NO - 3		
(I) Term Loan (Secured)		
12.20% Term Loan from a Bank (Rupee Loan)*	3,38,68,500	1,67,76,500
Less:- Current Maturities	3,38,68,500	1,67,76,500
6.3480% Term Loan from a Bank (FCLR)*	2,03,304,860	26,81,47,661
Less:- Current Maturities	1,14,67,500	2,85,59,500
13.70% Term Loan from a Bank (Rupee Loan)**	1,48,00,000	20,19,20,361
Less:- Current Maturities	73,62,366	10,52,00,000
6.355% Term Loan from a Bank (FCLR)**	7,83,37,858	-
Less:- Current Maturities	3,06,25,634	-
(II) Deferred Payment Liabilities (Unsecured)		
Sales Tax Deferment#	1,10,23,847	76,04,039
Less:- Current Maturities	76,04,039	76,04,039
	<u>25,04,07,026</u>	<u>33,63,08,522</u>

* 12.20% Term Loans from Canara Bank, New Delhi of ₹ 12,39,00,000/- & ₹ 11,95,92,500/- is repayable in 108 & 96 monthly instalments starting from 01.08.2010 and 01.02.2011 respectively. The loan is secured by first charge on Assets created out of 4 nos. Wind Turbine Generator (WTGs) at Rajasthan and land at WTG site and Term Loan for ₹ 12,95,00,000/- taken for Guwahati Project is repayable in 16 half yearly instalments starting from 01.08.2012. The loan is secured by first charge on Land, Building and plant & machinery created out of the loan. During the previous year the above mentioned 2 WTGS term loan @ ₹ 8,00,00,000/- for each WTG and ₹ 11,00,00,000/- related to Guwahati Works were converted into Foreign Currency Loan of US (\$) 1453884.60, (\$) 1453884.60 and (\$) 1999091.32 at a pricing of 6 months LIBOR plus 600 bps, with rollover at every 6 month at fresh pricing. During the year remaining Foreign Currency Loan of US (\$) 962463.91, (\$) 962463.91 and (\$) 1443695.86 reset at fresh pricing of 6.3480%.

** 13.70% Term Loans from Canara Bank, New Delhi of ₹ 29,00,00,000/- and ₹ 28,30,00,000/- is repayable in 20 & 24 Quarterly instalments starting from 01.12.2009 and 28.02.2011 respectively. The loan is secured by first charge on fixed Assets financed out of the term loan including existing land of the unit. During the year, out of the above mentioned 2 term loan ₹ 3,16,00,000/- and ₹ 10,60,00,000/- converted into Foreign Currency Loan of US (\$) 5,81,845 (\$) 19,51,758 at a pricing of 6 months LIBOR plus 600 bps (Net 6.435%), with rollover at every 6 month and reset at fresh pricing. On the reporting date remaining Foreign Currency Loan of US (\$) 12,95,214.03 reset at fresh pricing of 6.355%.

Unsecured loan represent the sales tax deferment of ₹76,04,039/- and ₹34,19,808/- which will be matured on 31.03.2014 and 31.03.2018 respectively.

	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
Deferred Tax Liabilities (Net):- NOTE NO - 4		
Deferred tax Liabilities	23,45,26,000	25,55,40,000
Less:- Deferred tax Assets	2,81,25,000	5,95,87,000
	<u>20,64,01,000</u>	<u>19,59,53,000</u>
Other Long Term Liabilities :- NOTE NO - 5		
Other- From Customers	-	5,30,55,405
	-	5,30,55,405
Long Term Provisions :- NOTE NO - 6		
(I) Employee Benefits	5,49,67,281	5,29,85,080
(II) (a) Statutory - Local Area Development Tax	96,16,891	96,16,891
(b) Others : Debtors under Litigation	25,16,120	25,16,120
	<u>6,71,00,292</u>	<u>6,51,18,091</u>

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
(3) Current Liabilities		
Short-term borrowings :- NOTE NO - 7		
(I) Working Capital Facilities - Secured *		
Foreign Currency loan		
FCNR Loan		
(Interest Rate Range 5.00% - 5.50%)	27,20,42,787	31,73,22,756
PCFC Loan		
(Interest Rate Range 3.8325% - 3.8375%)	19,87,99,350	-
(Interest Rate Range 2.20% - 2.50%)	90,87,528	77,99,122
Rupee loan		
10% Export Packing Credit	-	84,09,158
14.50% Cash Credit	1,47,235,859	6,19,64,962
12.70% Cash Credit	6,46,78,978	-
(II) Loan & Advances - From Related Parties -Unsecured	50,76,70,783	31,72,40,843
- Hindusthan Engineering & Industries Ltd.		
	<u>1,19,95,15,285</u>	<u>71,27,36,841</u>

* Working Capital Facilities from a Bank for the Cable & Conductor Division are Secured against hypothecation of stocks, book debts and plant & machinery both present & future at Faridabad, Gwalior and Guwahati Unit and equitable mortgage of land and building at Faridabad and Gwalior against which drawing is ₹ 26,34,78,328/- (previous year ₹ Nil)

* Working capital facilities from State Bank of India, Bhopal Branch for the Insulator division are secured against hypothecation of stocks and book debts and secured collaterally by way of second charge on fixed assets of insulators division against which drawing is ₹ 42,83,66,174/- (previous year ₹ 39,54,95,998/-) including drawing against foreign currency Non Resident Demand Loan (FCNR-DL). The FCNR-DL is due for renewal in the month of April, 2014.

	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
Trade Payables :- NOTE NO - 8		
For Goods & Services - Micro Small & Medium Enterprises (Refer Note No.27B(3B))	49,20,937	1,98,16,929
- Others (Refer Note No.27B(3A))	1,03,34,65,641	92,54,23,316
	<u>1,03,83,86,578</u>	<u>94,52,40,245</u>

Other Current Liabilities:- NOTE NO - 9

(I) Current Maturities of Long term Debt		
12.20% Term Loan from a Bank (Rupee Loan)	3,38,68,500	1,67,76,500
6.3480% Term Loan from a Bank (FCLR)	1,14,67,500	2,85,59,500
13.70% Term Loan from a Bank (Rupee Loan)	73,62,366	10,52,00,000
6.355% Term Loan from a Bank (FCLR)	3,06,25,634	-
Unsecured Loan (Sales Tax Deferment)	76,04,039	76,04,039
(II) Interest accrued but not due on borrowings	55,49,939	25,41,363
(III) Unclaimed dividend	4,45,090	4,01,448
(IV) Other Payables		
(I) Creditors For Capital Goods	4,62,40,252	1,79,88,563
(II) Advance From Customers	43,02,16,608	21,10,96,091
(III) Statutory		
Income Tax (TDS)	84,02,329	56,77,221
Excise Duty	1,59,12,895	4,80,29,774
Sales Tax	48,24,699	9,54,674
Others	56,98,712	37,25,501
(IV) Other Deposits		
From Related Parties - Hindusthan Engineering & Industries Ltd.	15,65,124	-
Other Deposit - Trade/Service Deposits	83,03,290	65,45,078
	<u>61,80,86,977</u>	<u>45,50,99,752</u>

Short Term Provisions:- NOTE NO - 10

(I) Employee Benefits	4,62,05,368	3,85,34,432
(II) Others		
Liquidated Damages	33,99,595	51,23,610
Proposed Dividend	14,42,885	28,85,770
Tax on Dividend	2,45,218	4,68,144
	<u>5,12,93,066</u>	<u>4,70,11,956</u>

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

II. ASSETS	GROSS BLOCK										Net Block	
	Cost/Value as at 1st April, 2013	Additions during the year	Deduct Cost/ Value of Assets sold during the year	Other Adjustments during the year	Total Cost/Value to 31st March 2014	Depreciation as at 1st April, 2013	Depreciation Provided during the year#	Depreciation adjusted on Assets sold during the year	Total Depreciation to 31st March 2014	Net Value of Assets 31.03.2014	31.03.2013	
(I) TANGIBLE ASSETS												
Land												
Free hold	14,53,51,275	13,97,628			14,67,48,903	-			-	14,67,48,903	14,53,51,275	
Lease hold	6,00,19,439				6,00,19,439	44,04,248	8,39,358		52,43,606	5,47,75,833	5,56,15,191	
Building	49,89,13,013	35,06,898			50,24,19,911	11,78,48,960	1,63,49,080		13,41,98,040	36,82,21,871	38,10,64,053	
Plant & Machinery	1,81,18,04,566	2,14,60,566	10,24,897		1,83,22,40,225	73,11,18,502	11,30,64,994	45,645	84,41,37,791	98,81,02,434	108,06,86,054	
Office Equipment	1,07,97,974	16,55,404	1,82,534		1,22,70,844	53,58,537	6,14,359	92,502	58,80,394	63,90,450	54,39,437	
Furniture & fixtures	67,70,293	1,99,857	8,100		69,62,050	33,48,023	3,99,392	6,005	37,41,410	32,20,640	34,22,270	
Motor Vehicle	2,56,22,360	65,47,200	33,78,052		2,87,91,498	75,56,020	24,67,986	14,67,781	85,56,225	2,02,35,273	1,80,66,330	
	<u>2,55,92,78,900</u>	<u>3,47,67,553</u>	<u>45,93,583</u>	<u>-</u>	<u>2,58,94,52,870</u>	<u>86,96,34,290</u>	<u>13,37,35,109</u>	<u>16,11,933</u>	<u>1,00,17,57,466</u>	<u>1,58,76,95,404</u>	<u>1,68,96,44,610</u>	
(II) INTANGIBLE ASSETS												
Software Licence	10,96,423	52,139	16,643		11,31,919	3,52,267	71,950	1,394	4,22,823	7,09,096	7,44,156	
	<u>10,96,423</u>	<u>52,139</u>	<u>16,643</u>	<u>-</u>	<u>11,31,919</u>	<u>3,52,267</u>	<u>71,950</u>	<u>1,394</u>	<u>4,22,823</u>	<u>7,09,096</u>	<u>7,44,156</u>	
TOTAL (I + II)	<u>2,56,03,75,323</u>	<u>3,48,19,692</u>	<u>46,10,226</u>	<u>-</u>	<u>2,59,05,84,789</u>	<u>86,99,86,557</u>	<u>13,38,07,059</u>	<u>16,13,327</u>	<u>1,00,21,80,289</u>	<u>1,58,84,04,500</u>	<u>1,69,03,88,766</u>	
Previous Year	<u>2,24,93,22,165</u>	<u>31,51,06,031</u>	<u>40,52,873</u>		<u>2,56,03,75,323</u>	<u>74,53,44,397</u>	<u>12,71,72,502</u>	<u>25,30,342</u>	<u>86,99,86,557</u>	<u>19,98,56,948</u>	<u>10,91,33,024</u>	
(III) CAPITAL WORK IN PROGRESS												

This includes Rs.65922* taken to Capital-Work-in-Progress, since the operation of the Project has not been started.

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

				As At 31.03.2014		As At 31.03.2013	
				(₹)		(₹)	
NON-CURRENT INVESTMENT:- NOTE NO - 12							
Non- Trade Investment							
Investment in Property							
-	Land at Banera			90,800		90,800	
-	Land at Bangalore			80,80,665		26,041	
-	Building at Bangalore (Boundary Wall)			14,04,093		14,04,093	
UNQUOTED							
		#					
	Investment in Equity	Subsidiary Company		5,00,17,512		1,00,16,812	
	Investment in Govt. or Trust Securities			-		50,00,000	
				As At 31.03.2014		As At 31.03.2013	
				(₹)		(₹)	
QUOTED							
		##					
	Investment in Equity						
-	Reliance Industries Ltd.			29,45,36,745		29,45,36,745	
-	Ballarpur Industries Ltd.			53,31,101		53,31,101	
-	West Coast Paper Mills Ltd			5,81,444		5,81,444	
-	BIOCON Ltd.			1,42,51,919	31,47,01,209	2,22,19,386	
						32,26,68,676	
(Market Value of Quoted Investments are ₹ 27,64,59,345/- (Previous Year ₹ 24,84,60,158/-)							
					37,42,94,279	33,92,06,422	
				Face value per Unit			
				As at 31/03/2014		As at 31/03/2013	
				No. of Units	Amount as per Face Value (₹)	No. of Units	Amount as per Face Value (₹)
	Investments in Equity Instruments						
	Hindusthan Speciality Chemicals Ltd.	Subsidiary Company	₹ 10	50,00,000	5,00,00,000	9,99,930	99,99,300
	Investments in Government Securities or Bonds						
	- 6% Rural Electrification Corporation Ltd.	Others	₹ 10,000	-	-	500	50,00,000
## QUOTED							
	Investments in Equity Instruments						
-	Reliance Industries Ltd.	Others	₹ 10	2,80,000	28,00,000	2,80,000	28,00,000
-	Ballarpur Industries Ltd.	Others	₹ 2	1,59,615	3,19,230	1,59,615	3,19,230
-	West Coast Paper Mills Ltd	Others	₹ 2	10,000	20,000	10,000	20,000
-	BIOCON Ltd.	Others	₹ 5	32,000	1,60,000	50,000	2,50,000
				As At 31.03.2014		As At 31.03.2013	
				(₹)		(₹)	
Long Term Loans and Advances:- NOTE NO - 13							
(I)	Capital Advances						
(i)	Secured, considered good (against Bank Gurantee)				3,77,50,300	8,80,000	
(ii)	Unsecured, considered good				5,61,30,517	65,43,644	
	Security Deposits						
(II)	Unsecured, considered good						
(A)	(i) Sales Tax (Under Litigation)				13,01,660	14,65,660	
	(ii) Municipal Corporation (Under Litigation)				5,14,250	5,14,250	
	(iii) Central Excise & Custom (Under Litigation)				35,00,000	-	
(B)	Others -				1,29,65,892	84,46,059	
	I) Tender						
	II) Electricity				1,88,68,450	1,90,74,579	
	III) Others				90,19,974	58,75,507	
(III)	Income Tax				8,36,55,292	7,94,72,224	
(IV)	Employees				4,49,524	5,43,024	
(V)	Others				26,82,911	25,80,305	
					22,68,38,770	12,53,95,252	

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
Other Non - Current Assets:- NOTE NO - 14		
(I) Long Term Trade Receivables		
(i) Unsecured, considered good (Under Litigation ₹42,68,433/- (Previous Year ₹ 23,92,462/-))	4,61,18,660	4,38,85,514
(ii) Interest accrued but not Due - Unsecured	28,63,108	21,36,202
	<u>4,89,81,768</u>	<u>4,60,21,716</u>
(2) Current Assets		
Inventories:- NOTE NO - 15		
(I) Raw materials - In hand	17,50,22,998	23,99,85,392
- In Transit	13,20,92,868	8,48,99,072
(II) Work-in-Progress	17,37,04,720	16,21,48,921
(III) Finished Goods	21,94,09,601	43,00,70,674
(IV) Stores & Spares and Packing	7,07,55,573	8,47,50,652
(V) Loose Tools	23,43,654	20,20,157
(VI) Scrap	2,46,636	26,75,690
	<u>77,35,76,050</u>	<u>100,65,50,558</u>
Trade Receivables:- NOTE NO - 16		
(I) Over six months	(Refer Note No.27B(3A))	(₹)
(II) (i) Unsecured, considered good	9,11,71,825	4,79,14,227
Others	(Refer Note No.27B(3A))	(₹)
(i) Secured, considered good	52,95,32,548	9,40,95,118
(ii) Unsecured, considered good	1,83,01,21,169	1,62,51,90,426
	<u>2,45,08,25,542</u>	<u>1,76,71,99,771</u>
Cash and Cash Equivalents:- NOTE NO - 17		
(I) Cash and Cash equivalents		
(I) Cash on Hand	7,87,777	11,60,513
(II) Cheque, draft on hand	50,000	-
(III) Balance with Banks		
Current Accounts	1,70,97,655	1,27,59,854
Fixed Deposits (Maturity upto 3 Months)	1,45,87,989	-
	<u>3,25,23,421</u>	<u>1,39,20,367</u>
(II) Other Bank Balances		
Earmarked Balances with Banks - Unclaimed Dividend	4,45,090	4,01,448
Balances with Banks held as Margin money/ Security #	11,00,37,114	6,93,25,420
	<u>14,30,05,625</u>	<u>8,36,47,235</u>
# Includes deposit more than 12 month ₹ 4,72,48,924/- (Previous year ₹ 4,33,44,652/-)		

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
Short- term loans and advances:- NOTE NO - 18		
(I) Loans & Advances to Subsidiary Company (Un-secured) - Hindusthan Speciality Chemicals Ltd.	-	16,37,071
(II) Earnest Money Deposit - Lien Fixed Deposit - Others	- 33,38,394	17,24,155 1,46,64,479
(III) Deposit/ Credit with Government Authorities Custom, Excise & Service Tax Sales tax	7,15,55,288 37,29,749	5,39,19,642 3,88,99,209
(IV) Employees	24,83,697	19,14,973
(V) Others	19,78,08,903	14,11,93,186
	<u>27,89,16,031</u>	<u>25,39,52,715</u>

Other Current Assets:- NOTE NO - 19

Interest accrued but not Due - Unsecured	75,86,617	27,99,639
	<u>75,86,617</u>	<u>27,99,639</u>

NOTES - PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 (₹)	2012-13 (₹)
Revenue from operations:- NOTE NO - 20		
(A) SALE OF PRODUCTS		
(I) Conductors & Cables	6,54,55,81,859	5,86,46,88,521
(II) Insulators	1,28,92,94,704	1,08,22,74,985
(III) Power Generation Sales	2,65,98,787	4,18,69,976
TOTAL A	<u>7,86,14,75,350</u>	<u>6,98,88,33,482</u>
(B) OTHER OPERATING REVENUE		
(I) SCRAP	1,73,43,042	1,54,28,166
(II) EXPORT INCENTIVE	2,01,79,456	1,59,73,356
(III) SALES TAX SUBSIDY*	-	2,89,18,974
(IV) EXCISE DUTY BENEFIT*	-	1,87,51,680
TOTAL B	<u>3,75,22,498</u>	<u>7,90,72,176</u>
	7,89,89,97,848	7,06,79,05,658
(C) EXCISE DUTY ON SALES TOTAL C	71,18,77,701	67,85,93,345
TOTAL I (A + B - C)	<u>7,18,71,20,147</u>	<u>6,38,93,12,313</u>

* During the year, the company has changed the accounting treatment of Government subsidy receivable from Assam Government as 'Capital Subsidy' and the same has been credited to Capital Reserve Account as per Accounting Standard -12 and the legal opinion taken by the company. The same was considered as revenue subsidy and credited to profit and loss account in the previous financial year. Consequently subsidies for ₹ 3,27,38,191/- towards Sales tax and ₹ 3,57,73,935/- towards excise duty have been taken to Capital reserve which has resulted in reduction of profits by ₹ 6,85,12,126/-.

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

PARTICULARS	2013-14	2012-13
Other Income:- NOTE NO - 21	(₹)	(₹)
(A) INTEREST INCOME		
From Fixed Deposits	64,84,888	56,48,761
From Customers	25,42,321	18,92,922
From Investment	33,00,888	2,99,999
From Others	17,62,307	23,32,614
(B) DIVIDEND INCOME	29,52,885	48,70,475
(C) NET GAIN ON SALE OF INVESTMENT	5,34,973	29,72,251
(D) OTHER NON- OPERATING INCOME		
Fluctuation in Exchange Rate (Net)	-	19,88,396
Claims Received (Net)	5,60,094	-
Profit on Sale of Fixed Assets	1,50,900	2,05,656
Liabilities No Longer Required & Sundry Credit Balance Written Back	24,45,757	3,85,584
TOTAL II	<u>2,07,35,013</u>	<u>2,05,96,658</u>
III. Total Revenue (I +II)	<u>7,20,78,55,160</u>	<u>6,40,99,08,971</u>
IV. EXPENSES	2013-14	2012-13
Cost of Materials Consumed:- NOTE NO - 22	(₹)	(₹)
RAW MATERIAL		
Inventories at the beginning of the year	32,48,84,464	31,80,59,702
Add:- Purchases during the Year	<u>5,02,07,78,250</u>	<u>4,62,60,25,174</u>
	5,34,56,62,714	4,94,40,84,876
Inventories at the end of the year	<u>30,71,15,866</u>	<u>32,48,84,464</u>
TOTAL A	<u>5,03,85,46,848</u>	<u>4,61,92,00,412</u>
PARTICULARS	2013-14	2012-13
	(₹)	(₹)
Purchase of Stock-In-Trade	<u>21,41,385</u>	-
TOTAL B	<u>21,41,385</u>	-
Change in Inventories of Finished Goods, Work-in-Progress and Scrap:- NOTE NO - 23		
Inventories at the beginning of the year		
Finished Goods	43,00,70,674	21,34,57,820
Work-In-Progress	16,21,48,921	17,70,22,547
Scrap	26,75,690	9,64,009
	<u>59,48,95,285</u>	<u>39,14,44,376</u>
Inventories at the end of the year		
Finished Goods	21,94,09,601	43,00,70,674
Work-In-Progress	17,37,04,720	16,21,48,921
Scrap	2,46,636	26,75,690
	<u>39,33,60,957</u>	<u>59,48,95,285</u>
TOTAL C	<u>20,15,34,328</u>	<u>(20,34,50,909)</u>
	2013-14	2012-13
Employee Benefit Expenses:- NOTE NO - 24	(₹)	(₹)
(I) Salaries, Wages and Bonus etc.	24,95,25,969	23,08,38,050
(II) Contribution to Provident & Other Funds	1,90,30,055	1,81,81,176
(III) Staff & Workmen Welfare	64,69,519	60,57,384
TOTAL D	<u>27,50,25,543</u>	<u>25,50,76,610</u>

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	2013-14 (₹)	2012-13 (₹)
Finance Costs:- NOTE NO - 25		
(1) INTEREST		
On Term Loan	1,27,40,690	6,32,61,502
On Working Capital Borrowings	10,45,53,269	8,52,57,646
On Loan from - Related Party (HEIL)	3,77,95,671	1,81,56,493
On Foreign Exchange difference to the extent considered as an adjustment to borrowing cost	4,88,76,883	1,50,91,865
On Others	55,21,758	2,52,88,513
	<u>20,94,88,271</u>	<u>20,70,56,019</u>
(2) OTHER BORROWING COST		
Bank Charges	4,56,10,385	3,14,26,962
TOTAL E	<u>25,50,98,656</u>	<u>23,84,82,981</u>
PARTICULARS	2013-14	2012-13
Depreciation	(₹)	(₹)
	13,37,41,137	12,71,72,502
Other Expenses:- NOTE NO - 26		
MANUFACTURING EXPENSES		
(i) Stores & Spares	11,16,62,501	11,06,42,796
(ii) Packing & Forwarding Expenses (Net)	28,26,76,032	25,33,81,227
(iii) Power & Fuel	40,40,84,109	36,62,66,897
(iv) Repairs to Building	1,21,54,117	69,52,883
(v) Repairs to Machinery	2,66,65,334	2,33,78,557
(vi) Jobs on Contract	16,32,95,206	13,44,48,282
(vii) Freight and Transport	15,65,79,822	11,71,51,031
(viii) Increase/(Decrease) in Excise Duty & Cess on Inventories	(3,30,15,889)	2,36,25,348
SELLING AND ADMINISTRATION		
(i) Rent	80,21,394	76,69,511
(ii) Insurance	52,15,198	63,46,220
(iii) Rates & Taxes	38,04,248	43,17,597
(iv) Repairs - Others	47,74,378	44,94,328
(v) Directors Meeting Fees	1,30,000	1,95,000
(vi) Payment to Auditors	4,02,685	2,66,723
(vii) Charity & Donation	8,78,000	8,93,000
(viii) Brokerage & Commission	1,67,38,449	58,59,576
(ix) Liquidated Damages	11,02,788	29,69,121
(x) Loss on Sale of Fixed Assets	4,28,628	4,37,122
(xi) Fluctuation in Exchange Rate (Net)	6,14,91,215	-
(xii) Miscellaneous Expenses	9,18,28,041	7,37,90,026
(xiii) Claim Paid (Net)	-	7,48,987
TOTAL F	<u>1,31,89,16,256</u>	<u>1,14,38,34,232</u>

ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS:- NOTE NO - 27

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, and in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956, Accounting Standards notified under the Companies (Accounting Standard) Rules 2006.

2. Revenue Recognition

Revenue is recognized, when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods. Sales is net of taxes, rebate, discount, claims and other non recoverables. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

3. Retirement Benefits

- (i) Expenses and Liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 - Employee Benefits (Revised 2005) issued by the ICAI.
- (ii) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (iii) Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

4. Excise Duty

The excise duty liability in respect of closing inventory of finished goods is provided for and included as part of inventory. The amount of CENVAT credits in respect of materials consumed for sales is deducted from cost of materials consumed. Amount of custom duty paid on raw materials (including in transit) is included in the value thereof.

5. Research & Development

Revenue expenditure on Research and Development is charged to the Profit and Loss account in the year in which it is incurred. Capital expenditure is shown as depreciable fixed asset.

6. Tangible Assets

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including finance costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

7. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalised.

8. Depreciation and Amortisation

Depreciation is provided on straight line method as follows:- (i) On the original cost of fixed assets at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. (ii) On increase in value due to revaluation on the basis of remaining useful life as estimated by the valuer, the corresponding amount is directly transferred to General Reserve from Revaluation Reserve.”

9. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

10. Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- (c) Non monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

11. Investment

Investments are classified as long term or current based on the Management intention at the time of purchase. Long-term investments are stated at acquisition cost. Provision for diminution in the value of long-term investments are made only if there is a decline is other than temporary phenomenon. Current investments are carried at lower of cost and quoted/fair value, computed category wise.

12. Inventories

Inventories are stated at lower of cost or net realisable value. The cost for the purpose of valuation is computed on the basis of weighted average price in case of Conductors and Cables Division and in case of Insulators Division on the basis of First-in-First out (FIFO). The cost of work-in-progress (other than those lying at third party manufacturing sites which is valued at material cost) and finished goods comprises of raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

13. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

14. Government Grants

Grants received from the government agencies for the specific fixed assets are shown as deduction from the gross value of the asset concerned and thus recognized over the useful life of the depreciable asset by way of reduced depreciation charge. Capital Subsidy/Grants received from the government are considered as Capital Reserve as per Accounting Standard - 12. Revenue grants are recognised as Other Income or deducted in reporting the related expenses where such benefits have been earned by the enterprise and it is certain that ultimate realisability is certain.

15. TAXES ON INCOME

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-Tax Act, 1961. Deferred tax as per Accounting Standard -22 , resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

16. PROVISIONS AND CONTINGENT LIABILITIES

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

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

(B) OTHER NOTES TO THE ACCOUNTS

(1) SEGMENT ACCOUNTING

Segment information for the year ending 31st March, 2014

Particulars	Conductor & Cable	Insulators	Unallocated	Total
	(₹)	(₹)	(₹)	(₹)
Revenue				
External Sales/other income (Net of Excise Duty)	5,98,66,76,268 (5,35,34,71,202)	1,17,70,01,843 (99,54,53,089)	4,41,77,049 (6,09,84,680)	7,20,78,55,160 (6,40,99,08,971)
Inter-segment	- (-)	- (-)	- (-)	- (-)
Total revenue	5,98,66,76,268 (5,35,34,71,202)	1,17,70,01,843 (99,54,53,089)	4,41,77,049 (6,09,84,680)	7,20,78,55,160 (6,40,99,08,971)
Results				
Segment result	31,38,54,427 (58,13,75,027)	(6,66,17,800) (-13,32,37,638)	(2,68,65,226) (19,21,713)	22,03,71,401 (45,00,59,102)
Interest Income	- (-)	- (-)	1,40,90,404 (1,01,74,296)	1,40,90,404 (1,01,74,296)
Finance cost	12,57,08,854 (12,74,26,844)	11,02,49,473 (8,96,05,038)	1,91,40,329 (2,14,51,099)	25,50,98,656 (23,84,82,981)
Dividend Received	- (-)	-	29,52,885 (48,70,475)	29,52,885 (48,70,475)
Profit/(Loss) on sale of Investments (Net)	- (-)	-	5,34,973 (29,72,251)	5,34,973 (29,72,251)
Profit/(Loss) before taxation and exceptional items	- (-)	-	- (-)	(1,71,48,993) (22,95,93,143)
Add:- Exceptional Items				54,41,301 (-)
Less : Provision for taxation (including deferred tax)				1,03,82,741 (28,18,535)
Net Profit/ (Loss) for the year				(2,20,90,433) (22,67,74,608)
Other Information				
Segment assets	3,38,11,47,266 (2,89,02,78,855)	1,88,16,73,174 (17,781,26,018)	82,94,65,690 (75,58,90,225)	6,09,22,86,130 (5,42,42,95,098)
Segment liabilities	1,66,51,65,821 (158,24,79,351)	1,41,45,47,504 (85,59,57,281)	14,33,87,796 (17,27,80,266)	3,22,31,01,121 (2,61,12,16,898)
Capital expenditure	16,21,75,824 (16,32,67,735)	3,57,34,288 (6,59,16,522)	1,40,90,677 -	21,20,00,789 (22,91,84,257)
Depreciation	2,90,43,165 (2,86,68,438)	6,79,39,678 (6,17,45,769)	3,67,58,294 (3,67,58,295)	13,37,41,137 (12,71,72,502)

The Company has no other segment which contributes more than 10 % to the company's total revenue or profits.

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	2013-14 Amount (₹)	2012-13 Amount (₹)
(2) (1) Contingent liabilities (to the extent not provided for)		
(a) Income Tax demand under appeal	47,37,892	12,77,879
(b) Outstanding Bank Guarantees (Net of Margin Money)	2,44,91,26,966	2,10,25,82,116
(c) Guarantees/Securities given on behalf of third parties	1,91,49,764	13073096
(d) Excise Duty show cause notices/demands under appeal	3,72,29,794	37229794
(e) Claims against the Company for Sales/Purchase Tax/ MCF & Other under litigation (Paid under protest ₹ 19,79,910/- (Previous Year ₹ 22,10,909/-))	5,08,27,259	5,09,54,817
(f) Surety Bond given to Custom & Excise/JDFT	3,15,00,000	4,59,00,000
(2) Commitments (to the extent not provided for)		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	32,63,60,430	85,69,676
(b) Other Commitments to be executed and not provided for Sales order to be executed against Government and Private Contracts	5,41,18,38,597	4,50,57,95,000
(3) Sundry creditors include acceptance	54,61,47,967	51,33,63,731
(4) Sundry Debtors amount Recovered against acceptance		4,28,24,440

(3) (A) Trade Payable/ Receivables

Balance confirmation letters were sent to the respective parties, but no confirmation from the parties were received till the signing of balance sheet.

(B) Micro, Small & Medium Enterprises & Development Act, 2006

The Company has identified Micro, Small & Medium Enterprises wherever confirmation received from them and confirms that ₹ 49,20,937/- (Previous year ₹ 1,98,16,929/-) payable to small scale industrial undertakings and the same are not outstanding for more than 30 days.

(4) Foreign Currency Exposures

- (a) Foreign currency loan includes ₹ 27,20,42,787/- (Previous Year ₹ 31,73,22,757/-) related to Foreign Currency Non Resident Demand Loan (FCNR-DL) which is getting due for renewal in the months of April 2014. The Loan amount is without considering the benefit of forward contract. The benefit of forward contract is ₹ 1,01,05,669/- (Previous year ₹ 8,76,574/-) has been shown as Foreign Currency Receivable account under Short-Term Loans & Advances Others.
- (b) Foreign currency exposures those are not hedged:-

	31.03.2014	Amount in (₹) 31.03.2013
Particulars	31.03.2014	31.03.2013
Foreign Currency Payables	1,11,45,05,279	51,74,41,042
Foreign Currency Receivables	65,81,49,701	11,78,52,472

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

(5) Employee Benefits

Disclosure as required by Accounting Standard AS-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows :

Net expenses recognized during the year 2013-14

Particulars	Leave Encashment (Non-Funded) (₹)		Gratuity (Non-Funded) (₹)	
	2013-14	2012-13	2013-14	2012-13
Current Service Cost	15,12,764	17,24,137	38,38,430	35,73,563
Interest Cost	8,60,625	7,90,719	53,88,045	48,92,895
Expected return on plan assets	-	-	-	-
Actuarial Losses / (Gains)	(22,91,774)	(12,20,384)	(40,52,963)	13,96,574
Past Service Cost	-	-	-	-
Net benefit expenses	81,615	12,94,472	51,73,512	98,63,032

Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2014

Particulars	Leave Encashment (Non-Funded) (₹)		Gratuity (Non-Funded) (₹)	
	2013-14	2012-13	2013-14	2012-13
Present Value of Defined Benefit Obligation as on 31.3.2014	1,03,18,520	1,07,63,005	6,82,94,576	6,71,90,693
Fair Value of plan assets	-	-	-	-
Funded status - Deficit	-	-	-	-
Unrecognised Past Service Costs	-	-	-	-
Net liabilities recognized in Balance Sheet	(1,03,18,520)	(1,07,63,005)	(6,82,94,576)	(6,71,90,693)

Change in the obligation over the year ended 31st March, 2014

Particulars	Leave Encashment (Non-Funded) (₹)		Gratuity (Non-Funded) (₹)	
	2013-14	2012-13	2013-14	2012-13
Present Value of Defined Benefit Obligation as on 1st April, 2013	1,07,63,005	98,45,792	6,71,90,693	6,00,24,503
Interest Cost	8,60,625	7,90,719	53,88,045	48,92,895
Past Service Cost	-	-	-	-
Current Service Cost	15,12,764	17,24,137	38,38,430	35,73,563
Benefits Paid	(5,26,100)	(3,77,259)	(40,69,629)	(26,96,842)
Actuarial (Gain) / loss on obligation	(22,91,774)	(12,20,384)	(40,52,963)	13,96,574
Present Value of Defined Benefit Obligation as on 31st March, 2014	1,03,18,520	1,07,63,005	6,82,94,576	6,71,90,693

Change in fair value of Plan Assets

Particulars	Leave Encashment (Non-Funded) (₹)		Gratuity (Non-Funded) (₹)	
	2013-14	2012-13	2013-14	2012-13
Fair Value of plan assets as on 01.04.2013	-	-	-	-
Actual return on plan assets	-	-	-	-
Contribution	-	-	-	-
Benefits paid	-	-	-	-
Fair Value of plan assets as on 31.03.2014	-	-	-	-

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

Major actuarial assumption

Particulars	Segment	Leave Encashment (Non-Funded) (₹)		Gratuity (Non-Funded) (₹)	
		2013-14	2012-13	2013-14	2012-13
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	Conductor & Cable	8.00 %	8.00 %	8.00 %	8.00 %
	Insulators	9.25 %	8.10 %	9.25 %	8.10 %
Salary increase (Taking into account inflation, seniority, promotion and other relevant factors)	Conductor & Cable	4.00 %	4.00 %	4.00 %	4.00 %
	Insulators	5.00 %	5.00 %	5.00 %	5.00 %
Expected rate of return on assets		-	-	-	-

Provident Fund & Employees' State Insurance

The Company makes contribution to statutory Provident Fund & Employees' State Insurance in accordance with Employees' Provident Fund and Miscellaneous Provision Act, 1952 & Employees' State Insurance Act, 1948. This is post employment benefit and is in the nature of defined contribution plan. Contribution made by the Company during the year is ₹ 1,90,30,055/- (Previous Year ₹1,81,81,176/-).

(6) Related party disclosures, as required by AS-18 "Related Party Disclosures" are given below :

List of related parties

Parties which control the company :

Carbo Industrial Holdings Ltd.

Hindusthan Consultancy & Services Ltd.

Pradyumna Steels Ltd.

Promain Ltd.

Related parties in broader sense of the term :

Hindusthan Engineering & Industries Ltd. (HEIL)

Jai Commercial Co.Ltd.,

Mody Investment & Mfg.Co.Pvt.Ltd.

Hindusthan Speciality Chemicals Ltd. (Subsidiary Company)

Adarsh Commercial Co.Ltd.

General Engineering Works

Mody Institute of Education & Research

Smt. Nirmala Bhuwania (W/o Managing Director)

Smt Sanchita Mody, Advisor - Corporate Planning (W/o Promotor Director)

Directors / Key Management Personnel :

Shri R.P.Mody, Promotor & acting in concert

Shri V.A.Mody, Promotor Director

Shri S.S.Bhuwania, Managing Director

The following transactions were carried out with the related parties in the ordinary course of business.

With parties other than Directors / Key Management personnel

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	2013-14 Amount (₹)	2012-13 Amount (₹)
Purchases of goods	11,025	-
Sale of goods	12,42,456	-
Sale of capital goods	1,43,104	-
Purchases of capital goods	-	1,28,379
Rendering or receiving of services	1,49,44,195	1,58,78,123
Interest Received	-	-
Interest Paid	3,77,95,671	1,81,56,492
Loan Amount - Received	15,70,50,000	25,59,00,000
- Given	-	-
Guarantees and collaterals by the Company	1,91,49,764	1,30,73,096
Guarantees and collaterals for the Company	-	-
Outstanding - Receivable	-	16,30,071
Outstanding - Payable	50,92,35,907	31,81,69,803
Investment in Equity Shares	4,00,00,700	1,00,16,812
With Directors / Key Management Personnel :		
Remuneration / Sitting Fee	83,06,417	76,50,417
(7) Pre-operative expenditure which has been capitalised and that carried forward under capital work in progress is as under :		
	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
Employee Benefit Expenses	1,32,85,047	29,28,863
Finance costs	-	-
Other Expenses	7,39,49,055	4,81,18,734
	<u>8,72,34,102</u>	<u>5,10,47,597</u>
Add : Brought forward from Previous year	1,38,86,071	3,95,97,627
	<u>10,11,20,173</u>	<u>9,06,45,224</u>
Less : Capitalised as part of		
Plant & Machinery	1,90,93,421	7,35,00,580
Buildings	-	32,56,863
Others	20,223	1,710
Carried forward under Capital work in progress	<u>8,20,06,529</u>	<u>1,38,86,071</u>
(8) Tax Expenses:-		
(A) CURRENT TAX		
Current tax for the Year	-	4,61,75,000
Add:- For earlier years Short/ (Excess) Provision	(65,259)	1,38,535
LESS:- MAT Credit entitlement	-	4,61,75,000
NET CURRENT TAX	<u>(65,259)</u>	<u>1,38,535</u>

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

	Opening As At 01.04.2013	Charge/(Credit) During the Year	Closing As At 31.03.2014
(B) DEFERRED TAX			
Depreciation	25,55,40,000	(21014000)	23,45,26,000
Provision for Gratuity / Leave Encashment	(2,52,92,000)	10,00,000	(2,42,92,000)
Others	(3,42,95,000)	3,04,62,000	(38,33,000)
	<u>19,59,53,000</u>	<u>1,04,48,000</u>	<u>20,64,01,000</u>
(9) Earning Per Share:-			
Earnings per share (EPS) as per Accounting Standard - 21 The numerators and denominators used to calculate Basic and Diluted Earnings per share :			
		Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
Profit/ (Loss) attributable to the Equity Shareholders (₹)			
Before extraordinary items (A)		(2,20,90,433)	22,67,74,608
After extra ordinary items		(2,20,90,433)	22,67,74,608
Basic/weighted average number of equity shares outstanding during the year (B)		14,42,885	14,42,885
Nominal value of Equity Share (₹)		10	10
Basic/Diluted EPS (₹)			
On Profit before extra ordinary items		(15.31)	157.17
On Profit after extra ordinary items		(15.31)	157.17
(10) Other Disclosures to Profit and Loss Statement:-		2013-14 (₹)	2012-13 (₹)
(1) NET GAIN/(LOSS) ON FOREIGN EXCHANGE			
SUNDRY DEBTORS			
For Export		(2,94,42,540)	36,01,240
SUNDRY CREDITORS			
For Import		17,97,873	(34,65,183)
For FCLR LOAN		(3,38,46,548)	18,52,339
		<u>(6,14,91,215)</u>	<u>19,88,396</u>
(2) PAYMENT TO AUDITORS			
- Audit fees		1,75,000	1,65,000
- Out of Pocket Expenses		31,685	18,723
- Tax Audit		25,000	25,000
- For Certification		1,71,000	58,000
		<u>4,02,685</u>	<u>2,66,723</u>

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

(3) (I) RAW MATERIAL

PARTICULARS	CONSUMPTION 2013-14	CONSUMPTION 2012-13
Aluminium	3,48,83,47,227	3,27,37,15,547
Steel	53,29,48,592	44,99,88,450
PVC Compound	47,85,20,883	42,01,58,027
Copper	22,07,85,628	17,57,53,072
Zinc	1,23,14,475	95,28,880
Clay/Powder	13,10,39,207	11,51,54,877
Metal Parts	15,17,80,849	14,68,08,560
Others	2,28,09,987	2,80,92,999
TOTAL	5,03,85,46,848	4,61,92,00,412

(II) FINISHED GOODS

PARTICULARS	SALES VALUE 2013-14	"CLOSING INVENTORY 31.03.2014	OPENING INVENTORY 01.04.2013	SALES VALUE 2012-13	CLOSING INVENTORY 31.03.2013	OPENING INVENTORY 01.04.2012
Conductors, Strips	6,47,62,91,964	16,75,12,710	36,66,52,861	580,97,82,377	36,66,52,861	15,27,27,614
High Tension Insulators	1,28,92,94,704	5,18,96,891	6,34,17,813	1,08,22,74,985	6,34,17,813	6,07,30,206
Electrical Energy	2,65,98,787			4,18,69,976		
Trading- Conductor Accessaries	25,17,900					
Miscellaneous	6,67,71,995	2,46,636	26,75,690	5,49,06,144	26,75,690	9,64,009
TOTAL	7,86,14,75,350	21,96,56,237	43,27,46,364	6,98,88,33,482	43,27,46,364	21,44,21,829

(III) WORK IN PROGRESS

PARTICULARS	WIP(31.03.2014)	WIP (31.03.2013)
Aluminium	1,67,86,870	1,93,30,095
Steel	39,07,436	27,09,651
PVC Compound	13,43,904	32,12,046
Copper	4,30,661	18,31,489
Insulators	15,05,95,412	13,42,34,201
Others	6,40,437	8,31,439
TOTAL	17,37,04,720	16,21,48,921

(4) AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED

PARTICULARS	2013-14 (₹)	2012-13 (₹)
Brokerage & Commission	2,45,228	-
EPS Employer Contribution	-	7,401
PF Employer Contribution	-	2,959
Sundry Debtors Credit Balance Written off	4,62,271	-
Sundry Credit Balance Written off	7,32,840	-
Carriage Inwards/ Outward	2,92,575	-
Rates & Taxes (Water Tax)	-	2,17,360
Entry Tax	4,80,978	-
Provision for Bonus and Others etc.	2,31,865	1,57,864
TOTAL	24,45,757	3,85,584

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

(5) VALUE OF IMPORTS CALCULATED ON C.I.F BASIS

PARTICULARS	2013-14 (₹)	2012-13 (₹)
Raw Material	76,31,33,260	28,87,36,656
Components & Spare Parts	53,79,401	1,76,73,938
Capital Goods	58,555	22,77,488

(6) EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	2013-14 (₹)	2012-13 (₹)
Travelling	37,82,828	40,01,989
Interest	5,11,77,072	1,97,67,494
Commission	98,45,240	17,18,850
Others	44,37,654	31,12,047

(7) VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH %

		2013-14 (₹)		2012-13 (₹)
IMPORTED				
Raw Materials	15.14%	76,30,15,429	6.75%	31,16,24,742
Stores and Spare Parts	5.99%	68,72,154	8.40%	92,94,604
INDIGENOUS				
Raw Materials	84.86%	4,27,55,31,418	93.15%	4,30,75,75,670
Stores and Spare Parts	94.01%	10,77,90,347	91.60%	10,13,48,192

(8) EARNINGS IN FOREIGN EXCHANGE

Exports (F.O.B.)	49,21,66,417	69,84,61,228
Freight & Insurance on Export	1,84,88,584	4,44,44,174
Interest Received	10,16,514	-
Earning by Sale under Global Tender in India	76,00,16,018	-

(9) PROPOSED DIVIDEND

Proposed Dividend	14,42,885	28,85,770
Tax on Dividend	2,45,218	4,68,144
	<u>16,88,103</u>	<u>33,53,914</u>

(10) Previous year figures are re-grouped or re-arranged wherever required, to make them comparable.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED (*erstwhile Hindusthan Vidyut Products Limited*)

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated financial statements of **Hindusthan Urban Infrastructure Limited** (erstwhile Hindusthan Vidyut Products Limited) and its subsidiary which comprises of the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated 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 consolidated financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) *In the case of consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;*
- (b) *In the case of the consolidated Statement of Profit and Loss, of the Loss for the year ended on that date; and*
- (c) *In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.*

Other matter

We did not audit the financial statements of the Subsidiary Company Hindusthan Specialty Chemicals Limited. The financial statements of the subsidiary company reflect total assets of Rs. 543.31 lacs as at 31st March, 2014, the total revenue of Rs. 0.04 lac and net cash outflow amounting to Rs. 172.18 lacs for the year ended 31st March, 2014. These financial statements and other financial information have been audited by other auditor whose report has been furnished to us by the Management, and our opinion is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

For K M Agarwal & Co
(Chartered Accountants)
(Regn. No. 000853N)

Place : New Delhi
Dated : 27th May, 2014

(D.K.AGARWAL)
PARTNER
(Membership No. 016952)

INDEPENDENT AUDITORS' REPORT (Contd.)

Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements

Re: Hindusthan Urban Infrastructure Limited (*erstwhile Hindusthan Vidyut Products Limited*)

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As informed to us, company has phased programme of physical verification of its fixed assets, which in our opinion is reasonable having regards to the size of the company and the nature of its fixed assets. Management has physically verified the fixed assets during the year and as informed to us, no material discrepancies were noticed as compared to books of accounts.
- c. In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) a. As explained to us inventories (except stock lying with third parties and in-transit) were physically verified during the year by the management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification as compared to the book records.
- (iii) a. According to the information and explanations given to us, during the year the Company has not taken / granted any loan secured or unsecured from or to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b. Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount & interest thereon and overdue amount are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system.
- (v) a. According to the information and explanations provided by the management, we are of the opinion that there were no such transactions for which particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 of the Act.
- b. Since there are no such transactions, the comments regarding terms and conditions, transactions for which particulars of contracts or arrangements referred to in Section 301 of the Act are not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and hence provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under with regard to the deposits accepted from the public are not applicable to the company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained by the Company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) a. According to the records of the Company, the Company is generally regular in depositing material undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax,

INDEPENDENT AUDITORS' REPORT (Contd.)

sales-tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities. There was no material undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

- b. According to the records of the Company, there are no dues outstanding of sales tax, income tax, service tax, custom duty, wealth tax, excise duty and cess on account of any dispute, other than the following:

Name of Statue	Nature of Dues	Periods to which the amount pertain	Amount in Rs. (Net of Deposit)	Forum where dispute is pending
Central Sales Tax Act, 1956 & Sales Tax/VAT Act of Various states	Purchase Tax	2003-04	7500000/-	Hon'ble Supreme Court
-----do-----	Sales Tax, Haryana	2004-05	1720197/-	Tribunal, Chandigarh
-----do-----	Sales Tax, U.P	1985-96	64307/-	Assistant Commissioner (Assessment), Ghaziabad
-----do-----	Sales Tax, U.P	1995-96	488619/-	Assistant Commissioner (Assessment), Ghaziabad
-----do-----	Sales Tax, U.P	2001-02	925200/-	Hon'ble High Court, Allahabad
-----do-----	Sales Tax, M.P	1998-99	5703610/-	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	1999-00	6927530/-	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	2000-01	7038828/-	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	2001-02	493857/-	Asst. Commissioner Gwalior
-----do-----	Sales Tax, M.P	2002-03	688323/-	Asst. Commissioner Gwalior
-----do-----	Local Area Development Tax	2007-08	705501/-	Joint Excise and Taxation Commissioner (Appeal), Faridabad
-----do-----	-----do-----	2008-09	1846757/-	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana & another)
-----do-----	-----do-----	2009-10	2349019/-	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana & another)
-----do-----	-----do-----	2010-11	2068629/-	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana & another)
-----do-----	-----do-----	2011-12	1624819/-	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana & another)
-----do-----	-----do-----	2012-13	1022166/-	Case pending with Hon'ble Sup. Court (IOCL vs State of Haryana & another)
Municipal Corporation, Gwalior	Property Tax	1997-10	1611687/-	Hon'ble High Court directed to Commissioner, Municipal Corporation to Reassess the case
Municipal Corporation, Faridabad	Development Charges at Faridabad Work Land		9285750/-	Hon'ble Civil Court, (Adjudication) Faridabad
Central Excise	No proper Endorsement on Bill of Entry.		31869030/-	Tribunal , New Delhi
Income Tax Department	Income Tax	2005-06	1840570/-	CIT (Appeal), Income Tax, New Delhi
Income Tax Department	Income Tax	2008-09	462534/-	Tribunal, Agra
-----do-----	Income Tax	2009-10	293308/-	Commissioner of Income Tax (Appeal)
-----do-----	Income Tax	2009-10	372906/-	Commissioner of Income Tax (Appeal)
-----do-----	Income Tax	2010-11	47620/-	Commissioner of Income Tax (Appeal)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash loss in the current year *and during preceding financial year*.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. We have been informed that the Company has not issued debentures.

INDEPENDENT AUDITORS' REPORT (Contd.)

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
- (xiv) The Company has not dealt in or traded in shares, securities, debentures and other securities except that it has investments in shares / units which are held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees in favour of financial institution or bank for loans taken by others
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed during the year by the Company were, prima facie, applied by the Company for the purpose for which loans were obtained.
- (xvii) According to the information and explanation given to us, on an overall examination of the balance sheet of the company, we are of the opinion that no funds raised on short-term basis have been used for long-term investment by the company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For K M Agarwal & Co
(Chartered Accountants)
(Regn. No. 000853N)

Place : New Delhi
Dated : 27th May, 2014

(D.K.AGARWAL)
PARTNER
(Membership No. 016952)

CONSOLIDATED BALANCE SHEET as at 31st March, 2014

	Note No.	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	1	1,44,28,850	1,44,28,850
Reserves and Surplus	2	2,64,93,28,213	2,60,27,88,909
(2) Minority Interest			
		-	942
(3) Non-Current Liabilities			
Long-Term Borrowings	3	25,04,07,026	33,63,08,522
Deferred Tax Liabilities (Net)	4	20,62,10,870	19,59,53,000
Other Long Term Liabilities	5	-	5,30,55,405
Long Term Provisions	6	6,71,00,292	6,51,18,091
(4) Current Liabilities			
Short-Term Borrowings	7	1,19,95,15,285	71,27,36,841
Trade Payables	8	1,03,83,86,578	94,52,40,245
Other Current Liabilities	9	61,84,66,492	45,51,13,679
Short-Term Provisions	10	5,15,05,426	4,70,11,956
Total		<u>6,09,53,49,032</u>	<u>5,42,77,56,440</u>
II. ASSETS			
(1) Non-Current Assets			
<i>Fixed Assets</i>	11		
(i) Tangible Assets		1,58,79,27,411	1,68,96,44,610
(ii) Intangible Assets		7,22,933	7,44,156
(iii) Capital Work-in-Progress		22,30,19,958	11,94,33,345
Non-Current Investments	12	32,42,76,767	32,91,89,610
Long Term Loans and Advances	13	23,69,76,812	12,80,05,181
Other Non-Current Assets	14	4,89,81,768	4,63,82,096
(2) Current assets			
Inventories	15	77,35,76,050	1,00,65,50,558
Trade Receivables	16	2,45,08,25,542	1,76,71,99,771
Cash and Cash Equivalents	17	16,20,37,261	8,54,60,330
Short-Term Loans and Advances	18	27,94,17,913	25,23,15,644
Other Current Assets	19	75,86,617	28,31,139
Total		<u>6,09,53,49,032</u>	<u>5,42,77,56,440</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

27 (A & B)

As per our report of even date
For K M AGARWAL & CO.
Chartered Accountants
FRN: 853N

R.P.Mody
(DIN No. 00140503)

Director

D K AGARWAL
Partner
M.No.16952

M.L. Birniwala
Sr. V.P. Finance & Secy.

S.S. Bhunia
(DIN No. 00107171)

Managing
Director

Place: New Delhi
Date: 27th May, 2014

CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

	Note No.	2013-14 (₹)	2012-13 (₹)
I. Revenue from Operations	20	7,18,71,20,147	6,38,93,12,313
II. Other Income	21	2,07,39,112	2,15,59,386
III. Total Revenue (I +II)		<u>7,20,78,59,259</u>	<u>6,41,08,71,699</u>
IV. Expenses:			
Cost of Materials Consumed	22	5,03,85,46,848	4,61,92,00,412
Purchase of Stock-In-Trade		21,41,385	-
Changes in Inventories of Finished goods, Work-in-Progress and Scrap	23	20,15,34,328	(20,34,50,909)
Employee Benefit Expense	24	27,50,25,543	25,50,76,610
Finance Costs	25	25,50,98,656	23,84,82,981
Depreciation and Amortization Expense		13,37,41,137	12,71,72,502
Other Expenses	26	1,31,98,96,043	1,14,38,90,774
Total Expenses		<u>7,22,59,83,940</u>	<u>6,18,03,72,370</u>
V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		(1,81,24,681)	23,04,99,329
VI. Exceptional Items		54,41,301	-
VII. Profit/ (Loss) before extraordinary items and tax (V-VI)		(1,26,83,380)	23,04,99,329
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax (VII - VIII)		<u>(1,26,83,380)</u>	<u>23,04,99,329</u>
X. Tax expense:- (Refer Note No. 27 B (8))			
Current tax		(65,259)	4,18,547
Deferred tax		1,02,57,870	26,80,000
XI. Profit(Loss) for the period after tax (IX-X)		<u>(2,28,75,991)</u>	<u>22,74,00,782</u>
XII. Minority Interest		-	44
XIII. Profit(Loss) for the period from continuing operations (XI-XII)		<u>(2,28,75,991)</u>	<u>22,74,00,738</u>
XV. Earning per equity share:- (Refer Note No.27B(9))			
(1) Basic		(15.85)	157.60
(2) Diluted		(15.85)	157.60

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

27 (A & B)

As per our report of even date
For K M AGARWAL & CO.
Chartered Accountants
FRN: 853N

R.P.Mody
(DIN No. 00140503)

Director

D K AGARWAL
Partner
M.No.16952

M.L. Birmiwala
Sr. V.P. Finance & Secy.

S.S. Bhuwania
(DIN No. 00107171)

Managing
Director

Place: New Delhi
Date: 27th May, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2013-14

	31.03.2014 (₹)	31.03.2013 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	(1,26,83,380)	23,04,99,329
Adjustments for :		
Depreciation	13,37,41,137	12,71,72,502
Unrealised Foreign Exchange Loss/(Gain)	2,81,82,616	3,62,708
Finance Cost	25,50,98,656	23,84,82,981
Liquidated Damages	11,02,788	29,69,121
Exceptional Item	(54,41,301)	-
Rates and Taxes (Wealth Tax)	7,45,000	4,02,000
Interest Received	(1,40,90,404)	(1,11,35,230)
Dividend Received	(29,52,885)	(48,70,475)
Loss/(Profit) on Sale of Fixed Assets	2,77,728	2,31,465
Loss/(Profit) on Sale of Investment	(5,34,973)	(29,72,251)
Operating Profit Before Working Capital Changes	38,34,44,982	58,11,42,150
Add/Less: (Increase)/Decrease in Current Assets		
Trade Receivables	(70,77,27,575)	(31,22,16,514)
Loans & Advances	(3,62,36,976)	(4,30,87,188)
Inventories	23,29,74,508	(23,88,17,086)
Add/Less: Increase/(Decrease) in Current Liabilities		
Current Liabilities & Provisions	23,84,39,500	11,12,99,666
Operating Profit After Working Capital Changes	11,08,94,439	9,83,21,028
Direct Tax Paid (net of refund)	42,88,722	4,64,06,500
Rates & taxes (Wealth Tax Paid)	5,77,200	3,64,800
Net Cash (used in) Operating Activities	1,06,02,85,517	5,15,49,728
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(19,67,91,711)	(24,23,90,407)
Sale of Fixed Assets	27,19,171	12,91,066
Purchase of Investment	(700)	(74,50,17,212)
Sale of Investment	1,35,02,440	76,09,20,473
Interest Received	85,76,520	1,22,81,660
Dividend Received	29,52,885	48,70,475
Long Term Loans & Advances	(71,64,620)	(2,500,000)
Capital Subsidy	6,85,12,126	-
Net Cash from Investing Activities	(10,76,93,889)	(21,05,43,945)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds From Short Term Borrowings	45,27,62,340	27,22,40,843
Proceeds From Long Term Borrowings	34,19,808	12,95,00,000
Payment of Short term Borrowings	-	(3,21,73,190)
Payment of Long term Borrowings	(15,65,33,304)	(14,22,30,056)
Finance Cost	(21,80,73,976)	(24,33,89,850)
Dividend Paid	(33,32,565)	(17,18,862)
Net Cash from Financing Activities	7,82,42,303	(1,77,71,115)
Net Increase/ (Decrease) in cash & cash Equivalent	7,65,76,931	(17,67,65,332)
Cash & cash Equivalent at Beginning of the Year	8,54,60,330	26,22,25,662
Cash & cash Equivalent at End of the Year	16,20,37,261	8,54,60,330

Note: Previous year figures have been re-grouped/re-arranged wherever considered necessary.

As per our report of even date
For K M AGARWAL & CO.
Chartered Accountants
FRN: 853N

D K AGARWAL
Partner
M.No.16952

Place: New Delhi
Date: 27th May, 2014

M.L. Birmiwala
Sr. V.P. Finance & Secy.

R.P.Mody
(DIN No. 00140503)

S.S. Bhuvania
(DIN No. 00107171)

Director

Managing
Director

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

I. EQUITY AND LIABILITIES

(1) Shareholder's Funds		As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
Share Capital :- NOTE NO - 01			
(a) AUTHORISED			
25,00,000 Equity Shares of ₹ 10/-each.		2,50,00,000	2,50,00,000
(b) ISSUED			
14,43,000 Equity Shares of ₹ 10/-each.		1,44,30,000	1,44,30,000
(c) SUBSCRIBED AND FULLY PAID UP			
14,42,885 Equity Shares of ₹ 10/-each.		1,44,28,850	1,44,28,850
		<u>1,44,28,850</u>	<u>1,44,28,850</u>
(d) RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING			
Opening Balance		14,42,885	14,42,885
Add:- Addition during the Year		-	-
Less:- Deletion during the Year		-	-
Closing Balance		14,42,885	14,42,885
(e) SHAREHOLDERS HOLDING MORE THAN 5%			
		As on 31.03.2014	As on 31.03.2013
		(₹)	(₹)
NAME OF THE SHAREHOLDER	No. of Shares	% of Share holding	No. of Shares
			% of Share holding
M/s Hindusthan Consultancy & Services Ltd.	7,08,825	49.12%	7,08,825
M/s Carbo Industrial Holdings Ltd.	1,32,820	9.21%	1,32,820
M/s Promain Ltd.	1,17,900	8.17%	1,17,900
Reserves and Surplus:- NOTE NO - 2			
		As on 31.03.2014	As on 31.03.2013
		(₹)	(₹)
(a) Capital Redemption Reserve		26,43,500	26,43,500
(b) Revaluation Reserve	1,24,63,531		1,30,29,456
Less:- Transferred to General Reserve	3,83,143		5,65,925
	<u>1,20,80,388</u>	1,20,80,388	<u>1,24,63,531</u>
(c) General Reserve	2,58,25,00,000		2,36,02,48,211
Add/(Less):- Transferred from/ (To) Profit and Loss A/c#	(2,20,65,999)		22,16,85,864
Deferred Tax Reversal on Land at Bangalore	26,13,323		
Transferred from Revaluation Reserve	3,83,143		5,65,925
	<u>2,56,34,30,467</u>	2,56,34,30,467	<u>2,58,25,00,000</u>
(d) Capital Reserve*	15,52,315		-
Add:- Reserve on Government Subsidy	6,85,12,126		-
Transferred from Forfeited Share Amount	575		575
On Consolidation of Subsidiary Company	242		15,52,315
	<u>7,00,65,258</u>	7,00,65,258	<u>15,52,890</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	As on 31.03.2014 (₹)	As on 31.03.2013 (₹)
(e) Profit & Loss Account	36,28,988	12,68,028
Add:- Profit / (Loss) for the year	(2,28,75,991)	22,74,00,738
Transferred from General Reserve #	2,20,65,999	-
Less:- Appropriations		
Transferred to General Reserve	-	22,16,85,864
Short Provision of tax on	22,293	-
Dividend for Previous Year		
Proposed Dividend on Equity	14,42,885	28,85,770
Tax on Dividend	2,45,218	4,68,144
	11,08,600	36,28,988
	<u>2,64,93,28,213</u>	<u>2,60,27,88,909</u>

* During the year, the company has changed the accounting treatment of Government subsidy receivable from Assam Government as 'Capital Subsidy' and the same has been credited to Capital Reserve Account as per Accounting Standard -12 and the legal opinion taken by the company. The same was considered as revenue subsidy and credited to profit and loss account in the previous financial year. Consequently subsidies for ₹ 3,27,38,191/- towards Sales tax and ₹ 3,57,73,935/- towards excise duty have been taken to Capital reserve which has resulted in reduction of profits by ₹ 6,85,12,126/-. Further, Forfeited shares amount of ₹575/- also transferred to Capital Reserve.

The Company, during the year, transferred ₹ 2,20,65,999/- from General Reserve account to Profit & Loss Account, pursuant to section 205A(3) of the Companies Act, 1956 and the Companies (Declaration of Dividend out of reserves) Rules, 1975 and proposed dividend out of the accumulated profits for the previous years.

	As on 31.03.2014 (₹)	As on 31.03.2013 (₹)
2. Non Current Liabilities		
Long Term Borrowings :- NOTE NO - 3		
(I) Term Loan (Secured)		
12.20% Term Loan from a Bank (Rupee Loan)*	3,38,68,500	1,67,76,500
Less:- Current Maturities	3,38,68,500	1,67,76,500
6.3480% Term Loan from a Bank (FCLR)*	20,33,04,860	26,81,47,661
Less:- Current Maturities	1,14,67,500	2,85,59,500
13.70% Term Loan from a Bank (Rupee Loan)**	1,48,00,000	20,19,20,361
Less:- Current Maturities	73,62,366	10,52,00,000
6.355% Term Loan from a Bank (FCLR)**	7,83,37,858	-
Less:- Current Maturities	3,06,25,634	-
(II) Deferred Payment Liabilities (Unsecured)		
Sales Tax Deferment #	1,10,23,847	76,04,039
Less:- Current Maturities	76,04,039	76,04,039
	34,19,808	-
	<u>2,50,40,726</u>	<u>33,63,08,522</u>

* 12.20% Term Loans from Canara Bank, New Delhi of ₹ 12,39,00,000/- & ₹ 11,95,92,500/- is repayable in 108 & 96 monthly instalments starting from 01.08.2010 and 01.02.2011 respectively. The loan is secured by first charge on Assets created out of 4 nos. Wind Turbine Generator (WTGs) at Rajasthan and land at WTG site and Term Loan for ₹ 12,95,00,000/- taken for Guwahati Project is repayable in 16 half yearly instalments starting from 01.08.2012. The loan is secured by first charge on Land, Building and plant & machinery created out of the loan. During the previous year the above mentioned 2 WTGS term loan @ ₹ 8,00,00,000/- for each WTG and ₹ 11,00,00,000/- related to Guwahati Works were converted into Foreign Currency Loan of US (\$) 1453884.60, (\$) 1453884.60 and (\$) 1999091.32 at a pricing of 6 months LIBOR plus 600 bps, with rollover at every 6 month at fresh pricing. During the year remaining Foreign Currency Loan of US (\$) 962463.91, (\$) 962463.91 and (\$) 1443695.86 reset at fresh pricing of 6.3480%.

** 13.70% Term Loans from Canara Bank, New Delhi of ₹ 29,00,00,000/- and ₹ 28,30,00,000/- is repayable in 20 & 24 Quarterly instalments starting from 01.12.2009 and 28.02.2011 respectively. The loan is secured by first charge on fixed Assets financed out of the term loan including existing land of the unit. During the year out of the above mentioned 2 term loan ₹ 3,16,00,000/- and ₹ 10,60,00,000/- converted into Foreign Currency Loan of US (\$) 5,81,845 (\$) 19,51,758 at a pricing of 6 months LIBOR plus 600 bps (Net 6.435%), with rollover at every 6 month and reset at fresh pricing. On the reporting date remaining Foreign Currency Loan of US (\$) 12,95,214.03 reset at fresh pricing of 6.355%.

Unsecured loan represent the sales tax deferment of ₹76,04,039/- and ₹34,19,808/- which will be matured on 31.03.2014 and 31.03.2018 respectively.

	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
Deferred Tax Liabilities (Net):- NOTE NO - 4		
Deferred tax Liabilities	23,45,26,000	25,55,40,000
Less:- Deferred tax Assets	2,83,15,130	5,95,87,000
	<u>20,62,10,870</u>	<u>19,59,53,000</u>
Other Long Term Liabilities :- NOTE NO - 5		
Other- From Customers	-	5,30,55,405
	-	<u>5,30,55,405</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

Long Term Provisions :- NOTE NO - 6

	As on 31.03.2014 (₹)	As on 31.03.2013 (₹)
(I) Employee Benefits	5,49,67,281	5,29,85,080
(II) (a) Statutory - Local Area Development Tax	96,16,891	96,16,891
(b) Others : Debtors under Litigation	25,16,120	25,16,120
	<u>6,71,00,292</u>	<u>6,51,18,091</u>

(3) Current Liabilities

Short-term borrowings :- NOTE NO - 7

(I) Working Capital Facilities - Secured *		
Foreign Currency loan		
FCNR Loan		
(Interest Rate Range 5.00% - 5.50%)	27,20,42,787	31,73,22,756
PCFC Loan		
(Interest Rate Range 3.8325% - 3.8375%)	19,87,99,350	-
(Interest Rate Range 2.20% - 2.50%)	90,87,528	77,99,122
Rupee loan		
10% Export Packing Credit	-	84,09,158
14.50% Cash Credit	14,72,35,859	6,19,64,962
12.70% Cash Credit	6,46,78,978	-
(II) Loan & Advances - From Related Parties -Unsecured - Hindusthan Engineering & Industries Ltd.	50,76,70,783	31,72,40,843
	<u>1,19,95,15,285</u>	<u>71,27,36,841</u>

* Working Capital Facilities from a Bank for the Cable & Conductor Division are Secured against hypothecation of stocks, book debts and plant & machinery both present & future at Faridabad, Gwalior and Guwahati Unit and equitable mortgage of land and building at Faridabad and Gwalior against which drawing is ₹ 26,34,78,328/- (previous year ₹ Nil)

* Working capital facilities from State Bank of India, Bhopal Branch for the Insulator division are secured against hypothecation of stocks and book debts and secured collaterally by way of second charge on fixed assets of insulators division against which drawing is ₹ 42,83,66,174/- (previous year ₹ 39,54,95,998/-) including drawing against foreign currency Non Resident Demand Loan (FCNR-DL). The FCNR-DL is due for renewal in the month of April 2014.

Trade Payables :- NOTE NO - 8

	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
For Goods & Services - Micro Small & (Refer Note No.27B(3B))	49,20,937	1,98,16,929
Medium Enterprises		
- Others (Refer Note No.27B(3A))	1,03,34,65,641	92,54,23,316
	<u>1,03,83,86,578</u>	<u>94,52,40,245</u>

Other Current Liabilities:- NOTE NO - 9

(I) Current Maturities of Long term Debt		
12.20% Term Loan from a Bank (Rupee Loan)	3,38,68,500	1,67,76,500
6.3480% Term Loan from a Bank (FCLR)	1,14,67,500	2,85,59,500
13.70% Term Loan from a Bank (Rupee Loan)	73,62,366	10,52,00,000
6.355% Term Loan from a Bank (FCLR)	3,06,25,634	-
Unsecured Loan (Sales Tax Deferment)	76,04,039	76,04,039
(II) Interest accrued but not due on borrowings	55,49,939	25,41,363
(III) Unclaimed dividend	4,45,090	4,01,448
(IV) Other Payables		
(I) Creditors For Capital Goods	4,62,40,252	1,79,88,563
(II) Advance From Customers	43,02,16,608	21,10,96,091
(III) Statutory		
Income Tax (TDS)	84,02,329	56,77,221
Excise Duty	1,59,12,895	4,80,29,774
Sales Tax	48,24,699	9,54,674
Others	60,78,227	37,36,428
(IV) Other Deposits		
From Related Parties - Hindusthan Engineering & Industries Ltd.	15,65,124	-
Other Deposit - Trade/Service Deposits	83,03,290	65,48,078
	<u>61,84,66,492</u>	<u>45,51,13,679</u>

Short Term Provisions:- NOTE NO - 10

(I) Employee Benefits	4,62,05,368	3,85,34,432
(II) Others		
Liquidated Damages	33,99,595	51,23,610
Proposed Dividend	14,42,885	28,85,770
Tax on Dividend	2,45,218	4,68,144
Others	2,12,360	-
	<u>5,15,05,426</u>	<u>4,70,11,956</u>

II. ASSETS

Fixed Assets:- NOTE NO - 11

Non-current assets

Fixed Assets

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

GROSS BLOCK

Depreciation

Net Block

Description	Cost/Value as at 1st April, 2013	Additions during the Year	Deduct Cost/Value of Assets sold during the year	Other Adjustments during the year	Total Cost/Value to 31st March 2014	Depreciation as at 1st April, 2013	Depreciation Provided during the year #	Depreciation adjusted on Assets sold during the year	Total Depreciation to 31st March 2014	Net Value of Assets 31.03.2014
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
(I) TANGIBLE ASSETS										
Land										
Free hold	14,53,51,275	13,97,628			14,67,48,903	-			-	14,67,48,903
Lease hold	6,00,19,439				6,00,19,439	44,04,248	8,39,358	-	52,43,606	5,47,75,833
Building	49,89,13,013	35,06,898			50,24,19,911	11,78,48,960	1,63,49,080		13,41,98,040	36,82,21,871
Plant & Machinery	1,81,18,04,556	2,17,13,395	10,24,897		1,83,24,93,054	73,11,18,502	11,30,85,756	45,645	84,41,58,613	98,83,34,441
Office Equipment	1,07,97,974	16,55,404	1,82,534		1,22,70,844	53,58,537	6,14,359	92,502	58,80,394	63,90,450
Furniture & fixtures	67,70,293	1,99,857	8,100		69,62,050	33,48,023	3,99,392	6,005	37,41,410	32,20,640
Motor Vehicle	2,56,22,350	65,47,200	33,78,052		2,87,91,498	75,56,020	24,67,986	14,67,781	85,56,225	2,02,35,273
	<u>2,55,92,78,900</u>	<u>3,50,20,382</u>	<u>45,93,583</u>		<u>2,58,97,05,699</u>	<u>86,96,34,290</u>	<u>13,37,55,931</u>	<u>16,11,933</u>	<u>1,00,17,78,288</u>	<u>1,68,96,44,610</u>
(II) INTANGIBLE ASSETS										
Software Licence	10,96,423	67,414	16,643		11,47,194	3,52,267	73,388	1,394	4,24,261	7,22,933
	<u>10,96,423</u>	<u>67,414</u>	<u>16,643</u>		<u>11,47,194</u>	<u>3,52,267</u>	<u>73,388</u>	<u>1,394</u>	<u>4,24,261</u>	<u>7,22,933</u>
TOTAL (I + II)	<u>2,56,03,75,323</u>	<u>3,50,87,796</u>	<u>46,10,226</u>		<u>2,59,08,52,893</u>	<u>86,99,86,557</u>	<u>13,38,29,319</u>	<u>16,13,327</u>	<u>1,00,22,02,549</u>	<u>1,58,86,50,344</u>
Previous Year	<u>2,24,93,22,165</u>	<u>31,51,06,031</u>	<u>40,52,873</u>		<u>2,56,03,75,323</u>	<u>74,53,44,397</u>	<u>12,71,72,502</u>	<u>25,30,342</u>	<u>86,99,86,557</u>	<u>22,30,19,958</u>
(III) CAPITAL WORK IN PROGRESS										
										<u>11,94,33,345</u>

This includes ₹ 88182/- taken to Capital-Work-In-Progress, since the operation of the Project has not been started.

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

				As At 31.03.2014		As At 31.03.2013	
				(₹)		(₹)	
NON-CURRENT INVESTMENT:- NOTE NO - 12							
Non- Trade Investment							
Investment in Property							
- Land at Banera							
				90,800		90,800	
- Land at Bangalore							
				80,80,665		26,041	
- Building at Bangalore (Boundary Wall)							
				14,04,093		14,04,093	
UNQUOTED #							
Investment in Govt. or Trust Securities							
				-		50,00,000	
QUOTED ##							
Investment in Equity							
- Reliance Industries Ltd.							
				29,45,36,745		29,45,36,745	
- Ballarpur Industries Ltd.							
				53,31,101		53,31,101	
- West Coast Paper Mills Ltd							
				5,81,444		5,81,444	
- BIOCON Ltd.							
				1,42,51,919	31,47,01,209	2,22,19,386	32,26,68,676
(Market Value of Quoted Investments are ₹ 27,64,59,345/-							
(Previous Year ₹ 24,84,60,158/-)							
					32,42,76,767		32,91,89,610
				As At 31.03.2014		As At 31.03.2013	
				No. of Units	Amount as	No. of Units	Amount as
				Face value	per Face		per Face
				per Unit	Value (₹)		Value (₹)
#	UNQUOTED						
	Investments in Government						
	Securities or Bonds						
	- 6% Rural Electrification						
	Others	₹ 10,000		-	-	500	50,00,000
	Corporation Ltd.						
##	QUOTED						
	Investments in Equity Instruments						
	- Reliance Industries Ltd.	Others	₹10	2,80,000	28,00,000	2,80,000	28,00,000
	- Ballarpur Industries Ltd.	Others	₹2	1,59,615	3,19,230	1,59,615	3,19,230
	- West Coast Paper Mills Ltd	Others	₹2	10,000	20,000	10,000	20,000
	- BIOCON Ltd.	Others	₹5	32,000	1,60,000	50,000	2,50,000
					As At 31.03.2014		As At 31.03.2013
					(₹)		(₹)
Long Term Loans and Advances:- NOTE NO - 13							
(I)	Capital Advances						
	(i) Secured, considered good (against Bank Gurantee)				3,77,50,300		8,80,000
	(ii) Unsecured, considered good				5,61,30,517		65,43,644
(II)	Security Deposits						
	Unsecured, considered good						
	(A)	(i) Sales Tax (Under Litigation)			13,01,660		14,65,660
		(ii) Municipal Corporation (Under Litigation)			5,14,250		5,14,250
		(iii) Central Excise & Custom (Under Litigation)			35,00,000		-
	(B)	Others -					
		I) Tender			2,29,65,892		1,09,46,059
		II) Electricity			1,88,68,450		1,90,74,579
		III) Others			90,44,974		58,75,507
(III)	Income Tax				8,37,68,334		7,95,82,153
(IV)	Employees				4,49,524		5,43,024
(V)	Others				26,82,911		25,80,305
					23,69,76,812		12,80,05,181

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
Other Non - Current Assets:- NOTE NO - 14		
(I) Long terms trade Receivables		
(i) Unsecured, considered good (Under Litigation ₹42,68,433/- (Previous Year ₹ 23,92,462/-))	4,61,18,660	4,38,85,514
(II) Interest accrued but not Due - Unsecured	28,63,108	21,36,202
(III) Preliminary Expenditure (to the extent not written off)		3,60,380
	<u>4,89,81,768</u>	<u>4,63,82,096</u>
(2) Current Assets		
Inventories:- NOTE NO - 15		
(I) Raw materials - In hand	17,50,22,998	23,99,85,392
- In Transit	13,20,92,868	8,48,99,072
(II) Work-in-Progress	17,37,04,720	16,21,48,921
(III) Finished Goods	21,94,09,601	43,00,70,674
(IV) Stores & Spares and Packing	7,07,55,573	8,47,50,652
(V) Loose Tools	23,43,654	20,20,157
(VI) Scrap	2,46,636	26,75,690
	<u>77,35,76,050</u>	<u>1,00,65,50,558</u>
Trade Receivables:- NOTE NO - 16		
(I) Over six months (Refer Note No.27B(3A))		
(i) Unsecured, considered good	9,11,71,825	4,79,14,227
(II) Others (Refer Note No.27B(3A))		
(i) Secured, considered good	52,95,32,548	9,40,95,118
(ii) Unsecured, considered good	1,83,01,21,169	1,62,51,90,426
	<u>2,45,08,25,542</u>	<u>1,76,71,99,771</u>
Cash and Cash Equivalents:- NOTE NO - 17		
(I) Cash and Cash equivalents		
(I) Cash on Hand	9,12,176	11,60,665
(II) Cheque, draft on hand	50,000	-
(III) Balance with Banks		
Current Accounts	3,60,04,892	1,27,72,797
Fixed Deposits (Maturity upto 3 Months)	1,45,87,989	-
	<u>5,15,55,057</u>	<u>1,39,33,462</u>
(II) Other Bank Balances		
Earmarked Balances with Banks - Unclaimed Dividend	4,45,090	4,01,448
Balances with Banks held as Margin money/ Security #	11,00,37,114	6,16,36,614
Other Fixed Deposit with Banks #		94,88,806
	<u>16,20,37,261</u>	<u>8,54,60,330</u>

Includes deposit more than 12 month ₹ 4,72,48,924/-
(Previous year ₹ 4,33,44,652/-)

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
Short- term loans and advances:- NOTE NO - 18		
(I) Earnest Money Deposit - Lien Fixed Deposit	-	17,24,155
- Others	33,38,394	1,46,64,479
(II) Deposit/ Credit with Government Authorities		
Custom, Excise & Service Tax	7,17,72,670	5,39,19,642
Sales tax	37,29,749	3,88,99,209
Incom tax	-	-
(III) Employees	24,83,697	19,14,973
(IV) Others	19,80,93,403	14,11,93,186
	<u>27,94,17,913</u>	<u>25,23,15,644</u>
Other Current Assets:- NOTE NO - 19		
Interest accrued but not Due - Unsecured	75,86,617	28,31,139
	<u>75,86,617</u>	<u>28,31,139</u>

NOTES TO CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	2013-14 (₹)	2012-13 (₹)
Revenue from operations:- NOTE NO - 20		
(A) SALE OF PRODUCTS		
(I) CONDUCTORS & CABLES	6,54,55,81,859	5,86,46,88,521
(II) INSULATORS	1,28,92,94,704	1,08,22,74,985
(III) POWER GENERATION SALES	2,65,98,787	4,18,69,976
TOTAL A	<u>7,86,14,75,350</u>	<u>6,98,88,33,482</u>
(B) OTHER OPERATING REVENUE		
(I) SCRAP	1,73,43,042	1,54,28,166
(II) EXPORT INCENTIVE	2,01,79,456	1,59,73,356
(III) SALES TAX SUBSIDY *	-	2,89,18,974
(IV) EXCISE DUTY BENEFIT *	-	1,87,51,680
TOTAL B	<u>3,75,22,498</u>	<u>7,90,72,176</u>
	7,89,89,97,848	7,06,79,05,658
(C) EXCISE DUTY ON SALES TOTAL C	71,18,77,701	67,85,93,345
TOTAL I (A + B - C)	<u>7,18,71,20,147</u>	<u>6,38,93,12,313</u>

* During the year, the company has changed the accounting treatment of Government subsidy receivable from Assam Government as 'Capital Subsidy' and the same has been credited to Capital Reserve Account as per Accounting Standard -12 and the legal opinion taken by the company. The same was considered as revenue subsidy and credited to profit and loss account in the previous financial year. Consequently subsidies for ₹ 3,27,38,191/- towards Sales tax and ₹ 3,57,73,935/- towards excise duty have been taken to Capital reserve which has resulted in reduction of profits by ₹ 6,85,12,126/-.

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

PARTICULARS	2013-14	2012-13
Other Income:- NOTE NO - 21	(₹)	(₹)
(A) INTEREST INCOME		
From Fixed Deposits	64,88,987	66,09,695
From Customers	25,42,321	18,92,922
From Investment	33,00,888	2,99,999
From Others	17,62,307	23,32,614
(B) DIVIDEND INCOME	29,52,885	48,70,475
(C) NET GAIN ON SALE OF INVESTMENT	5,34,973	29,72,251
(D) OTHER NON- OPERATING INCOME		
Fluctuation in Exchange Rate (Net)	-	19,88,396
Claims Received (Net)	5,60,094	-
Profit on Sale of Fixed Assets	1,50,900	2,05,656
Liabilities No Longer Required & Sundry Credit Balance Written Back	24,45,757	3,87,378
TOTAL II	<u>2,07,39,112</u>	<u>2,15,59,386</u>
III. Total Revenue (I +II)	<u>7,20,78,59,259</u>	<u>6,41,08,71,699</u>
IV. EXPENSES		
Cost of Materials Consumed:- NOTE NO - 22		
RAW MATERIAL		
Inventories at the beginning of the year	32,48,84,464	31,80,59,702
Add:- Purchases during the Year	5,02,07,78,250	4,62,60,25,174
	<u>5,34,56,62,714</u>	<u>4,94,40,84,876</u>
Inventories at the end of the year	30,71,15,866	32,48,84,464
TOTAL A	<u>5,03,85,46,848</u>	<u>4,61,92,00,412</u>
Purchase of Stock-In-Trade	21,41,385	-
TOTAL B	<u>21,41,385</u>	<u>-</u>
Change in Inventories of Finished Goods, Work-in-Progress and Scrap:- NOTE NO - 23		
Inventories at the beginning of the year		
Finished Goods	43,00,70,674	21,34,57,820
Work-In-Progress	16,21,48,921	17,70,22,547
Scrap	26,75,690	9,64,009
	<u>59,48,95,285</u>	<u>39,14,44,376</u>
Inventories at the end of the year		
Finished Goods	21,94,09,601	43,00,70,674
Work-In-Progress	17,37,04,720	16,21,48,921
Scrap	2,46,636	26,75,690
	<u>39,33,60,957</u>	<u>59,48,95,285</u>
TOTAL C	<u>20,15,34,328</u>	<u>(20,34,50,909)</u>
Employee Benefit Expenses:- NOTE NO - 24		
(I) Salaries, Wages and Bonus etc.	24,95,25,969	23,08,38,050
(II) Contribution to Provident & Other Funds	1,90,30,055	1,81,81,176
(III) Staff & Workmen Welfare	64,69,519	60,57,384
TOTAL D	<u>27,50,25,543</u>	<u>25,50,76,610</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

PARTICULARS	2013-14 (₹)	2012-13 (₹)
Finance Costs:- NOTE NO - 25		
(1) INTEREST		
On Term Loan	1,27,40,690	6,32,61,502
On Working Capital Borrowings	10,45,53,269	8,52,57,646
On Loan from - Related Party (HEIL)	3,77,95,671	1,81,56,493
On Foreign Exchange difference to the extent considered as an adjustment to borrowing cost	4,88,76,883	1,50,91,865
On Others	55,21,758	2,52,88,513
	<u>20,94,88,271</u>	<u>20,70,56,019</u>
(2) OTHER BORROWING COST		
Bank Charges	4,56,10,385	3,14,26,962
TOTAL E	<u>25,50,98,656</u>	<u>23,84,82,981</u>
Depreciation	13,37,41,137	12,71,72,502
Other Expenses:- NOTE NO - 26		
MANUFACTURING EXPENSES		
(i) Stores & Spares	11,16,62,501	11,06,42,796
(ii) Packing & Forwarding Expenses (Net)	28,26,76,032	25,33,81,227
(iii) Power & Fuel	40,40,84,109	36,62,66,897
(v) Repairs to Building	1,21,54,117	69,52,883
(vi) Repairs to Machinery	2,66,65,334	2,33,78,557
(vii) Jobs on Contract	16,32,95,206	13,44,48,282
(viii) Freight and Transport	15,65,79,822	11,71,51,031
Increase/(Decrease) in Excise Duty & Cess on Inventories	(3,30,15,889)	2,36,25,348
SELLING AND ADMINISTRATION		
(i) Rent	80,21,394	76,69,511
(ii) Insurance	52,15,198	63,46,220
(iii) Rates & Taxes	41,35,928	43,23,851
(iv) Repairs - Others	47,74,378	44,94,328
(v) Directors Meeting Fees	1,65,000	2,10,000
(vi) Payment to Auditors	4,15,045	2,69,723
(vii) Charity & Donation	8,78,000	8,93,000
(viii) Brokerage & Commission	1,67,38,449	58,59,576
(ix) Liquidated Damages	11,02,788	29,69,121
(x) Loss on Sale of Fixed Assets	4,28,628	4,37,122
(xi) Fluctuation in Exchange Rate (Net)	6,14,91,215	-
(xii) Prior Period Items	3,60,380	-
(xii) Miscellaneous Expenses	9,20,68,408	7,38,22,314
(xiii) Claim Paid (Net)	-	7,48,987
TOTAL F	<u>1,31,98,96,043</u>	<u>1,14,38,90,774</u>

ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS:- NOTE NO - 27

(A) SIGNIFICANT ACCOUNTING POLICIES

1 Components of Hindusthan Urban Infrastructure Limited

The Consolidated Financial Statements represent consolidation of accounts of Hindusthan Urban Infrastructure Limited and its subsidiary company as stated below:

Name of the Subsidiary	Country of Incorporation	Share Holding Percent
Hindusthan Speciality Chemicals Limited	India	100.00%

2 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, and in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956, Accounting Standards notified under the Companies (Accounting Standard) Rules 2006.

3 Principles of Consolidation:

The Consolidated financial statements relate to the Hindusthan Urban Infrastructure Limited with its subsidiary. In the preparation of these consolidated financial statements, investment in subsidiary has been accounted for in accordance with the provisions of Accounting Standard - 21 (Consolidated Financial Statements). The financial statement of the subsidiary company has been drawn up to the same reporting period as of Hindusthan Urban Infrastructure Limited. The Consolidated Financial Statements are prepared on the following basis:

- i. The financial statements of the company and its subsidiary company has been on a line-to-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all the significant intra-group balances and intra-group transactions and also unrealised profits or losses in accordance with Accounting Standard- 21 (Consolidated Financial Statements)
- ii. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements. The financial statements of the subsidiary company is adjusted for the accounting policies followed by the company.
- iii. The difference between the cost to the company of its investment in subsidiaries and its proportionate share in the equity of the investee company at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

4 Revenue Recognition

Revenue is recognized, when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods. Sales is net of taxes, rebate, discount, claims and other non recoverables. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

5 Retirement Benefits

- (i) Expenses and Liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 - Employee Benefits (Revised 2005) issued by the ICAI.
- (ii) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (iii) Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

6 Excise Duty

The excise duty liability in respect of closing inventory of finished goods is provided for and included as part of inventory. The amount of CENVAT credits in respect of materials consumed for sales is deducted from cost of materials consumed. Amount of custom duty paid on raw materials (including in transit) is included in the value thereof.

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

7 Research & Development

Revenue expenditure on Research and Development is charged to the Profit and Loss account in the year in which it is incurred. Capital expenditure is shown as depreciable fixed asset.

8 Tangible Assets

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

9 Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalised.

10 Depreciation and Amortisation

Depreciation is provided on straight line method as follows:-

- (i) On the original cost of fixed assets at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) On increase in value due to revaluation on the basis of remaining useful life as estimated by the valuer, the corresponding amount is directly transferred to General Reserve from Revaluation Reserve.

11 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

12 Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- (c) Non monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

13 Investment

Investments are classified as long term or current based on the Management intention at the time of purchase. Long-term investments are stated at acquisition cost. Provision for diminution in the value of long-term investments are made only if there is a decline is other than temporary phenomenon. Current investments are carried at lower of cost and quoted/fair value, computed category wise.

14 Inventories

Inventories are stated at lower of cost or net realisable value. The cost for the purpose of valuation is computed on the basis of weighted average price in case of Conductors and Cables Division and in case of Insulators Division on the basis of First-in-First out (FIFO). The cost of work-in-progress (other than those lying at third party manufacturing sites which is valued at material cost) and finished goods comprises of raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

15 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

16 Government Grants

Grants received from the government agencies for the specific fixed assets are shown as deduction from the gross value of the asset concerned and thus recognized over the useful life of the depreciable asset by way of reduced depreciation charge. Capital Subsidy/Grants received from the government are considered as Capital Reserve as per Accounting Standard - 12. Revenue grants are recognised as Other Income or deducted in reporting the related expenses where such benefits have been earned by the enterprise and it is certain that ultimate realisability is certain.

17 Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-Tax Act, 1961. Deferred tax as per Accounting Standard -22 , resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

18 Provision and Contingent Liabilities

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

(B) OTHER NOTES TO THE ACCOUNTS

(1) SEGMENT ACCOUNTING

Segment information for the year ending 31st March, 2014

Particulars	Conductor & Cable	Insulators	Unallocated	Total
Revenue	(₹)	(₹)	(₹)	(₹)
External Sales/other income (Net of Excise Duty)	5,98,66,76,268	1,17,70,01,843	4,41,81,148	7,20,78,59,259
	(5,35,34,71,202)	(99,54,53,089)	(6,19,47,408)	(6,41,08,71,699)
Inter-segment	-	-	-	-
	(-)	(-)	(-)	(-)
Total revenue	<u>5,98,66,76,268</u>	<u>1,17,70,01,843</u>	<u>4,41,81,148</u>	<u>7,20,78,59,259</u>
	<u>(5,35,34,71,202)</u>	<u>(99,54,53,089)</u>	<u>(6,19,47,408)</u>	<u>(6,41,08,71,699)</u>
Results				
Segment result	31,38,54,427	(6,66,17,800)	(2,78,45,013)	21,93,91,614
	(58,13,75,027)	(-13,32,37,638)	(18,66,965)	(45,00,04,354)
Interest Income	-	-	1,40,94,503	1,40,94,503
	-	-	(1,11,35,230)	(1,11,35,230)
Finance cost	12,57,08,854	11,02,49,473	1,91,40,329	25,50,98,656
	(12,74,26,844)	(8,96,05,038)	(2,14,51,099)	(23,84,82,981)
Dividend Received	-	-	29,52,885	29,52,885
	-	-	(48,70,475)	(48,70,475)
Profit/(Loss) on sale of Investments (Net)	-	-	5,34,973	5,34,973
	-	-	(29,72,251)	(29,72,251)
Profit/(Loss) before taxation and exceptional items	-	-	-	(1,81,24,681)
	-	-	-	(23,04,99,329)
Add:- Exceptional Items				54,41,301
				0
Less : Provision for taxation (including deferred tax)				1,01,92,611
				(30,98,547)
Profit for the year after Tax				(2,28,75,991)
				(22,74,00,782)
Less: Minority Interest				0
				(44)
Net Profit/ (Loss) for the year				(2,28,75,991)
				(22,74,00,738)
Other Information				
Segment assets	3,38,11,47,266	1,88,16,73,174	83,25,28,592	6,09,53,49,032
	(2,89,02,78,855)	(1,77,81,26,018)	(76,04,11,720)	(5,42,88,16,593)
Segment liabilities	1,66,51,65,821	1,41,45,47,504	14,39,79,671	3,22,36,92,996
	(1,58,24,79,351)	(85,59,57,281)	(17,17,06,186)	(2,61,01,42,818)
Capital expenditure	16,21,75,824	3,57,34,288	3,47,21,470	23,26,31,582
	(16,32,67,735)	(6,59,16,522)	(1,09,97,071)	(24,01,81,328)
Depreciation	2,90,43,165	6,79,39,678	3,67,58,294	1,33,741,137
	(2,86,68,438)	(6,17,45,769)	(3,67,58,295)	(12,71,72,502)

The Company has no other segment which contributes more than 10 % to the company's total revenue or profits.

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	2013-14	2012-13
(2) (1) Contingent liabilities (to the extent not provided for)	(₹)	(₹)
(a) Income Tax demand under appeal	47,37,892	12,77,879
(b) Outstanding Bank Guarantees (Net of Margin Money)	2,44,91,26,966	2,10,25,82,116
(c) Guarantees/Securities given on behalf of third parties	1,91,49,764	1,30,73,096
(d) Excise Duty show cause notices/demands under appeal	3,72,29,794	3,72,29,794
(e) Claims against the Company for Sales/Purchase Tax/MCF & Other under litigation	5,08,27,259	5,09,54,817
(Paid under protest ₹ 19,79,910/- Previous Year ₹ 22,10,909/-)		
(f) Surety Bond given to Custom & Excise/JDFT	3,15,00,000	4,59,00,000
(2) Commitments (to the extent not provided for)		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	32,63,60,430	85,69,676
(b) Other Commitments to be executed and not provided for Sales order to be executed against Government and Private Contracts	5,41,18,38,597	4,50,57,95,000
(3) Sundry creditors includes acceptance	54,61,47,967	51,33,63,731
(4) Sundry Debtors amount Recovered against acceptance	-	4,28,24,440

(3) (A) Trade Payable/ Receivables

Balance confirmation letters were sent to the respective parties, but no confirmation from the parties were received till the signing of balance sheet.

(B) Micro, Small & Medium Enterprises & Development Act, 2006

The Company has identified Micro, Small & Medium Enterprises wherever confirmation received from them and confirms that ₹ 49,20,937/- (Previous year ₹ 1,98,16,929/-) payable to small scale industrial undertakings and the same are not outstanding for more than 30 days.

(4) Foreign Currency Exposures

- (a) Foreign currency loan includes ₹ 27,20,42,787/- (Previous Year ₹ 31,73,22,757/-) related to Foreign Currency Non Resident Demand Loan (FCNR-DL) which is getting due for renewal in the months of April 2014. The Loan amount is without considering the benefit of forward contract. The benefit of forward contract is ₹ 1,01,05,669/- (Previous year ₹ 8,76,574/-) has been shown as Foreign Currency Receivable account under Short-Term Loans & Advances Others.
- (b) Foreign currency exposures those are not hedged:-

	31.03.2014	31.03.2013
Particulars	(₹)	(₹)
Foreign Currency Payables	1,11,45,05,279	51,74,41,042
Foreign Currency Receivables	65,81,49,701	11,78,52,472

(5) Employee Benefits

Disclosure as required by Accounting Standard AS-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows :

Net expenses recognized during the year 2013-14

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2013-14	2012-13	2013-14	2012-13
Current Service Cost	15,12,764	17,24,137	38,38,430	35,73,563
Interest Cost	8,60,625	7,90,719	53,88,045	48,92,895
Expected return on plan assets	-	-	-	-
Actuarial Losses / (Gains)	(22,91,774)	(12,20,384)	(40,52,963)	13,96,574
Past Service Cost	-	-	-	-
Net benefit expenses	81,615	12,94,472	51,73,512	98,63,032

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2014

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	(₹)		(₹)	
	2013-14	2012-13	2013-14	2012-13
Present Value of Defined Benefit Obligation as on 31.3.2014	1,03,18,520	1,07,63,005	6,82,94,576	6,71,90,693
Fair Value of plan assets	-	-	-	-
Funded status - Deficit	-	-	-	-
Unrecognised Past Service Costs	-	-	-	-
Net liabilities recognized in Balance Sheet	(1,03,18,520)	(1,07,63,005)	(6,82,94,576)	(6,71,90,693)

Change in the obligation over the year ended 31st March, 2014

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	(₹)		(₹)	
	2013-14	2012-13	2013-14	2012-13
Present Value of Defined Benefit Obligation as on 1st April, 2013	1,07,63,005	98,45,792	6,71,90,693	6,00,24,503
Interest Cost	8,60,625	7,90,719	53,88,045	48,92,895
Past Service Cost	-	-	-	-
Current Service Cost	15,12,764	17,24,137	38,38,430	35,73,563
Benefits Paid	(5,26,100)	(3,77,259)	(40,69,629)	(26,96,842)
Actuarial (Gain) / loss on obligation	(22,91,774)	(12,20,384)	(40,52,963)	13,96,574
Present Value of Defined Benefit Obligation as on 31st March, 2014	1,03,18,520	1,07,63,005	6,82,94,576	6,71,90,693

Change in fair value of Plan Assets

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	(₹)		(₹)	
	2013-14	2012-13	2013-14	2012-13
Fair Value of plan assets as on 01.04.2013	-	-	-	-
Actual return on plan assets	-	-	-	-
Contribution	-	-	-	-
Benefits paid	-	-	-	-
Fair Value of plan assets as on 31.03.2014	-	-	-	-

Major actuarial assumption

	Segment	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
		(₹)		(₹)	
		2013-14	2012-13	2013-14	2012-13
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	Conductor & Cable	8.00 %	8.00 %	8.00 %	8.00 %
Salary increase	Insulators	9.25 %	8.10 %	9.25 %	8.10 %
(Taking into account inflation, seniority, promotion and other relevant factors)	Conductor & Cable	4.00 %	4.00 %	4.00 %	4.00 %
Expected rate of return on assets	Insulators	5.00 %	5.00 %	5.00 %	5.00 %

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

Provident Fund & Employees' State Insurance

The Company makes contribution to statutory Provident Fund & Employees' State Insurance in accordance with Employees' Provident Fund and Miscellaneous Provision Act, 1952 & Employees' State Insurance Act, 1948. This is post employment benefit and is in the nature of defined contribution plan. Contribution made by the Company during the year is ₹ 1,90,30,055/- (Previous Year ₹1,81,81,176/-).

(6) Related party disclosures, as required by AS-18 "Related Party Disclosures" are given below :

List of related parties

Parties which control the company :

Carbo Industrial Holdings Ltd.
Dhanavidhi Investments Ltd.
Hindusthan Consultancy & Services Ltd.
Pradyumna Steels Ltd.
Promain Ltd.

Related parties in broader sense of the term :

Hindusthan Engineering & Industries Ltd. (HEIL)
Jai Commercial Co.Ltd.,
Mody Investment & Mfg.Co.Pvt.Ltd.
Adarsh Commercial Co.Ltd.
General Engineering Works
Mody Institute of Education & Research
Smt. Nirmala Bhuvania (W/o Managing Director)
Smt Sanchita Mody, Advisor - Corporate Planning

Directors / Key Management Personnel :

Shri R.P.Mody, Promotor & acting in concert
Shri V.A.Mody, Promotor Director
Shri S.S.Bhuvania, Managing Director

The following transactions were carried out with the related parties in the ordinary course of business.

With parties other than Directors / Key Management personnel

	2013-14 Amount (₹)	2012-13 Amount (₹)
Purchases of goods	11,025	-
Sale of goods	12,42,456	-
Sale of capital goods	1,43,104	-
Purchases of capital goods	-	1,28,379
Rendering or receiving of services	1,51,54,562	1,58,78,123
Interest Received	-	-
Interest Paid	3,77,95,671	1,81,56,492
Loan Amount - Received	15,70,50,000	25,59,00,000
- Given		
Guarantees and collaterals by the Company	1,91,49,764	1,30,73,096
Guarantees and collaterals for the Company	-	-
Outstanding - Receivable	-	16,30,071
Outstanding - Payable	50,92,35,907	31,81,69,803
Investment in Equity Shares	4,00,00,700	1,00,16,812
With Directors / Key Management Personnel :		
Remuneration / Sitting Fee	83,06,417	76,50,417

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

- (7) Pre-operative expenditure which has been capitalised and that carried forward under capital work in progress is as under :

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
Employee Benefit Expense	2,08,94,621	59,62,500
Other Expenses	<u>7,92,02,170</u>	<u>5,53,85,418</u>
	10,00,96,791	6,13,47,918
Add : Brought forward from Previous year	2,41,86,392	3,95,97,627
	12,42,83,183	10,09,45,545
Less : Capitalised as part of		
Plant & Machinery	1,90,93,421	7,35,00,580
Buildings	-	32,56,863
Others	<u>20,223</u>	<u>1,710</u>
Carried forward under Capital work in progress	<u>10,51,69,539</u>	<u>2,41,86,392</u>

- (8) Tax Expenses:-

(A) CURRENT TAX			
Current tax for the Year	-		4,64,55,012
Add:- For earlier years Short/ (Excess) Provision	(65,259)		1,38,535
LESS:- MAT Credit entitlement	-		46,175,000
NET CURRENT TAX	<u>(65,259)</u>		<u>4,18,547</u>
(B) DEFERRED TAX	Opening As At 01.04.2013	Charge/(Credit) During the Year	Closing As At 31.03.2014
Depreciation	25,55,40,000	(2,10,14,000)	23,45,26,000
Provision for Gratuity / Leave Encashment	(2,52,92,000)	10,00,000	(2,42,92,000)
Others	<u>(3,42,95,000)</u>	3,02,71,870	<u>(40,23,130)</u>
	<u>19,32,73,000</u>	<u>1,02,57,870</u>	<u>20,62,10,870</u>

- (9) Earning Per Share:-

Earnings per share (EPS) The numerators and denominators used to calculate Basic and Diluted Earnings per share :

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
Profit/ (Loss) attributable to the Equity Shareholders		
Before extraordinary items (A)	(2,28,75,991)	22,74,00,738
After extra ordinary items	(2,28,75,991)	22,74,00,738
Basic/weighted average number of equity shares outstanding during the year (B)	14,42,885	14,42,885
Nominal value of Equity Share (Rs.)	10	10
Basic/Diluted EPS (Rs.)		
On Profit before extra ordinary items	(15.85)	157.60
On Profit after extra ordinary items	(15.85)	157.60

- (10) Other Disclosures to Profit and Loss Statement:-

	2013-14 (₹)	2012-13 (₹)
(1) NET GAIN/(LOSS) ON FOREIGN EXCHANGE		
SUNDRY DEBTORS		
For Export	(2,94,42,540)	(2,94,42,540)
SUNDRY CREDITORS		
For Import	17,97,873	17,97,873
For FCLR LOAN	(3,38,46,548)	(3,38,46,548)
For Machinery	-	-
	<u>(6,14,91,215)</u>	<u>(6,14,91,215)</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

				2013-14	2012-13		
				(₹)	(₹)		
(2)	PAYMENT TO AUDITORS						
	- Audit fees			1,87,360	1,68,000		
	- Out of Pocket Expenses			31,685	18,723		
	- Tax Audit			25,000	25,000		
	- For Certification			1,71,000	58,000		
				<u>4,15,045</u>	<u>2,69,723</u>		
(3)	PRIOR PERIOD ITEMS			3,60,380			
	Preliminary Expenses			<u>3,60,380</u>		-	
(4)	(I) RAW MATERIAL CONSUMPTION						
	PARTICULARS			2013-14	2012-13		
	Aluminium			3,48,83,47,227	3,27,37,15,547		
	Steel			53,29,48,592	44,99,88,450		
	PVC Compound			47,85,20,883	42,01,58,027		
	Copper			22,07,85,628	17,57,53,072		
	Zinc			1,23,14,475	95,28,880		
	Clay/Powder			13,10,39,207	11,51,54,877		
	Metal Parts			15,17,80,849	14,68,08,560		
	Others			2,28,09,987	2,80,92,999		
	TOTAL			<u>5,03,85,46,848</u>	<u>4,61,92,00,412</u>		
	(II) FINISHED GOODS						
	PARTICULARS	SALES VALUE	CLOSING	OPENING	SALES	CLOSING	OPENING
		2013-14	INVENTORY	INVENTORY	VALUE	INVENTORY	INVENTORY
			31.03.2014	01.04.2013	2012-13	31.03.2013	01.04.2012
	Conductors, Strips	6,47,62,91,964	16,75,12,710	36,66,52,861	5,80,97,82,377	36,66,52,861	15,27,27,614
	High Tension Insulators	1,28,92,94,704	5,18,96,891	6,34,17,813	1,08,22,74,985	6,34,17,813	6,07,30,206
	Electrical Energy	2,65,98,787			4,18,69,976		
	Trading-Conductor	25,17,900					
	Accessaries						
	Miscellaneous	6,67,71,995	2,46,636	2,675,690	5,49,06,144	26,75,690	9,64,009
	TOTAL	<u>7,86,14,75,350</u>	<u>21,96,56,237</u>	<u>43,27,46,364</u>	<u>6,98,88,33,482</u>	<u>43,27,46,364</u>	<u>21,44,21,829</u>
	(III) WORK IN PROGRESS						
	PARTICULARS			WIP	WIP		
				(31.03.2014)	(31.03.2013)		
	Aluminium			1,67,86,870	1,93,30,095		
	Steel			39,07,436	27,09,651		
	PVC Compound			13,43,904	32,12,046		
	Copper			4,30,661	18,31,489		
	Insulators			15,05,95,412	13,42,34,201		
	Others			6,40,437	8,31,439		
	TOTAL			<u>17,37,04,720</u>	<u>16,21,48,921</u>		
(5)	AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED						
	PARTICULARS			2013-14	2012-13		
				(₹)	(₹)		
	Brokerage & Commission			2,45,228	-		
	EPS Employer Contribution			-	7,401		
	PF Employer Contribution			-	2,959		
	Sundry Debtors Credit Balance Written off			4,62,271	-		
	Sundry Credit Balance Written off			7,32,840	-		

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

(5) AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED					
Carriage Inwards/ Outward			2,92,575		-
Rates & Taxes (Water Tax)			-		2,17,360
Entry Tax			4,80,978		-
Provision for Bonus and Others etc.			2,31,865		1,59,658
TOTAL			24,45,757		3,87,378
(6) VALUE OF IMPORTS CALCULATED ON C.I.F BASIS					
Raw Material			76,31,33,260		28,87,36,656
Components & Spare Parts			53,79,401		1,76,73,938
Capital Goods			58,555		22,77,488
(7) EXPENDITURE IN FOREIGN CURRENCY					
Travelling			41,42,089		40,01,989
Interest			5,11,77,072		1,97,67,494
Commission			98,45,240		17,18,850
Others			44,37,654		31,12,047
(8) VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH %					
IMPORTED			2013-14		2012-13
			(₹)		(₹)
Raw Materials	15.14%	76,30,15,429		6.75%	31,16,24,742
Stores and Spare Parts	5.99%	68,72,154		8.40%	92,94,604
INDIGENOUS					
Raw Materials	84.86%	4,27,55,31,418		93.15%	4,30,75,75,670
Stores and Spare Parts	94.01%	10,77,90,347		91.60%	10,13,48,192
(9) EARNINGS IN FOREIGN EXCHANGE					
Exports (F.O.B.)		49,21,66,417			69,84,61,228
Freight & Insurance on Export		1,84,88,584			4,44,44,174
Interest Received		10,16,514			-
Earning by Sale under Global Tender in India		76,00,16,018			-
(10) PROPOSED DIVIDEND					
Proposed Dividend		14,42,885			28,85,770
Tax on Dividend		2,45,218			4,68,144
		<u>16,88,103</u>			<u>33,53,914</u>

(11) Previous year figures are re-grouped or re-arranged wherever required, to make them comparable.

Financial Information of Subsidiary Company

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8 February, 2011 and 21 February, 2011 respectively has granted a general exemption from the compliance with section 212 of the Companies Act, 1956, subject to fulfilment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to exemption.

Necessary information relating to the subsidiary is given below:

Name of the Subsidiary Company	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Turnover	Profit/(loss) before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1. Hindusthan Speciality Chemicals Limited	5,00,00,000	26,78,669	5,43,30,697	5,43,30,697	0	(975,688)	(190,130)	(7,85,558)	0

NOTICE

NOTICE is hereby given that the Fifty-Fourth Annual General Meeting of the Shareholders of HINDUSTHAN URBAN INFRASTRUCTURE LIMITED will be held on **Tuesday, the 2nd September, 2014 at 09.30 A.M.** at the Registered Office of the Company at Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi – 110001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014, including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a director in place of Shri V. A. Mody (holding DIN No. 00193192), who retires by rotation and being eligible offers himself for reappointment.
4. To re-appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the fourth consecutive AGM and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:
“RESOLVED that, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s K. M. Agarwal & Co., Chartered Accountants (ICAI Firm Registration No.: 853N) , be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined in consultation with the Auditors.”

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Section 143, 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules framed thereunder M/s. Rajratan & Co., Chartered Accountants (ICAI Firm Registration No.: 307101E), be and are hereby appointed as Branch Auditors of the Company to hold office as such from the conclusion of this AGM to the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) to audit the accounts in respect of Guwahati Branch of the Company and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined in consultation with the Branch Auditors.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there-under, read with Schedule IV of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Shri Om Prakash Shroff (holding DIN No. 00286927)**, Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019, not liable to retire by rotation.”
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the remuneration of Rs. 35,000/- plus service tax as applicable and reimbursement of out of pocket expenses as approved by the Board of Directors of the Company, to be paid to M/s. J. K. Kabra & Co., Cost Accountants, for the conduct of the audit of the cost accounting records of the Company, as may be prescribed by the Central Government, for the financial year ending 31st March, 2015, be and is hereby ratified and confirmed”.

By order of the Board
For Hindusthan Urban Infrastructure Limited

M L Birmiwala
Sr. VP Finance & Secretary
ICSI Membership No. 1037
10491A, Mohan Park, Navin Shahdara,
Delhi - 110032

New Delhi
25th July, 2014

NOTICE (Contd.)

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Corporate members are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold Shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold Shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
7. The Register of Members and the Share Transfer books of the Company will remain closed from **Wednesday, 27th August, 2014 to Tuesday, 2nd September, 2014** (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend.
8. Dividend of Re. 1 per share has been recommended by the Board of Directors for the FY year ended 2013-14 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on or before 30th September, 2014.
9. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
10. In terms of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2009-10, as on the date of the 53rd Annual General Meeting (AGM) held on 30th August, 2013, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.thehindusthangroup.co.in.
11. Members are requested to intimate the Registrar and Share Transfer Agents of the Company – Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020, immediately of any change in their address in respect of Equity Shares held in physical mode and to their DPs in respect of Equity Shares held in dematerialized form.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. Members desirous of having any information regarding Accounts of the Company are requested to address their queries to the Sr. VP Finance & Secretary at the Company's Registered Office at 7th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001 or e-mail the queries to huil@thehindusthangroup.co.in with "Query on Accounts" in the subject line, at least seven days before the date of the meeting, so that requisite information is made available at the meeting.
14. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered Office on all working days of the Company between 09.00 a.m. and 04.00 p.m. upto the date of the Annual General Meeting.

NOTICE (Contd.)

15. In terms of Section 108 of Companies, Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is providing the facility to its members holding shares in dematerialized or physical form as on cut-off date, being Friday, 25th July, 2014 to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. Details of the process and manner of e-voting along with the User ID and Password are being sent to all the Members along with the notice.

The instructions and other information relating to E-voting are as under:

1. User-Id and Password is required for e-voting
 - i. In case of shareholders who have not registered their e-mail addresses, their User-Id and Password is separately sent to them along with the notice of the Annual General Meeting printed and other documents accompanying the same.
 - ii. In case of shareholders who have registered their e-mail addresses, their User-Id and Password is specified in the email sent to them on behalf of the Company by NSDL. The Softcopy of the Notice of Annual General Meeting and other documents accompanying the same have also been sent through email.
2. If you are already registered with NSDL for e-voting then you can use your existing user-id and password for casting your vote.
3. Open internet browser by typing the following URL: [https:// www.evoting.nsdl.com](https://www.evoting.nsdl.com)
4. Click on "Shareholder - Login".
5. Mention the user-id and password noted in step 1 above. Click login.
6. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note your new password. It is strongly recommended not to share your password with any other person and take utmost case to keep your password confidential.
7. Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
8. Select "EVEN" (E-Voting Event Number) of Hindusthan Urban Infrastructure Limited for casting your vote. Kindly note that vote once cast cannot be modified.
9. Now you are ready for "e-Voting" as "Cast Vote" page opens.
10. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
11. Upon confirmation, the message 'Vote cast successfully' will be displayed. Kindly note that vote once cast cannot be modified.
12. 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: anjaliyadav.associates@gmail.com with a copy marked to evoting@nsdl.co.in.
13. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.co.
14. The e-voting period commences on Monday 25th August, 2014 at 9:00 am and ends on 27th August, 2014 at 5:30 pm. The e-voting module will be disabled by NSDL for voting thereafter. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date (record date), being 25th July, 2014, may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not vote by way of poll, if held at the Meeting.
15. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date (record date), being Friday, 25th July, 2014.
16. The Board of Directors has appointed Ms. Anjali Yadav, Proprietor of M/s Anjali Yadav & Associates, Company Secretaries (Membership Number. 6628), as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
17. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
18. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

NOTICE (Contd.)

19. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.thehindusthangroup.co.in) and on Service Provider's website ([https:// www.evoting.nsdl.com](https://www.evoting.nsdl.com)) within two (2) days of passing of the resolutions and communication of the same to the Delhi Stock Exchange Limited.
16. Members / Proxies are requested to bring the attendance slip duly filled in for attending the meeting.
17. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy to the meeting.
18. The Annual Report for FY 2013-14 of the Company circulated to the Members is available on the Company's website at www.thehindusthangroup.co.in
19. Electronic copy of the Annual Report for FY 2013-14 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2013-14 are being sent in the permitted mode.
20. Electronic copy of the Notice of the 54th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 54th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
21. Members may also note that the Notice of the 54th Annual General Meeting and the Annual Report for FY 2013-14 will also be available on the Company's website www.thehindusthangroup.co.in for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: huil@thehindusthangroup.co.in
22. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their de-mat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
23. Details of Directors seeking appointment / reappointment at the ensuing Annual General Meeting (Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges).

The details for all the Directors proposed to be appointed / reappointed at the ensuing Annual General Meeting is contained in the Explanatory Statement against Item Nos. 5 to 7 except for Shri Vikram Aditya Mody whose details are given below.

Shri V.A. Mody is a Commerce Graduate and having over twenty eight years experience in the trade and commerce.

Shri V.A. Mody is a member of the Audit Committee of the Board of Directors of the Company. He does not hold any equity shares of the company.

By order of the Board
For Hindusthan Urban Infrastructure Limited

M L Birniwala
Sr. VP Finance & Secretary
ICSI Membership No. 1037
10491A, Mohan Park, Navin Shahdara,
Delhi - 110032

New Delhi
25th July, 2014

NOTICE (Contd.)

I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

The members in the Annual General Meeting held on 30.08.2013, appointed M/s. Rajratan & Co., Chartered Accountants, as Branch Auditors until the conclusion of this Annual General Meeting.

It is proposed to reappoint them as Branch Auditors for Guwahati Branch. M/s. Rajratan & Co., Chartered Accountants have confirmed their willingness to act as the Branch Auditors, if appointed.

The Board of Directors recommends the resolution for your approval.

None of the directors is concerned or interested in this resolution.

Item No. 6

Shri. Om Prakash Shroff is a Non-Executive Independent Director of the Company. He is a Fellow Member of The Institute of Chartered Accountants of India and is a Sr. Partner of M/s. B.K. Shroff & Co., Chartered Accountants. He has 48 years experience in Accounting and Audit profession.

Shri Shroff is the Chairman of Audit Committee and Nomination & Remuneration Committee and member of CSR Committee of the Company and also the Chairman of the Audit Committee of Hindusthan Speciality Chemicals Limited, the Wholly Owned Subsidiary of the company.

Shri Shroff does not hold any equity shares of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Shroff being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received along with deposit of requisite amount from a member proposing Shri Shroff as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Shroff fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder as also under the Listing agreement for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Shroff as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Shroff as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Shroff as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Shroff, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange. The Board commends the Resolution set out at Item No. 6 of the Notice for your approval.

Item No. 7

Section 148 inter alia provides that the Central Government may direct audit of cost records of class of Companies as may be prescribed. In pursuance of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as cost auditor, on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board and ratified by the shareholders.

On recommendation of the Audit Committee at its meeting held on 27th May, 2014, the Board has considered and approved appointment of M/s. J. K. Kabra & Co., Cost Accountants, for the conduct of the audit of the cost accounting records of the Company, in case the same is prescribed, at a remuneration of Rs. 35,000/- plus service tax as applicable and reimbursement of out of pocket expenses for the financial year ending 31st March, 2015.

NOTICE (Contd.)

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Your Directors recommend the resolution at Item No. 7 for your approval and ratification in terms of Section 148 of the Companies Act, 2013.

**By order of the Board
For Hindusthan Urban Infrastructure Limited**

M L Birniwala
Sr. VP Finance & Secretary
ICSI Membership No. 1037
10491A, Mohan Park, Navin Shahdara,
Delhi - 110032

New Delhi
25th July, 2014

