

ANNUAL REPORT 2014-2015



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



HINDUSTHAN URBAN INFRASTRUCTURE LTD

DIRECTORS

Mr. Rajendra Prasad Mody	Chairman
Mr. Vikram Aditya Mody	Director
Mr. Subhash Madan	Director
Mr. Om Prakash Shroff	Independent Director
Ms. Suman Lata Saraswat	Independent Director
Mr. Ramawatar Joshi	Independent Director
Mr. Mool Chand Gauba	Independent Director

VICE CHAIRMAN AND MANAGING DIRECTOR

Mr. Shyam Sunder Bhuwania

KEY MANAGERIAL PERSONNEL (KMP)

Mr. M.L.Birmiwala	Sr. V.P-Finance & Secretary
Mr. Deepak Kejriwal	Chief Financial Officer

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

Bhubaneswar	(Odisha)
Faridabad	(Haryana)
Gwalior	(MadhyaPradesh)
Guwahati	(Assam)
Mandideep	(MadhyaPradesh)

LISTING OF EQUITY SHARES

The Delhi Stock Exchange 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.

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BOARDS' REPORT

To

The Shareholders,

Your Directors present their fifty-fifth Annual Report and Audited Accounts of the Company for the year ended 31.03.2015.

The operating results of the company for the year are as follows:

	(₹ '000)	
	2014-2015	2013-2014
The profit for the year after meeting all expenses but before providing for Gratuity, Depreciation, Taxation and extra-ordinary income is	1,41,912	1,23,137
from which have to be deducted:		
Gratuity according to statutory requirement	1,333	1,104
Depreciation for the current year	91,744	1,33,741
Provision for Taxation	21,171	10,383
Provision for Dividend	1,443	1,443
Tax on Dividend	294	267
Leaving a balance of	25,927	(23,801)
To which have to be added:		
The balance brought forward from the previous year	-	1,735
Making a total of	25,927	(22,066)
Out of which transferred from/(to) General Reserve	24,002	22,066
Leaving a balance to be carried forward to next year's account	1,925	-

During the year under review, the gross revenue of the company has increased by 5.93% at ₹ 841.92 Crores as compared to ₹ 791.98 Crores in 2013-14. The profit before depreciation has increased from ₹ 1166.00 Lacs to ₹ 1405.78 Lacs on account of improvement in working of conductor division.

Your Directors have recommended a dividend of ₹ 1/- per equity share for the financial year ended 31st March, 2015 amounting to ₹ 16,88,104/- (inclusive of tax of ₹ 2,45,219/-). The dividend payout is subjected 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 21.09.2015 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.

Your Directors are pleased to inform that the company's plan to commence the manufacturing activities of aluminum wire rod and conductors at Khurda, Near Bhubaneswar in the state of Odisha has progressed well during the year. After receipt of various approvals from the statutory bodies, trial run has taken place and commercial production will commence shortly.

The Company has taken steps to develop its land at Bangalore into residential apartments and has appointed various senior officials needed for implementation of the project. Besides other approvals, application has been made to the Bangalore Development Authority (BDA) for DP approval which is under process. The residential project will be implemented after getting all statutory approvals.

The operations of cable at Faridabad works have become uneconomical because of stiff competition and the locational disadvantages and as such production of cable has been discontinued in September, 2014.

Hindusthan Speciality Chemicals Limited (HSCL), wholly owned subsidiary company has taken effective steps to start the greenfield facilities for manufacturing of Epoxy Resin at Jhagadia Distt. Bharuch in the state of Gujarat. HSCL's green products will find application in civil construction, coatings, electrical & electronics, composites, laminations, adhesives, tooling and other niche end-use segments. Technical Collaboration, Basic Engineering and Detailed Engineering for the Green Field project are completed. Application for all required approvals with respect to Site Plan, Environmental Clearance, Consent to Establish and others have been submitted to concerned authorities and awaiting their final approval. The target for commencement of commercial production is April, 2017. HSCL have started their Seed marketing activity by importing quality Speciality ER products from their partners outside India and also commissioning a R&D oriented small scale manufacturing facility in Taloja, Mumbai, to develop and produce Speciality Formulated ER products. Your company has invested ₹ 38.25 Crores till 31st March, 2015 by way of equity capital in HSCL.

BOARDS' REPORT (Contd.)

The availability of our prime raw material for cable & conductor division i.e. aluminum remained satisfactory. However there were fluctuations of prices of aluminum in the domestic as well as International markets.

The availability of power improved except Faridabad and Mandideep Works. The company has been able to keep the factories running with the help of captive power generating capacity.

There has been slow down in the issue of new tenders by Power Grid during the year which has been picked up recently. Efforts are being made to secure more orders by participating in larger number of tenders which are likely to be finalised shortly.

During the year the company has successfully executed export orders (including sale under global tenders in India) worth ₹ 374.27 Crores approximately as compared to ₹ 125.22 Crores during the financial year 2013-14. We are continuously striving to increase our export order book and add more markets.

The company has taken the approval of the shareholders through postal ballot for transfer of three conductors units to Hindusthan Vidyut Products Limited (HVPL), a wholly owned subsidiary company as a going concern on Slump sale basis for which the Business Transfer Agreement is yet to be executed.

Consolidated Financial Statement

The consolidated financial statements prepared in accordance with the Companies Act, 2013 and Accounting Standard (AS) - 21 are attached with the Annual Report.

Management Discussion and Analysis Report:

As required under Clause 49 of the Listing Agreements with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

Corporate Governance

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) The selected accounting policies have been applied consistently and the judgments 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 of the company for that period;
- c) 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;
- d) The annual accounts have been prepared on a going concern basis;
- e) Internal Financial Controls laid down in the company are adequate and were operating effectively.
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Directors and Key Managerial Personnel

Changes in Board of Directors and other Key Managerial Personnel

Mr. Suman Jyoti Khaitan, who had joined the Board in October, 2002, resigned from the Board as an Independent Director due to his pre-occupations w.e.f from 18.06.2014. The Board of Directors placed on record its appreciation for the valuable advice and guidance provided by Mr. Khaitan during his long tenure with the Company.

During the year under review, Mr. Deepak Kejriwal was appointed as the Chief Financial Officer (CFO) as per the provisions of the Companies Act, 2013 w.e.f. from 01.08.2014.

Ms. Suman Lata Saraswat has been appointed on the Board as an Independent Director at the Annual General Meeting held on 02.09.2014 for five consecutive years up to 31.03.2019, with this appointment, your company has complied with the requirement of having a woman Director on its Board as per the requirement of the Companies Act, 2013 and the Listing Agreement.

Retirement by rotation

Mr. Rajendra Prasad Mody and Mr. Subhash Madan will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

BOARDS' REPORT (Contd.)

Independent Directors

Mr. Mool Chand Gauba was appointed as an Additional Director on the Board of the Company effective from 24.02.2015, who is proposed to be appointed as Independent Director. He possess appropriate balance of skills, expertise and knowledge and is qualified for appointment as Independent Director.

Mr. Ramawatar Joshi was appointed as an Additional Director on the Board of the Company effective from 24.02.2015, who is proposed to be appointed as Independent Director. He possess appropriate balance of skills, expertise and knowledge and is qualified for appointment as Independent Director.

Your Directors recommend the appointment of Mr. Mool Chand Gauba and Mr. Ramawatar Joshi as Independent Directors.

Declaration u/s 149(6) of the Act

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Auditors

i) Statutory Auditors

M/s. K. M. Agarwal & Co., Chartered Accountants (Firm Registration No. 853N) and M/s. Rajratan & Co., Chartered Accountants (Firm Registration No. 307101E) for Guwahati Branch have been appointed as statutory auditors of the company at the last Annual General Meeting held on 02.09.2014 for a period of four years subject to ratification by members at every subsequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting.

There are no qualification, reservation, or adverse remarks or disclaimer in the Auditors Report to the members on the Annual Financial Statements for the year ended 31.03.2015.

ii) Cost Auditor

M/s. J.K Kabra & Co., Cost Accountants were appointed as Cost Auditors for auditing the cost accounts of your Company for the year ending 31st March, 2016 by the Board of Directors. The Cost Audit Report for the year 2013-14 has been filed under XBRL mode within the due date of filing.

iii) Secretarial Auditor

The Board has appointed Mr. Amit Kumar, Company Secretary in practice to conduct the Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31.03.2015 is annexed herewith marked as Annexure-A to this report.

Observation of Secretarial Auditor is as follows:

As per the explanations and information furnished to us by the officers and agents of the Company for not following the Secretarial Standards issued by The Institute of Company Secretaries of India citing reasons as it is not mandatory on the Company.

The Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) (together referred to as the Secretarial Standards), as approved by the Central Government, have been issued by the Institute of Company Secretaries of India (ICSI) under the provisions of Section 118(10) of the Companies Act, 2013 (the Act), vide ICSI Notification No. 1 (SS) of 2015 dated 23rd April, 2015 and published in the Gazette of India Extraordinary Part III-Section 4. These Secretarial Standards shall come into force w.e.f. 1st July 2015. Accordingly these standards will be followed by the company from 1st July, 2015.

iv) Internal Auditors

M/s. M.L Garg & Co., Chartered Accountants performs the duties of Internal Auditors of the Company and their report are reviewed by the audit committee from time to time.

Share Capital

The paid up Equity Share Capital as on 31.03.2015 was ₹ 1,44,28,850. During the year under review the company has not issued any shares capital with differential voting rights, sweat equity or ESOP nor provided any money to the employees or trusts for purchase of its own shares.

Listing with Stock Exchanges

During the year under review, The Company has received letter from Delhi Stock Exchange ("DSE") where the securities of the Company are listed advising the Company to give its consent for recommending it to the Dissemination Board ("DB") of BSE Limited ("BSE"). The Company has given its consent to DSE to recommend to the Dissemination Board (DB). As per intimation of

BOARDS' REPORT (Contd.)

Delhi Stock Exchange, there is no requirement to pay the annual listing fee for the financial year 2015-16. Annual Custody/Issuer fee has been paid to NSDL and CDSL, the depositories where the shares of the company are dematerialized.

Board Meetings

Five meeting of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance of this Annual Report.

Material changes and commitments

No material changes or commitments have occurred between the end of the financial year to which the financial statements relate and the date of this report, affecting the financial position of the Company.

Annual Evaluation of Board and Directors

As required under the Act and the Listing Agreement, an evaluation of the performance of the Independent Directors was carried out by the Board of Directors during the year, based on the criteria laid down by the Nomination and Remuneration Committee. On an overall assessment, it was found that all the Independent Directors have given a good account of themselves. The Board concluded that the Independent Directors individually and collectively were well qualified and their contributions were in the interest of the Company.

The Independent Directors in a separate meeting held on 20.03.2015 reviewed and evaluated the performance of Non-Independent Directors, Board as a whole and the performance of the Chairman of the Company.

Keeping the requirements under the Act and the Listing Agreement, the Independent Directors laid down broad areas for evaluation. After detailed discussion, it was concluded that the performance of the Board collectively and the Directors individually on all counts of evaluation were appreciable.

The performance of the Chairman and other Executive Directors was evaluated by Independent Directors for leadership and direction to the Company judging as per the parameters of the evaluation criteria and it was noted that their performance was satisfactory. It was further noted that the Chairman took proper initiative in policy decisions making with the senior executives and Board.

Subsidiary Companies

The Company has a non-material wholly owned subsidiary, Hindusthan Speciality Chemicals Limited (HSCL).

During the year under review, Hindusthan Vidyut Products Limited (HVPL) a non-material wholly owned subsidiary company was incorporated on 12.08.2014, which is not carrying on any operations presently.

There has been no change in relationship of any subsidiary company during the year.

A report on the performance and financial position of each of the subsidiaries as per the Companies Act, 2013 is provided in the consolidated financial statement and hence not repeated here for the sake of brevity. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link:

http://www.hindusthanurban.com/pdf/policy/Policy%20for%20determining%20material%20subsidiaries_HUIL.PDF

Directors Appointment and Remuneration

Appointment of Directors on the Board of the Company is based on the recommendations of the Nomination & Remuneration Committee. The committee identifies and recommends to the Board, persons for appointment on the Board, after considering the necessary and desirable competencies. The committee takes into account positive attributes like integrity, maturity, judgement, leadership position, time and willingness, financial acumen, management experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, etc.

In case of Independent Directors (IDs) they should fulfill the criteria of independence as per the Act and Clause 49 of the Listing Agreement in addition to the general criteria stated above. It is ensured that a person to be appointed as director has not suffered any disqualification under the Act or any other law to hold such an office.

The Directors of the Company are paid remuneration as per the Remuneration Policy of the Company, the gist of which is given under the heading `Remuneration Policy' herein below. The details of remuneration paid to the directors during the year 2014-15 are given in Form MGT-9 annexed hereto.

REMUNERATION POLICY

The Board of Directors in its meeting held on 24.02.2015 laid down a Remuneration Policy as recommended by the Nomination and Remuneration Committee relating to remuneration of the Directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company. The Remuneration Policy is in accordance with Section 178 of the Act and the Rules made thereunder. The salient features of the Policy are given below:

BOARDS' REPORT (Contd.)

i. Guiding principle

The guiding principle of the Policy is that the remuneration and other terms of employment should effectively help in attracting and retaining committed and competent personnel.

ii. Directors

Non-executive directors are paid remuneration in the form of sitting fees for attending Board/ Committee meetings as fixed by the Board from time to time subject to statutory provisions. Presently sitting fee is ₹ 10,000 per Board meeting and Committee meeting.

Remuneration of Managing Director is fixed by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, subject to the approval of the shareholders and other authorities, if required. The Nomination and Remuneration Committee, while recommending the remuneration, takes into account pay and employment conditions in the industry, merit and seniority of the person and paying capacity of the Company. The remuneration which comprises of salary, perquisites, performance based reward and retirement benefits as per Company Rules is subject to the limits laid down under the Act.

iii. Key Managerial Personnel (KMP)

Appointment and cessation of service of KMP are subject to the approval of the Nomination and Remuneration Committee and Board of Directors.

iv. Other employees

The remuneration of other employees is fixed from time to time as per the guiding principle laid down in the Remuneration Policy and considering industry standards and cost of living. In addition to salary, they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable.

The Remuneration Policy of the Company is available on its website.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Information required under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the **Annexure-B** to this report.

Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. CSR Committee of the Board has developed a CSR Policy which is enclosed as part of this report Annexure-C. Additionally The CSR Policy may be accessed on the Company's website at the link:

http://www.hindusthanurban.com/pdf/policy/HUIL_CSR%20Policy.pdf

Internal Control System and their Adequacy

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

Vigil Mechanism

In pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: http://www.hindusthanurban.com/pdf/policy/HUIL_Whistle%20Blower%20Policy.pdf

Related Party Transactions

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All related party transactions were approved by the Audit Committee and the Board. The relevant information regarding related party transactions has been set out in Note no. 6 of the Standalone Financial Statement for the financial year ended 31.03.2015.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.hindusthanurban.com/pdf/policy/HUIL_RPT%20Policy.pdf

BOARDS' REPORT (Contd.)

Significant Material Orders Passed by Regulators or Courts or Tribunals

No significant orders have been passed by any Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-D.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Disclosures required with respect to Section 197(12) of the Companies Act, 2013

The ratio of the remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Mr. Shyam Sunder Bhuwania 27:1

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

The percentage increase in remuneration of each Whole Time Director, Chief Financial Officer, Chief Executive Officer and Company Secretary ranges between 8% and 54%.

(iii) The percentage increase in the median remuneration of employees in the financial year

The percentage increase in the median remuneration of employees in the financial year is around 13.08 %.

(iv) The number of permanent employees on the rolls of company

The number of employees on permanent rolls of the company is 765.

(v) The explanation on the relationship between average increase in remuneration and company performance.

The Company follows prudent remuneration practices under the guidance of the Board and Nomination and Remuneration Committee. The Company's approach to remuneration is intended to drive meritocracy within the framework of prudent risk management. Remuneration is linked to corporate performance, business performance and individual performance.

The Company has a judicious approach to compensation and does not use compensation as the sole lever to attract and retain employees. Employee compensation takes into account a mix of external market pay and internal equity. The total compensation is a prudent mix of fixed pay and variable pay. The proportion of variable pay to total compensation is higher at senior levels and lower at junior levels.

The increase in remuneration is a function of factors outlined above. The performance of the company has bearing on the quantum of variable pay declared for employees across levels.

The increase in Profit After Tax between FY2015 and FY2014 is 25.22% whereas the average increase in the remuneration of employees is around 8%.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

For FY 2015, the Key Managerial Personnel were paid around 24.04% of the Profit after Tax.

(vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies. – Not Applicable

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

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel for FY 2015 is around 8%, while the average increase in the remuneration of the Key Managerial Personnel is in the range of 8% to 31%. This increment is in line with the factors outlined in point (v) above.

BOARDS' REPORT (Contd.)

(ix) Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company.

The ratio of the remuneration of each KMP to the PAT of the Company is given below:

Company Secretary	11.03%
CFO	13.01%

(x) The key parameters for any variable component of remuneration availed by the directors. – Not Applicable

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year. - Not Applicable

(xii) Affirmation that the remuneration is as per the remuneration policy of the company.

Yes, the remuneration paid to all Key Managerial Personnel was in accordance with remuneration policy adopted by the Company.

Development and Implementation of a Risk Management Policy

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces. The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

Public Deposits

The Company has not accepted any deposits covered under Chapter V from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Anti-Sexual Harassment Policy

Pursuant to the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company constituted Internal Complaints Committee at all its workplaces. There has not been any instance of complaint reported in this regard to any of the Committee.

Personnel

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 30th April, 2015

Sd/-
Rajendra Prasad Mody
Chairman
(DIN: 00140503)

Form MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

CIN	L31300DL1959PLC003141
AUTHORISED CAPITAL	₹ 2,50,00,000/-
PAID UP CAPITAL	₹ 1,44,28,850/-

To,
The Members
Hindusthan Urban Infrastructure Limited
7th Floor, Kachenjunga,
18, Barakhamba Road
New Delhi-110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindusthan Urban Infrastructure Limited (“the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made under that Act;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI); - NA
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - NA
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - NA
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - NA
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - NA – and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - NA
- vi. Industrial Disputes Act, 1947, Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Payment of Gratuity Act, 1972, Workmen’s Compensation Act, 1923, Employees’ State Insurance Act, 1948, Employees’ Provident Fund & Misc. Provo Act, 1952, Boilers Act, 1923, Employer’s Liability Act, 1938 and all other Labour Laws, Rules and Regulations applicable to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.- NA
- ii. The Listing Agreements entered into by the Company with Delhi Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. As per the explanations and information furnished to us by the officers and agents of the Company for not following the Secretarial Standards issued by The Institute of Company Secretaries of India citing reasons as it is not mandatory on the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

During the audit period the company has passed special resolution under section 180(1)(a) on 27th Day of March, 2015 for the sale of three units i.e. business of manufacturing and servicing of conductors together with their respective assets and liabilities of Guwahati, Gwalior and Khurda Units only as a going concern on a 'Slump Sale' basis to Hindusthan Vidyut Products Limited, a wholly owned subsidiary of Hindusthan Urban Infrastructure Limited.

As only the approval has been obtained from the shareholders but the actual transaction/s is yet to take place; hence unable to comment about the result of such action.

**For Amit Kumar
Company Secretaries**

**Sd/-
Amit Kumar
Proprietor
FCS-5917
CP-6184**

**Place: New Delhi
Date: 30-04-2015**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

I. Conservation of Energy**(a) Energy Conservation measures taken.**

- (i) Installation of Solar System
- (ii) Variable Frequency Drive on 37 Stranding Machine

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

Nil

(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****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 ₹ 374.27 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. The company has received its first order for supply of HTLS conductors from South Africa and efforts are being made to penetrate in the America, Europe and Africa.

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

Used : ₹ 10812.85
 Earned : ₹ 37444.35

Corporate Social Responsibility

During the year Company constituted Corporate Social Responsibility Committee (CSR) pursuant to provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below:

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR Policy of the Company sets the framework guiding the Company's CSR activities. It outlines the governance structure, operating framework, monitoring mechanism, and CSR activities that would be undertaken. CSR activities are largely focused in the areas of education, poverty and protection of animals and other activities as the company may choose to select in fulfilling its CSR objectives. The CSR Policy was approved by the Committee in July 2014, and subsequently was put up on the Company's website. http://www.hindusthanurban.com/pdf/policy/HUIL_CSR%20Policy.pdf
2.	The Composition of the CSR Committee.	Mr. Shyam Sunder Bhuwania - Chairman Mr. Om Prakash Shroff - Member Mr. Subhash Madan – Member
3.	Average net profit of the company for last three financial years.	₹ 646.64 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	₹ 12.93 Lakhs
5.	Details of CSR spent during the financial year 2014-15:	₹ 12.11 Lakhs
	(a) Total amount to be spent for the financial year 2014-15	₹ 12.93 Lakhs
	(b) Amount un spent , if any	₹ 0.83 Lakhs

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was under-taken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
1.	Protection of Animals	Protection of Animals	-	₹ 3.59 Lakhs	₹ 3.59 Lakhs	₹ 3.59 Lakhs	Implementing Agency
2.	Eradication of Poverty	Eradication of Poverty	Jaipur, Rajasthan	₹ 1.00 Lakhs	₹ 1.00 Lakhs	₹ 1.00 Lakhs	Implementing Agency
3.	Promoting Education	Promoting Education	Ujjain, M.P. Guwahati, Assam Khurda, Odisha	₹ 7.51 Lakhs	₹ 7.51 Lakhs	₹ 7.51 Lakhs	Implementing Agency & Amount spent directly
			TOTAL	₹ 12.10 Lakhs	₹ 12.10 Lakhs	₹ 12.10 Lakhs	

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

(Pursuant to section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014)**Financial year ended on 31.03.2015****I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L31300DL1959PLC003141
ii.	Registration Date	17-10-1959
iii.	Name of the Company	Hindusthan Urban Infrastructure Limited
iv.	Category/Sub-Category of the Company	Company having share capital
v.	Address of the Registered office and contact details	Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi – 110001 Phone: 011-23310001
vi.	Whether listed company	Yes (Listed in Delhi Stock Exchange)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sky Line Financial Services Private Limited D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Phone: 011-26812682-83 / 64732681-88 Email - admin@skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service*	% to total turnover of the company
1.	Conductors & Cables	261 - Manufacture of electronic components	83.47
2.	Insulators	239 - Manufacture of non-metallic mineral products	16.33
3.	Power Generation	351 - Electric power generation, transmission and distribution	0.20

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name	Address of Company	CIN/GLN	Holding/ Subsidiary / Associate	%of shares held	Applicable Section
1.	Hindusthan Speciality Chemicals Limited	Kanchenjunga, 7th Floor, 18 Barakhamba Road, New Delhi – 110001	U29120DL2003PLC242852	Subsidiary	100%	2(87)(ii)
2.	Hindusthan Vidyut Products Limited	Kanchenjunga, 7th Floor, 18 Barakhamba Road, New Delhi - 110001	U28990DL2014PLC270231	Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Shareholding of Promoter and Promoter Group										
(1) Indian										
a) Individual/ HUF	0	500	500	0.03	00	500	500	0.03	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0	0
d) Bodies Corporates	1076545	0	1076545	74.61	1076545	0	1076545	74.61	0	0
e) Banks / Financial Institution	0	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	1076545	500	1077045	74.64	1076545	500	1077045	74.64	0	0
(2) Foreign	0	0	0	0	0	0	0	0	0	0
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
j) Banks / Financial Institution	0	0	0	0	0	0	0	0	0	0
k) Any Other	0	0	0	0	0	0	0	0	0	0
Sub Total (A)(2):-	0	0	0	0	0	0	0	0	0	0
Sub Total (A)(1) + (A)(2):-	1076545	500	1077045	74.64	1076545	500	1077045	74.64	0	0
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	0	0	0	0	0	0	0	0	0	0
b) Banks / Financial Institution	0	600	600	0.04	0	600	600	0.04	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	5000	0	5000	0.39	5000	0	5000	0.39	0	0
g) FIs	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0
Sub Total (B)(1)	5000	600	5600	0.39	5000	600	50036	0.39	0	0
(2) Non Institutions										
a) Bodies Corporates	47616	2420	50036	3.47	49421	2420	51841	3.59	1778	0.12
b) Individuals										

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	116125	41152	157277	10.90	113595	41702	155297	10.76	(1980)	0.14
(ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	114613	38314	152927	10.60	114788	38314	153102	10.61	175	0.01
c)	Others(Specify)	0	0	0	0	0	0	0	0	0	0
	Sub-total(B)(2)	278354	81886	360240	24.97	277804	82436	360240	24.97	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	283354	82486	365840	25.36	283354	82486	365840	25.36	0	0
	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	1359899	82986	1442885	100	1359899	82986	1442885	100	0	0

(ii) Shareholding of Promoters :

S. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Hindusthan Consultancy & Services Limited	708825	49.12	0	708825	49.12	0	0
2.	Promain Limited	117900	8.17	0	117900	8.17	0	0
3.	Carbo Industrial Holdings Limited	132820	9.21	0	132820	9.21	0	0
4.	Hindusthan Business Corporation Limited	47000	3.26	0	47000	3.26	0	0
5.	Pradyumna Steel Limited	70000	4.85	0	70000	4.85	0	0
6.	Rajendra Prasad Mody	500	0.03	0	500	0.03	0	0
	Total	1077045	74.64	0	1077045	74.64	0	0

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

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	No change in promoters shareholding during the year			
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change in promoters shareholding during the year			
3.	At the end of the year	No change in promoters shareholding during the year			

(iv) Shareholding pattern of top ten Shareholders

(Other than Directors, Promoters & Holders of GDRs & ADRs)

Name of the shareholder	Shareholding at the beginning of the year (01.04.2014)		Shareholding At the end of the year (31.03.2015)	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Ritika Gupta *	39232	2.72	49713	3.45
Hardik Shah @	31520	2.18	-	-
3A Capital Services Limited *	23670	1.64	23670	1.64
Nita M. Patel *	21700	1.50	21700	1.50
Ramaben Bhagubhai Patel *	21314	1.48	21314	1.48
Mahendra Girdharilal *	16460	1.14	16460	1.14
Dolly Behram Aryana *	12220	0.85	12220	0.85
Sanjay Loiwal @	10656	0.74	-	-
Bhagubhai & Madhav Patel HUF *	6100	0.42	6100	0.42
C Mackertich Limited*	5000	0.35	5000	0.35
Paresh Chimanlal Shah HUF #	-	-	19000	1.32
Pinakin Chimanlal Shah HUF #	-	-	12520	0.87

Note:

* Common top 10 shareholders as on 01.04.2014 and 31.03.2015

@ Top 10 shareholders only as on 01.04.2014

Top 10 shareholders only as on 31.03.2015

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For each of the Director & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Shareholding of Key Managerial Personnel					
1.	At the beginning of the year	None of the KMP hold shares in the Company			
	At the end of the year				
2.	Shareholding of Directors				
	Mr. Shyam Sunder Bhuwania				
	At the beginning of the year	70	0.004	70	0.004
	At the end of the year	70	0.004	70	0.004

V. INDEBTEDNESS:

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
i) Principal Amount	1,03,31,79,567	50,76,70,783	NIL	1,54,08,50,350
ii) Interest due but not paid	NIL	NIL	NA	NIL
iii) Interest accrued but not paid	55,49,939	NIL	NA	55,49,939
Total (i+ii+iii)	1,03,87,29,506	50,76,70,783	NIL	1,54,64,00,289
Change in Indebtedness during the financial year (Principal Amount)				
- Addition	41,73,59,941	2,28,98,381	NA	44,02,58,322
- (Reduction)	(9,09,28,039)	--	-	(9,09,28,039)
Net Change	32,64,31,902	2,28,98,381	NA	34,93,30,283
Indebtedness at the end of the financial year (31.03.2015)				
i) Principal Amount	1,35,96,11,469	53,05,69,164	NIL	1,89,01,80,633
ii) Interest due but not paid	NIL	NIL	NA	NIL
iii) Interest accrued but not due	9,57,60,304	NIL	NA	9,57,60,304
Total (i+ii+iii)	1,45,53,71,773	53,05,69,164	NIL	1,98,59,40,937

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Shyam Sunder Bhuwania, Vice Chairman and Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	41,72,700.00	41,72,700.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify		
5.	Others, please specify	-	-
	Total (A)	41,72,700.00	41,72,700.00

B. Remuneration to other Directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Rajendra Prasad Mody	Mr. Vikram Aditya Mody	Mr. Subhash Madan	Mr. Om Prakash Shroff	Ms. Suman Lata Saraswat	Mr. Suman Jyoti Khaitan	
1.	Independent Directors							
	• Fee for attending Board Committee Meetings	30,000	25,000	50,000	75,000	40,000	5,000	2,25,000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	30,000	25,000	50,000	75,000	40,000	5,000	2,25,000
2.	Other Non-Executive Directors							
	• Fee for attending Board Committee Meetings	-	-	-	-	-	-	-
	• Commission							
	• Others, please specify							
	Total (2)	-	-	-	-	-	-	-
	Total = (1+2)	30,000	25,000	50,000	75,000	40,000	5,000	2,25,000

C) Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD:

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. M.L. Birmiwala, Sr. V P- Finance & Secretary	Mr. Deepak Kejriwal, Chief Financial Officer	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	24,74,959.00	25,35,132.00	50,10,091.00
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- others, specify			
5.	Others, please specify	-	-	-
	Total	24,74,959.00	25,35,132.00	50,10,091.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD / NCLT/Court)	Appeal made If any (give details)
A.	COMPANY					
	Penalty			None		
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty			None		
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty			None		
	Punishment					
	Compounding					

CORPORATE GOVERNANCE REPORT

1. 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:

2. BOARD OF DIRECTORS

- (i) The strength of the Board was seven Directors which was reduced to six due to resignation of Mr. Suman Jyoti Khaitan and subsequently increased to eight due to appointment of Mr. Ramawatar Joshi and Mr. Mool Chand Gauba on 24.02.2015. The Board comprises of two promoter and Non-Executive Directors, One Executive Director, One Non-Executive Director and four Non-Executive and Independent Directors.
- (ii) The Board of Directors met five times during the period 1st April, 2014 to 31st March, 2015 i.e. on 27.05.2014, 01.08.2014, 08.11.2014, 29.01.2015 and 24.02.2015 with a clearly defined agenda circulated in advance of each meeting.
- (iii) Memberships of the Directors on other Boards/Committees and attendance record of the Directors are given hereunder:

S. No.	Name of Directors	Category	Board Meeting		Number of Committee/Memberships and Chairmanship in all Companies*		
			Held	Attended	Other Directorship	Committee Membership	Committee Chairmanship
1.	Mr. Rajendra Prasad Mody, Chairman	Promoter, Non-Executive	5	5	9	-	-
2.	Mr. Vikram Aditya Mody	Promoter, Non-Executive	5	2	1	-	-
3.	Mr. Shyam Sunder Bhuwania, Vice Chairman and Managing Director**	Executive	5	5	2	-	-
4.	Mr. Subhash Madan	Non- Executive	5	4	4	-	-
5.	Mr. Om Prakash Shroff	Independent	5	5	3	-	-
6.	Mr. Suman Jyoti Khaitan #	Independent	1	1	10	13	-
7.	Ms. Suman Lata Saraswat ##	Independent	3	3	-	-	-
8.	Mr. Mool Chand Gauba^	Independent	-	-	1	-	-
9.	Mr. Ramawatar Joshi ^	Independent	-	-	1	-	-

Note: * The committees considered for the purpose are those prescribed under Clause 49(1)(C)(ii) of the Listing Agreement viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies.

** Appointed as Vice Chairman w.e.f. 05.02.2015.

Ceased to be Director w.e.f 18.06.2014. One Meeting was held during his tenure.

Appointed as Director w.e.f 01.08.2014. Three Meetings were held during her tenure.

^ Appointed as Additional Director w.e.f. 24.02.2015. One Meeting was held during their tenure.

Last Annual General Meeting held on 02.09.2014 was attended by Mr. Shyam Sunder Bhuwania and Mr. Subhash Madan.

- (iv) The Company ensures compliance of various statutory requirements by all its business units.
- (v) All the Statutory Registers that are required to be maintained, are properly maintained and continuously updated.

CORPORATE GOVERNANCE REPORT (Contd.)

FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

The Company has formulated a policy to familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. The details of such familiarisation programmes are disclosed on the website of the Company.

MEETINGS OF INDEPENDENT DIRECTORS

The meeting of Independent Directors was held on 20.03.2015 without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

- i) The performance of Non-Independent Directors and the Board as a whole;
- ii) The performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii) The quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

3. AUDIT COMMITTEE

The Audit Committee has been reconstituted on 29.01.2015. The present Audit Committee comprises of Mr. Om Prakash Shroff as Chairman, Mr. Shyam Sunder Bhuwania and Ms. Suman Lata Saraswat as members. Mr. M.L. Birmiwala is the Secretary of the Committee. During the year, five meetings of the Committee were held on the following dates:

- (i) 27.05.2014 (ii) 26.07.2014 (iii) 08.11.2014 (iv) 29.01.2015 (v) 24.02.2015.

The attendance of each Audit Committee Member is as under:

Name of the Directors	No. of Meetings	
	Held	Attended
Mr. Om Prakash Shroff	5	5
Mr. Vikram Aditya Mody	5	2
Mr. Subhash Madan	5	3
Mr. Shyam Sunder Bhuwania	5	1
Ms. Suman Lata Saraswat	5	1

The Committee is overseeing the Company's financial reports and disclosure of its financial information and reviewing the adequacy of internal audit function. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. 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 General Meeting of the Company was held on 02.09.2014 and was attended by Mr. Subhash Madan, Vice Chairman of the Audit Committee and Mr. Shyam Sunder Bhuwania.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been reconstituted on 01.08.2014. The Nomination and Remuneration Committee Comprises three Non-Executive Directors namely Mr. Om Prakash Shroff as Chairman, Mr. Subhash Madan and Ms. Suman Lata Sarswat as members. Mr. M.L. Birmiwala is the Secretary of the Committee.

During the year, one meeting of the Committee was held on 24.02.2015.

The attendance of each Nomination and Remuneration Committee Member is as under:

Name of the Directors	No. of Meetings	
	Held	Attended
Mr. Om Prakash Shroff	1	1
Mr. Subhash Madan	1	1
Ms. Suman Lata Saraswat	1	1

CORPORATE GOVERNANCE REPORT (Contd.)

The terms of reference/role of the Nomination and Remuneration Committee is to determine the Company's policy on the remuneration package of its Directors, Company's Senior Management including Key Managerial Personnel including revision thereof from time to time, and to deliberate on and decide matters incidental thereto or consequential thereof. The Committee shall also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

REMUNERATION POLICY

The details of Company's Remuneration Policy for Directors, Key Managerial Personnel and Senior Management is given in the Board's Report.

The Remuneration Policy of the Company is to ensure that Directors, Company's Senior Management including Key Managerial Personnel of the Company are rewarded in a fair and responsible manner, for their individual contributions to the success of the Company and are provided with appropriate incentives to encourage enhanced performance.

The remuneration paid to the Directors, Company's Senior Management including Key Managerial Personnel is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in the Board Meeting. Remuneration payable to Executive Directors is subject to the subsequent approval by the shareholders at the General Meeting and such other authorities, if required.

REMUNERATION OF DIRECTORS

Executive Director

Mr. Shyam Sunder Bhuwania, Vice Chairman and Managing Director of the Company was paid remuneration and perquisites during the year under review as per the details given hereunder:

(Amount in ₹)

	Mr. Shyam Sunder Bhuwania
Basic Salary	18,00,000
Allowance & Perquisites	31,53,000
Total	49,53,000

Non- Executive Directors

The Non-Executive Independent Directors are entitled for sitting fee of ₹ 10,000/- for every Board Meeting and Rs.10,000/- for other Committee Meetings.

The Company does not have any material pecuniary relationship/ transaction with any of its Non Executive Directors.

5. STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Shareholder's Grievance Committee has been reconstituted on 01.08.2014. The Committee comprises two Non-Executive Directors and one Executive Director namely Mr. Subhash Madan as Chairman, Mr. Shyam Sunder Bhuwania and Ms. Suman Lata Saraswat as members. Mr. M. L. Birniwala is the Secretary of the Committee.

Since during the year no shareholders grievances/complaint received or pending at the end of the financial year 31.03.2015, therefore no meeting of Shareholder's Grievance Committee was held.

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also function in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.

Name and designation of Compliance Officer

Mr. M.L. Birniwala, Sr. VP-Finance & Secretary of the Company is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement with the Delhi Stock Exchange. The Company has provided an email ID i.e. huil@theindusthargroup.co.in for the members to send their queries/grievances to the concerned department so that the queries/complaints are addressed.

PROHIBITION OF INSIDER TRADING

With a view to regulate trading in securities by the Directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading and the same has been hosted on the website of the Company.

6. SHARE TRANSFER COMMITTEE

The Committee consists of Mr. Shyam Sunder Bhuwania, Vice Chairman and Managing Director and Mr. M. L. Birniwala, Sr. VP - Finance & Secretary of the Company and responsible for approving the transfer, transmission, consolidation of securities, issuance of duplicate certificates etc. which are in physical form. Meeting of the Committee is held twice a month to consider and approve the transfer of shares 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.

CORPORATE GOVERNANCE REPORT (Contd.)

Committee is authorised to look into and review the reports relating to approval/confirmation of requests for share transfer/transmission/transposition/consolidation/issue of duplicate share certificates/sub-division, remat, demat of shares etc. from time to time.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board of Directors of the Company at its meeting held on 27.05.2014 constituted a new Committee of the Board as Corporate Social Responsibility (CSR) Committee. Terms of Corporate Social Responsibility Committee are as per the provisions of Section 135 of the Companies Act, 2013 and listing agreement with the stock exchange which inter alia include formulation and recommendations to the Board, a Corporate Social Responsibility Policy and recommendation on the amount of expenditure to be incurred on the various CSR activities and monitoring of the CSR policy of the Company. CSR Committee comprises of Mr. Om Prakash Shroff as Chairman, Mr. Shyam Sunder Bhuwania and Mr. Subhash Madan as members. Mr. M.L. Birmiwala is the Secretary of the Committee.

During the year, two meetings of the Committee were held on the following dates:

(i) 30.07.2014 (ii) 26.03.2015

The attendance of each Audit Committee Member is as under:

Name of the Directors	No. of Meetings	
	Held	Attended
Mr. Om Prakash Shroff	2	2
Mr. Shyam Sunder Bhuwania	2	2
Mr. Subhash Madan	2	1

8. RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company at its meeting held on 01.08.2014 constituted a new committee of the Board as Risk Management Committee as per the requirements of the Companies Act, 2013 and Clause 49 of the listing Agreement. The Committee meets with the requirements of Clause 49 of the Listing Agreement Risk Committee comprises of Mr. Om Prakash Shroff as Chairman, Mr. Shyam Sunder Bhuwania and Mr. Subhash Madan as members.

The role and responsibilities of the Committee includes the framing of Risk Management Plan and Policy, Overseeing implementation of Risk Management Plan and Policy, Monitoring of Risk Management Plan and Policy and periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes etc.

9. GENERAL BODY MEETINGS

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

Financial Year	Venue	Date	Time	Special Resolution Passed
2011-2012	Premises of Hindusthan Vidyut Products Limited, Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi - 110001	01.09.2012	10.15 A.M.	Nil
2012-2013	Premises of Hindusthan Vidyut Products Limited, Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi – 110001	30.08.2013	09.15 A.M.	Nil
2013-2014	Premises of Hindusthan Urban Infrastructure Limited, Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi – 110001	02.09.2014	09.30 A.M.	Nil

(ii) Postal Ballot

During the year under review two resolutions were passed through Postal Ballot. Details of resolution passed through Postal Ballot are as under:

(i) Special Resolution was passed on 14.08.2014 in respect of creation of charge /mortgage over assets /properties of the Company, present and future, in respect of borrowings or financial assistance of an equivalent aggregate amount not exceeding ₹ 1000.00 Crores (Rupees One Thousand Crores). The Board has appointed Ms. Anjali Yadav, FCS as Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner.

CORPORATE GOVERNANCE REPORT (Contd.)

The details of the voting pattern in respect of Special Resolution passed was as under:

Promoter/ public	No. of shares held (1)	No. of votes polled (2)	%of votes polled on outstanding shares (3)=[(2)/ (1)]*100	No. of votes in favour (4)	No. of votes against (5)	%of votes in favour on votes polled (6)=[(4) / (2)]*100	% of votes against on votes polled (7)=[(5)/ (2)]*100
Promoter and promoter group	1077045	1076545	99.95%	1076545	0	100.00	0
Public institutional holders	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Public others	365840	1876	0.51%	1776	100	94.67%	5.33%
Total	1442885	1078421	74.74%	1078321	100	99.99%	0.01%

- (ii) Special Resolution was passed on 27.03.2015 in respect of slump sale of conductor units of the Company together with their assets and liabilities to Hindusthan Vidyut Products Limited. The Board has appointed Ms. Anjali Yadav, FCS as Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner.

The details of the voting pattern in respect of Special Resolution passed was as under:

Promoter/ public	No. of shares held (1)	No. of votes polled (2)	%of votes polled on outstanding shares (3)=[(2)/ (1)]*100	No. of votes in favour (4)	No. of votes against (5)	%of votes in favour on votes polled (6)=[(4)/ (2)]*100	% of votes against on votes polled (7)=[(5)/ (2)]*100
Promoter and promoter group	1077045	1077045	100%	1077045	0	100%	0
Public institutional holders	5600	Nil	Nil	Nil	Nil	Nil	Nil
Public others	360240	52303	14.51%	52303	0	100%	0
Total	1442885	1129348	78.27%	1129348	0	100%	0

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing of resolution through Postal Ballot.

10. DISCLOSURES

- (i) Materially significant related party transactions i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large.

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in notes of Standalone Financial Statements, forming part of the Annual Report.

The Company's major related party transactions are generally with its subsidiaries. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests.

- (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:

There has been no instance of non-compliance by the Company on any matter related to capital markets.

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

None

- (iv) 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. During the year under review, no employee was denied access to the Audit Committee. The Whistle Blower Policy is hosted on the website of the Company.

CORPORATE GOVERNANCE REPORT (Contd.)

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

Hindusthan Speciality Chemicals Limited and Hindusthan Vidyut Products Limited are wholly owned subsidiary Companies.

Mr. Shyam Sunder Bhawania, Mr. Om Prakash Shroff, Mr. Subhash Madan and Mr. Ramawatar Joshi, Directors of the Company are also the Directors in the subsidiary Company i.e. Hindusthan Speciality Chemicals Limited.

Mr. Shyam Sunder Bhawania, Mr. Om Prakash Shroff and Mr. Subhash Madan, Directors of the Company are also the Directors in the subsidiary Company i.e. Hindusthan Vidyut Products Limited.

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.

All the Board members and Senior Management personnel have affirmed compliance with the code of conduct.

11. MEANS OF COMMUNICATION

(i) Quarterly Results

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.

(ii) Website

Detailed information on the Company's business and products; quarterly/half yearly/nine months and annual financial results are displayed on the Company's website i.e. www.thehindusthangroup.co.in

(iii) Annual Report

Annual Report contains inter-alia Audited Annual Accounts, consolidated Financial Statement, Board's Report and Auditors' Report.

(iv) The Management Discussion & Analysis

The Management Discussion & Analysis Report forms part of the Annual Report.

(v) Intimation to Stock Exchanges

The Company is timely submitting the required information, statement and report to the Delhi Stock Exchange. The Company intimates Delhi Stock Exchange all price sensitive information which in its opinion are material & of relevance to the shareholders.

12. GENERAL SHAREHOLDER INFORMATION

- | | |
|---|--|
| i. Annual General Meeting | : Monday, 21st September, 2015 |
| Date and venue | : Premises of Hindusthan Urban Infrastructure Limited, Kanchenjunga, 7th Floor, 18, Barakhamba Road, New Delhi – 110001 |
| ii. Financial Calendar(Tentative) | |
| Financial Reporting for Quarter ending 30th June, 2015 | : End July, 2015 |
| Financial Reporting for Quarter ending 30th September, 2015 | : End October, 2015 |
| Financial Reporting for Quarter ending 31st December, 2015 | : End January, 2016 |
| Financial Reporting for Quarter/ year ending 31st March, 2016 (audited) | : End May, 2016 |
| iii. Book Closure | : 15th September, 2015 to 21st September, 2015 |
| iv. Dividend Payment date | : The Board has recommended a dividend of 10% on the paid up share capital of the Company to be considered by the members in the forthcoming Annual General Meeting. The said dividend if declared by the shareholders shall be paid to all the members as on the date of Annual General Meeting within the statutory limit of 30 days from the date of declaration. |
| 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. |
| v. Listing of equity shares | : Delhi Stock Exchange.
The Company has applied to Dissemination Board (DB) and as per intimation of Delhi Stock Exchange, there is no requirement to pay the annual listing fee for the financial year 2015-16. |

CORPORATE GOVERNANCE REPORT (Contd.)

- vi. Stock Code : 10942 with DSE.
For dematerialization –INE799B01017
- vii. Market Price Data : Since the shares of Company are listed only on Delhi Stock Exchange which is closed since long for trading in shares, no stock market data are available.
- viii. Registrar & Transfer Agents: : Skyline Financial Services Private Limited,
D-153/A, 1st Floor,
Okhla Industrial Area, Phase-1,
New Delhi – 110020
- ix. Share Transfer System : The Company has share transfer committee consisting of Mr. Shyam Sunder Bhuwania, Vice Chairman and Managing Director and Mr. M.L. Birmiwala, Sr. V P-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, 2013/Guidelines of the Stock Exchange.

x. Distribution of Shareholding as on 31st March, 2015

As on 31st March, 2015, your Company had 939 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	854	90.95	85444	5.92
501 – 1000	38	4.05	29339	2.03
1001 – 2000	17	1.81	24330	1.69
2001 – 3000	12	1.28	30330	2.10
3001 – 5000	3	0.32	14200	0.99
5001 – 10000	1	0.11	6100	0.42
10001 & above	14	1.49	1253142	86.85
Total	939	100	1442885	100.00

xi. Dematerialization of Shares:

Company has joined hands with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (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.

- xii. Outstanding Stock Option : There are no outstanding warrants or any convertible instruments as on 31st March, 2015.
- xiii. Plant Locations : 12/1, Milestone, Delhi Mathura Road,
Faridabad - 121003 (Haryana)
: Industrial Area, P.O. Birla Nagar,
Gwalior - 474004 (M.P)
: Plot No. 1C, Brahmaputra Industrial Park
Village: Sila, P. O. College Nagar, North Guwahati, Distt. Kamrup –
781031 **(Assam)**
: Plot No. 321, 325/1386, Champajhara, Mallipada, Distt.- Khurda-752108
Odisha
: Insulator & Electricals Company
1-8, New Industrial Area, P.B. No. 1
Mandideep – 462046 (M.P)
- xiv Address for Correspondence : Hindusthan Urban Infrastructure Limited
Kanchenjunga, 7th Floor,
18, Barakhamba Road
New Delhi - 110001
- E-mail : huil@thehindusthangroup.co.in
- Website : www.thehindusthangroup.co.in
- Phone No. : 011 23310001(5 Lines)
- Fax No. : 011-23313707

CORPORATE GOVERNANCE REPORT (Contd.)

xv. The shareholding pattern as on 31st March, 2015

Shares held by	No. of Shares	% of Shareholding
Banks and Financial Institutions	5600	0.39
Foreign holdings (NRIs)	690	0.05
Bodies Corporate	50036	3.47
Directors/Relatives of Directors	2620	0.18
General Public	307394	21.30
Group Companies	1076545	74.61
Total	1442885	100.00

xvi Dividend : The dividend for the year 2006-2007 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 123 of the Companies Act, 2013 as per the dates given below:-

Date of Payment of Dividend : 25.07.2007

Date of transfer to Unclaimed/Unpaid Investor Education and Protection Fund : 12.08.2014

The unclaimed dividend for the financial year 2007-2008 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 13.08.2015, Unclaimed Dividend for the financial year 2007-08 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.

COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Company's Auditors, M/s. K. M. Agarwal & Co., confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

ADOPTION OF MANDATORY AND NON MANDATORY REQUIREMENTS OF CLAUSE 49

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement.

Communication to Shareholders

Half-yearly reports covering financial results were sent to members at their registered addresses.

Audit Qualification

The Company is in the regime of unqualified financial statements.

Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

CEO and CFO Certification

The Vice Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Vice Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual certificate given by the Vice Chairman and Managing Director and the Chief Financial Officer is published in this Report.

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2014-15.

For and on behalf of the Board

Place: New Delhi
Date: 30th April, 2015

Sd/-
Rajendra Prasad Mody
Chairman
DIN: 00140503

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Developments

The Government of India has identified the power sector as a key sector and have increased focus to promote sustained industrial growth.

The immediate goal of the government is to produce two trillion units (kilowatt hours) of energy by 2019. This will mean doubling the current production capacity in order to achieve provide 24x7 electricity for residential, industrial, commercial and agriculture use.

The Indian power sector has an investment potential of ₹ 15 trillion (US\$ 237.35 billion) in the next 4-5 years, providing immense opportunities in power generation, distribution, transmission and equipments.

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.

Government of India has taken several initiatives on Power sector. Due to increasing demand of power, focus will be on reconductoring of conductors due to right of way issues. Government of India has also brought focus and taken initiatives by announcing power projects in north east part of India.

There are opportunities for more Porcelain Insulators sales due to higher investment planned in power sector resulting into subsequent higher demand. We are also roping in new buyers.

In case of Transmission Line Insulators (DISC INSULATORS) and Railway Insulators there has been increased acceptance of Polymer Insulators resulting to availability of excess capacity thereby lowering of prices.

In case of Hollow Porcelain Insulators the capacity is more than the demand.

Globally re-conductoring projects are on rise and therefore there will be opportunity in this segment from export market.

3. Segment-wise or Product-wise Performance

During the year Sales has Increased by 6% and we have incurred loss of ₹ 5.82 Crore as compared to loss of ₹ 17.41 Crore in previous financial year in the Insulator Division. The loss is mainly due to lower selling price and high level of competition. However, we are hopeful that our performance in coming year shall improve because of following steps:-

- a) Government of India has imposed anti-dumping duty, which will increase both sales quantity as well as selling price.
- b) Coal gasification plant is under installation by which kiln fuel will be replaced by coal resulting in substantial saving in fuel cost.
- c) We are purchasing 50% electricity through open access exchange which is resulting in saving of ₹ 5.00 Lac per month.

4. Future Outlook

The government has taken initiatives to boost the power sector of India and is as follows:

- a) The Government of India has announced a massive renewable power production target of 175,000 MW by 2022, comprising 100,000 MW from solar power, 60,000 MW from wind energy, 10,000 MW from biomass and 5,000 MW from small hydro power projects.
- b) The government has also sought to restart stalled hydro power projects and increased the wind energy target from 20 GW to 60 GW by 2022.
- c) The Union Cabinet of India has approved 15,000 MW of grid-connected solar power projects of National Thermal Power Corp Ltd (NTPC).
- d) The Indian Railways has signed a bilateral power procurement agreement with the Damodar Valley Corporation (DVC). The agreement was signed between North Central Railway and DVC. This is the first time the railways will directly buy power from a supplier.
- e) US federal agencies have committed a total of US\$ 4 billion for projects and equipment sourcing, one of the biggest deals for the growing renewable energy sector in India.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

5. Risk and Concerns

Increasing participation from China in terms of reconductering of High temperature low sag conductor projects, volatility in Aluminum prices and use of Polymer Insulators by major customers is major concern for conductor and Insulators division. Continuous efforts are being made to secure more and more export orders for Insulators to offset the declining domestic demand. Increased focus in export markets for conductors shall improve order book for 15-16 and 16-17.

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. The Audit Committee is regularly reviewing the Internal Audit Reports for the audit carried out in all the key areas of the operations. Additionally the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal Auditors. Internal Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required.

7. Financial/Operational Performance

The turnover has improved by about 9.71% mainly due to Cables & Conductors division resulting in overall profit before Depreciation and Taxation of ₹ 14.06 Crores. 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 765 as on 31.03.2015. The industrial relations in all Works remained cordial during the year.

During the year, the Company has constituted an Internal Complaint Committee (ICC) in pursuant to the provisions of Companies Act, 2013 for prevention, prohibition and redressal of complaints / grievances on the sexual harassment of women at work places.

9. Cautionary Statement

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. Readers are cautioned not to place undue reliance on the forward looking statements.

For and on behalf of the Board of Directors

Sd/-
RAJENDRA PRASAD MODY
Chairman
(DIN: 00140503)

Place: New Delhi
Date : 30th April, 2015

CEO/CFO CERTIFICATE

We hereby certify that –

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2015 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) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of internal controls, if any, of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have taken to rectify these deficiencies.
- (d)
 - (i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
 - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Shyam Sunder Bhwania
Vice Chairman and Managing Director

Sd/-

Deepak Kejriwal
Chief Financial Officer

Place: New Delhi

Date : 30th April, 2015

AUDITORS' CERTIFICATE

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, 2015 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchange.

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 Stakeholder's Relationship 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)**

**Sd/-
(D.K. Agarwal)
Partner
(Membership No. 016952)**

**Place: New Delhi
Dated: 30th April, 2015**

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Hindusthan Urban Infrastructure Limited ('the Company'), which comprise the balance sheet as at March 31 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it 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 and the returns from the Guwahati Works audited by Branch Auditors.
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements ;refer note no.26-B(10)(13)
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K. M. Agarwal & Co.
Chartered Accountants
(Firm's registration number: 000853N)

Place : New Delhi

Dated : 30th April, 2015

Sd/-
(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 (Formerly Hindusthan Vidyut Products Limited)

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified by the management during the year and as informed to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) As explained to us inventories (except stock lying with third parties and stock in transit) were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to information and explanation 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 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 with the books of account.
- (iii) (a) The Company has granted short term loan to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (b) In the case of the loan granted to the body corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loan is repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public within the meaning of directives issued by Reserve Bank of India and hence provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.
- (vi) 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 148(1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been maintained by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is generally regular in depositing material undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it with the appropriate authorities. There was no material undisputed outstanding statutory dues as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) According to the records of the company and as per information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs) (net of amount paid)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Haryana	1720197.00	2004-05	Tribunal, Chandigarh
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax U.P.	64307.00	1985-86	Assistant Commissioner, (Assessment) Ghaziabad
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax U.P.	488619.00	1995-96	Assistant Commissioner, (Assessment) Ghaziabad

INDEPENDENT AUDITORS' REPORT (Contd.)

Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax U.P.	925200.00	2001-02	Hon'ble High Court, Allahabad
Municipal Corporation, Faridabad	Development Charges at Faridabad, Work Land	9285750.00		Hon'ble Civil Court, (Adjudication) Chandigarh
Central Excise	No Proper Endorsement on Bill of Entry	31869030.00		Tribunal, New Delhi
Income Tax Department	Income Tax	1840570.00	2005-06	ITAT, New Delhi

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) 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 any debentures.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) 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.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

**Sd/-
(D.K.AGARWAL)
PARTNER
(Membership No. 016952)**

**Place : New Delhi
Dated : 30th April, 2015**

Balance Sheet as at 31st March, 2015

	Note No.	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	1	1,44,28,850	1,44,28,850
Reserves and Surplus	2	2,69,49,46,854	2,64,66,67,056
(2) Non-Current Liabilities			
Long-Term Borrowings	3	42,15,38,156	25,04,07,026
Deferred Tax Liabilities (Net)	4	22,21,69,000	20,64,01,000
Long Term Provisions	5	6,06,44,312	6,71,00,292
(3) Current Liabilities			
Short-Term Borrowings	6	1,37,73,62,997	1,19,95,15,285
Trade Payables	7	52,97,10,520	1,03,83,86,578
Other Current Liabilities	8	37,83,32,727	61,80,86,977
Short-Term Provisions	9	5,28,09,645	5,12,93,066
Total		5,75,19,43,061	6,09,22,86,130
II. ASSETS			
(1) Non-Current Assets			
<i>Fixed Assets</i>	10		
(i) Tangible Assets		1,60,32,73,556	1,58,77,57,915
(ii) Intangible Assets		14,96,807	6,46,585
(iii) Capital Work-in-Progress		73,95,86,741	19,98,56,948
Non-Current Investments	11	64,15,80,051	37,42,94,279
Long Term Loans and Advances	12	14,77,84,922	22,68,38,770
Other Non-Current Assets	13	4,53,69,213	4,89,81,768
(2) Current Assets			
Inventories	14	48,27,12,099	77,35,76,050
Trade Receivables	15	1,66,94,90,211	2,45,08,25,542
Cash and Cash Equivalents	16	7,32,79,823	14,30,05,625
Short-Term Loans and Advances	17	33,95,47,841	27,89,16,031
Other Current Assets	18	78,21,797	75,86,617
Total		5,75,19,43,061	6,09,22,86,130

26 (A & B)

ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS

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

Sd/-
D K AGARWAL
Partner
M.No.16952

Sd/-
M.L.Birmiwala
Sr.V.P.Finance & Secy.

Sd/-
Deepak Kejriwal
Chief Financial Officer

Sd/-
R.P. Mody
(DIN No.00140503) Director

Sd/-
S.S.Bhuwania
(DIN No.00107171) Managing Director

Place: New Delhi
Date: 30th day of April, 2015

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

	Note No.	2014-15 (₹)	2013-14 (₹)
I. Revenue from Operations	19	7,88,50,95,666	7,18,71,20,147
II. Other Income	20	4,21,29,968	2,07,35,013
III. Total Revenue (I +II)		7,92,72,25,634	7,20,78,55,160
IV. Expenses:			
Cost of Materials Consumed	21	6,01,04,55,897	5,03,85,46,848
Purchase of Stock-In-Trade		-	21,41,385
Changes in Inventories of Finished goods, Work-in-Progress and Scrap	22	10,51,87,907	20,15,34,328
Employee Benefit Expense	23	29,14,10,454	27,50,25,543
Finance Costs	24	21,84,00,993	25,50,98,656
Depreciation and Amortization Expense (Refer Note No. 26 B 10(11))		9,17,43,929	13,37,41,137
Other Expenses	25	1,16,11,92,152	1,31,89,16,256
Total Expenses		7,87,83,91,332	7,22,50,04,153
V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		4,88,34,302	(1,71,48,993)
VI. Exceptional Items			54,41,301
VII. Profit/ (Loss) before extraordinary items and tax (V-VI)		4,88,34,302	(1,17,07,692)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax (VII - VIII)		4,88,34,302	(1,17,07,692)
X. Tax expenses:- (Refer Note No. 26 B (8))			
Current tax		54,03,256	(65,259)
Deferred tax		1,57,68,000	1,04,48,000
XI. Profit(Loss) for the period from continuing operations (IX-X)		2,76,63,046	(2,20,90,433)
XII. Earning per equity share:- (Refer Note No. 26 B (9))			
(1) Basic		19.17	(15.31)
(2) Diluted		19.17	(15.31)

ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS

26 (A & B)

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

Sd/-
D K AGARWAL
Partner
M.No.16952

Sd/-
M.L.Birmiwala
Sr.V.P.Finance & Secy.

Sd/-
Deepak Kejriwal
Chief Financial Officer

Sd/-
R.P. Mody
(DIN No.00140503)

Director

Sd/-
S.S.Bhuwania
(DIN No.00107171)

Managing
Director

Place: New Delhi
Date: 30th day of April, 2015

Cash Flow Statement for the Year 2014-15

	31.03.2015	31.03.2014
	(₹)	(₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	4,88,34,302	(1,17,07,692)
Adjustment for :		
Depreciation	9,17,43,929	13,37,41,137
Unrealised Foreign Exchange Loss/(Gain)	(11,38,800)	2,81,82,616
Finance Cost	21,84,00,993	25,50,98,656
Bad Debts Written off	8,49,448	11,02,788
Advance Written Off		
Exceptional Item	-	(54,41,301)
Rates and Taxes (Wealth Tax)	15,61,600	7,45,000
Interest Received	(1,62,19,956)	(1,40,90,404)
Dividend Received	(26,06,923)	(29,52,885)
Loss/(Profit) on Sale of Fixed Assets	(10,51,594)	2,77,728
Loss/(Profit) on Sale of Investment	(62,24,913)	(5,34,973)
Operating Profit Before Working Capital Changes	33,41,48,086	38,44,20,670
Add/Less: (Increase)/Decrease in Current Assets		
Trade Receivables	78,17,40,866	(70,77,27,575)
Loans & Advances	(7,38,64,101)	(3,57,66,594)
Inventories	29,08,63,951	23,29,74,508
Add/Less: Increase/(Decrease) in Current Liabilities		
Current Liabilities & Provisions	(88,75,96,726)	23,94,98,623
Operating Profit After Working Capital Changes	44,52,92,076	11,33,99,632
Direct Tax Paid (net of refund)	12,20,779	42,85,609
Rates & taxes (Wealth Tax Paid)	9,31,600	5,77,200
Net Cash from Operating Activities	44,31,39,697	10,85,36,823
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(58,27,93,617)	(18,36,83,178)
Sale of Fixed Assets	4,53,61,104	27,19,171
Purchase of Investment	(33,30,29,384)	(4,00,00,700)
Sale of Investment	7,19,68,525	1,35,02,440
Interest Received	1,88,18,611	85,76,520
Dividend Received	26,06,923	29,52,885
Capital Subsidy	3,63,52,149	68,512,126
Loan to Others - Given	(16,28,640)	-
Net Cash from Investing Activities	(74,23,44,329)	(12,74,20,736)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds From Short Term Borrowings	22,69,37,561	45,27,62,340
Proceeds From Long Term Borrowings	16,18,01,790	34,19,808
Payment of Short term Borrowings	-	-
Payment of Long term Borrowings	1,53,73,410	(15,65,33,304)
Finance Cost	(17,30,00,617)	(21,80,73,976)
Dividend Paid	(16,33,314)	(33,32,565)
Net Cash from Financing Activities	22,94,78,830	7,82,42,303
Net Increase/ (Decrease) in cash & cash Equivalent	(6,97,25,802)	5,93,58,390
Cash & cash Equivalent at Beginning of the Year	14,30,05,625	8,36,47,235
Cash & cash Equivalent at End of the Year	7,32,79,823	14,30,05,625

Notes: (i) Cash & Cash Equivalents include ₹ 4,99,879/- (Previous Year ₹ 4,45,090/-) of Unpaid Dividend not available for use by the Company and ₹ 4,57,66,053/- (Previous Year ₹ 11,00,37,114/-) is related to Fixed Deposit Receipts having maturity of 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

Sd/-
R.P. Mody
(DIN No.00140503) *Director*

Sd/-
D K AGARWAL
Partner
M.No.16952

Sd/-
M.L.Birmiwala
Sr.V.P.Finance & Secy.

Sd/-
Deepak Kejriwal
Chief Financial Officer

Sd/-
S.S.Bhuwania
(DIN No.00107171) *Managing Director*

Place: New Delhi
Date: 30th day of April, 2015

Notes to Financial Statements for the year ended 31st March, 2015

I. EQUITY AND LIABILITIES		As At 31.03.2015	As At 31.03.2014
(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 31.03.2015	As on 31.03.2014
		(₹)	(₹)
NAME OF SHAREHOLDER	No. of % of Share holding	No. of Shares	% of Share holding
	Shares		
M/s. Hindusthan Consultancy & Services Ltd.	7,08,825 49.12%	7,08,825	49.12%
M/s. Carbo Industrial Holdings Ltd.	1,32,820 9.21%	1,32,820	9.21%
M/s. Promain Ltd.	1,17,900 8.17%	1,17,900	8.17%

Reserves and Surplus:- NOTE NO - 2

		As At 31.03.2015	As At 31.03.2014
		(₹)	(₹)
(a) Capital Redemption Reserve		26,43,500	26,43,500
(b) Revaluation Reserve	1,20,80,388		1,24,63,531
Less:- Reserve adjusted due to revised Depreciation rates	(90,63,783)		-
Less:- Transferred to General Reserve	1,723		3,83,143
	<u>30,14,882</u>	30,14,882	<u>1,20,80,388</u>
(c) General Reserve	2,56,34,30,467		2,58,25,00,000
Add/(Less):- Transferred from / (To) Profit and Loss A/c	2,40,02,753		(2,20,65,999)
Depreciation adjustment	(49,34,943)		-
Deferred Tax Reversal on Land at Bangalore			26,13,323
Transferred from Revaluation Reserve	1,723		3,83,143
	<u>2,58,25,00,000</u>	2,58,25,00,000	<u>2,56,34,30,467</u>
(d) Capital Reserve *	6,85,12,701		-
Add:- Reserve on Government Subsidy	3,63,52,149		6,85,12,126
Transfer of Forfeited Share Amount	-		575
	<u>10,48,64,850</u>	10,48,64,850	<u>6,85,12,701</u>
(e) Profit & Loss Account	-		17,34,830
Add:- Profit / (Loss) for the year	2,76,63,046		(2,20,90,433)
Transferred from General Reserve	-		2,20,65,999
Less:- Appropriations			-
Transferred to General Reserve	2,40,02,753		-
Short Provision of tax on Dividend for Previous Year	-		22,293
Proposed Dividend on Equity	14,42,885		14,42,885
Tax on Dividend	2,93,786		2,45,218
	<u>19,23,622</u>	<u>19,23,622</u>	<u>-</u>
	<u>2,69,49,46,854</u>		<u>2,64,66,67,056</u>

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)	
(2) Non Current Liabilities			
Long Term Borrowings :- NOTE NO - 3			
(I) Term Loan (Secured)			
12.20% Term Loan from a Bank (Rupee Loan)*	18,69,76,290	3,38,68,500	
Less:- Current Maturities	4,00,36,000	3,38,68,500	-
6.385% Term Loan from a Bank (FCLR)*	15,30,85,519	20,33,04,860	
Less:- Current Maturities	53,00,000	1,14,67,500	19,18,37,360
13.70% Term Loan from a Bank (Rupee Loan)**	8,02,097	1,48,00,000	
Less:- Current Maturities	8,02,097	73,62,366	74,37,634
6.345% Term Loan from a Bank (FCLR)**	3,38,45,250	7,83,37,858	
Less:- Current Maturities	3,38,45,250	3,06,25,634	4,77,12,224
14.90% Term Loan from State Bank of India (Rupee Loan)	11,29,01,288		
Less:- Current Maturities	-		-
10.34% ICICI Bank Term Loan - Car Loan #	1,76,03,153		
	36,92,094	1,39,11,059	-
(II) Deferred Payment Liabilities (Unsecured)			
Sales Tax Deferment	76,04,039	1,10,23,847	
Less:- Current Maturities	76,04,039	76,04,039	34,19,808
	<u>42,15,38,156</u>	<u>25,04,07,026</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 P&M created out of the loan. The said term loans were converted into Foreign Currency Loan 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 (\$) 647878.20, (\$) 647878.20 and (\$) 1133786.85 reset at fresh pricing of 6.385%.

During the year a fresh Term loan of ₹ 45,00,00,000/- sanctioned by Canara Bank, New Delhi for our Khurda Project at 12.20% against which ₹ 14,08,71,790/- availed. The said loan is repayable in 32 quarterly structured instalments starting from quarter ending december 2015-16 and ending on quarter ending september 2023-24. The loan is secured by exclusive charge on land & building and other fixed/movable/immovable assets situated at Village-Chmpajhara, Distt- Khurda, Bhubaneswar.

** 13.70% Term Loans from Canara Bank, New Delhi of ₹ 28,30,00,000/- is repayable in 24 Quarterly instalments starting from 28.02.2011. 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 ₹ 3,44,00,000 converted into Foreign Currency Loan of US (\$) 543874 at a pricing of 6 months LIBOR plus 600 bps (Net 6.345%), with rollover at every 6 month and reset at fresh pricing.

During the year company has availed car loan of ₹ 2,09,30,000/- from ICICI Bank is repayable in 59 equal monthly instalments starting from 10.06.2014.

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
Deferred Tax Liabilities (Net):- NOTE NO - 4		
Deferred tax Liabilities	24,88,64,000	23,45,26,000
Less:- Deferred tax Assets	2,66,95,000	2,81,25,000
	<u>22,21,69,000</u>	<u>20,64,01,000</u>
Long Term Provisions :- NOTE NO - 5		
(I) Employee Benefits	5,81,28,192	5,49,67,281
(II) (a) Statutory - Local Area Development Tax	-	96,16,891
(b) Others : Debtors under Litigation	25,16,120	25,16,120
	<u>6,06,44,312</u>	<u>6,71,00,292</u>

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
(3) Current Liabilities		
Short-term borrowings :- NOTE NO - 6		
(I) Working Capital Facilities - Secured *		
Foreign Currency loan		
FCNR Loan		
(Interest Rate Range 5.00% - 5.50%)#	-	27,20,42,787
PCFC Loan		
(Interest Rate Range 3.8325% - 3.8375%)	4,66,42,500	19,87,99,350
(Interest Rate Range 2.20% - 2.50%)#	96,60,922	90,87,528
Buyer's Credit Loan	37,76,05,396	-
(Interest Rate Range 0.7526% - 0.7668%)		
Rupee loan		
12% Cash Credit#	41,28,85,015	14,72,35,859
12.70% Cash Credit	-	6,46,78,978
(II) Loan & Advances - From Related Parties - Unsecured	53,05,69,164	50,76,70,783
- Hindusthan Engineering & Industries Ltd.		
	<u>1,37,73,62,997</u>	<u>1,19,95,15,285</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 ₹ 42,42,47,896/- (previous year ₹ 26,34,78,328/-)

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 ₹ 42,25,45,937/- (previous year ₹ 42,83,66,174/-).

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
Trade Payables :- NOTE NO - 7		
For Goods & Services - Micro Small & Medium Enterprises (Refer Note No. 26B(3B))	45,40,627	49,20,937
- Others (Refer Note No. 26B(3A))	52,51,69,893	1,03,34,65,641
	<u>52,97,10,520</u>	<u>1,03,83,86,578</u>

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
Other Current Liabilities:- NOTE NO - 8		
(I) Current Maturities of Long term Debt		
12.20% Term Loan from a Bank (Rupee Loan)	4,00,36,000	3,38,68,500
6.385% Term Loan from a Bank (FCLR)	53,00,000	1,14,67,500
10.14% ICICI Bank Term Loan - Car Loan	36,92,094	-
13.70% Term Loan from a Bank (Rupee Loan)	8,02,097	73,62,366
6.345% Term Loan from a Bank (FCLR)	3,38,45,250	3,06,25,634
Unsecured Loan (Sales Tax Deferment)	76,04,039	76,04,039
(II) Interest accrued but not due on borrowings	9,57,60,304	55,49,939
(III) Unclaimed dividend	4,99,879	4,45,090
(IV) Other Payables		
(I) Creditors For Capital Goods	8,00,23,634	4,62,40,252
(II) Advance From Customers	6,65,12,271	43,02,16,608
(III) Statutory		
Income Tax (TDS)	1,02,83,409	84,02,329
Excise Duty	1,69,21,441	1,59,12,895
Sales Tax	14,30,011	48,24,699
Others	45,94,490	56,98,712
(IV) Other Deposits		
From Related Parties - Hindusthan Engineering & Industries Ltd.	9,28,960	15,65,124
Other Deposit - Trade/Service Deposits	1,00,98,848	83,03,290
	<u>37,83,32,727</u>	<u>61,80,86,977</u>

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
Short Term Provisions:- NOTE NO - 9		
(I) Employee Benefits	4,86,34,002	4,62,05,368
(II) Others		
Liquidated Damages	24,38,972	33,99,595
Proposed Dividend	14,42,885	14,42,885
Tax on Dividend	2,93,786	2,45,218
	<u>5,28,09,645</u>	<u>5,12,93,066</u>

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

II. ASSETS	Fixed Assets:- NOTE NO - 10												
	GROSS BLOCK						Depreciation				Net Block		
Non-current assets	Cost+value* as per last Balance Sheet at 1st April, 2014	Additions during the Year	Deduct Cost/ Value of Assets sold during the year	Other Adjustments during the year#	Total Cost/Value to 31st March 2015	Depreciation to 1st April, 2014	Depreciation provided during the year*	Depreciation adjusted on Assets sold during the year	Total Depreciation to 31st March 2015	Net Block 31.03.2015	Net Block 31.03.2014		
Description	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)		
(I) TANGIBLE ASSETS													
Land													
Free hold	14,67,48,903				14,67,48,903	-			-	14,67,48,903	14,67,48,903		
Lease hold	6,00,19,439		4,46,06,646		1,54,12,793	52,43,606	8,39,357	31,86,189	28,96,774	1,25,16,019	5,47,75,833		
Building	50,24,19,911	5,27,15,435	-	95,00,071	54,56,35,275	13,41,98,040	1,48,23,522	-	14,90,21,562	39,66,13,713	36,82,21,871		
Plant & Machinery	1,83,22,40,225	7,81,22,207	79,57,673	25,35,916	1,89,98,68,843	84,40,75,280	6,73,56,963	66,84,453	90,47,47,790	99,51,21,053	98,81,64,945		
Office Equipment	1,22,70,844	48,06,788	22,52,680	14,08,883	1,34,16,069	58,80,394	21,94,727	19,37,556	61,37,565	72,78,504	63,90,450		
Furniture & fixtures	69,62,050	25,78,235	23,14,749	5,41,335	66,84,201	37,41,410	3,88,703	18,94,721	22,35,392	44,48,809	32,20,640		
Motor Vehicle	2,87,91,498	2,78,23,846	25,40,176	32,961	5,40,42,207	85,56,225	66,19,361	16,79,934	1,34,95,652	4,05,46,555	2,02,35,273		
	<u>2,58,94,52,870</u>	<u>16,60,46,511</u>	<u>5,96,71,924</u>	<u>1,40,19,166</u>	<u>2,88,18,08,291</u>	<u>1,00,16,94,955</u>	<u>9,22,22,633</u>	<u>1,53,82,853</u>	<u>1,07,85,34,735</u>	<u>1,60,32,73,556</u>	<u>1,58,77,57,915</u>		
(II) INTANGIBLE ASSETS													
Software Licence	11,31,919	10,19,292	-	-	21,51,211	4,85,334	1,69,070	-	6,54,404	14,96,807	6,46,585		
	<u>11,31,919</u>	<u>10,19,292</u>	<u>-</u>	<u>-</u>	<u>21,51,211</u>	<u>4,85,334</u>	<u>1,69,070</u>	<u>-</u>	<u>6,54,404</u>	<u>14,96,807</u>	<u>6,46,585</u>		
TOTAL (I + II)	<u>2,59,05,84,789</u>	<u>16,70,65,803</u>	<u>5,96,71,924</u>	<u>1,40,19,166</u>	<u>2,88,39,59,502</u>	<u>1,00,21,80,289</u>	<u>9,23,91,703</u>	<u>1,53,82,853</u>	<u>1,07,91,89,139</u>	<u>1,60,47,70,363</u>	<u>1,58,84,04,500</u>		
Previous Year	<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>86,99,66,557</u>	<u>13,38,07,059</u>	<u>16,13,327</u>	<u>1,00,21,80,289</u>	<u>73,95,86,741</u>	<u>19,98,56,948</u>		
(III) CAPITAL WORK IN PROGRESS													
# This includes ₹ 6,47,774/- (Prev Year ₹ 65,922/-) taken to Capital-Work-In-Progress, since the operation of the Project has not been started.													
## This includes ₹ 9,063,783/- of revaluation reserve and ₹ 49,34,943/- of General reserve, reversed due to changes in depreciation rates as per New Companies Act, 2013.													

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
NON-CURRENT INVESTMENT:- NOTE NO - 11		
Non- Trade Investment		
Investment in Property		
- Land at Banera	90,800	90,800
- Land at Bangalore	80,80,665	80,80,665
- Building at Bangalore (Boundary Wall)	14,33,477	14,04,093
UNQUOTED	#	
Investment in Equity	38,30,17,512	5,00,17,512
Hindusthan Speciality Chemicals Ltd. Subsidiary Company	38,25,17,512	
Hindusthan Vidyut Products Ltd.	5,00,000	-
QUOTED	##	
Investment in Equity		
- Reliance Industries Ltd.	24,36,26,496	29,45,36,745
- Ballarpur Industries Ltd.	53,31,101	53,31,101
- West Coast Paper Mills Ltd	-	5,81,444
- BIOCON Ltd.	-	1,42,51,919
	24,89,57,597	31,47,01,209
(Market Value of Quoted Investments are ₹ 19,18,43,783/- (Previous Year ₹ 27,64,59,345/-)		
	<u>64,15,80,051</u>	<u>37,42,94,279</u>

	Face value per Unit	As at 31/03/2015		As at 31/03/2014	
		No. of Units	Amount Value (₹)	No. of Units	Amount Value (₹)
# UNQUOTED					
Investments in Equity Instruments					
Hindusthan Speciality Chemicals Ltd. Subsidiary Company	₹ 10	4,59,00,000	45,90,00,000	50,00,000	5,00,00,000
Hindusthan Vidyut Products Ltd. Subsidiary Company	₹ 10	50,000	5,00,000		-
## QUOTED					
Investments in Equity Instruments					
- Reliance Industries Ltd. Others	₹ 10	2,30,000	23,00,000	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
- BIOCON Ltd. Others	₹ 5		-	32,000	1,60,000

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
Long Term Loans and Advances:- NOTE NO - 12		
(I) Capital Advances		
(i) Secured, considered good	10,00,000	3,77,50,300
(ii) Unsecured, considered good	33,09,994	5,61,30,517
(II) Security Deposits		
Unsecured, considered good		
(A) (i) Sales Tax (Under Litigation)	12,58,249	13,01,660
(ii) Municipal Corporation (Under Litigation)	5,14,250	5,14,250
(iii) Central Excise & Custom (Under Litigation)	35,00,000	35,00,000
(B) Others -		
I) Tender	1,55,08,572	1,29,65,892
II) Electricity	2,66,69,349	1,88,68,450
III) Others	1,45,38,438	90,19,974
(III) Income Tax	7,88,42,816	8,36,55,292
(IV) Employees	4,19,748	4,49,524
(V) Others	22,23,506	26,82,911
	<u>14,77,84,922</u>	<u>22,68,38,770</u>

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
Other Non - Current Assets:- NOTE NO - 13		
(I) Long Term Trade Receivables		
(i) Unsecured, considered good (Under Litigation ₹ 39,58,233/- (Previous Year ₹ 42,68,433/-))	4,53,39,940	4,61,18,660
(II) Interest accrued but not Due - Unsecured	29,273	28,63,108
	<u>4,53,69,213</u>	<u>4,89,81,768</u>
(2) Current Assets		
Inventories:- NOTE NO - 14		
(I) Raw materials - In hand	12,86,94,806	17,50,22,998
- In Transit	-	13,20,92,868
(II) Work-in-Progress	20,61,83,851	17,37,04,720
(III) Finished Goods	8,01,93,559	21,94,09,601
(IV) Stores & Spares and Packing	6,34,42,470	7,07,55,573
(V) Loose Tools	24,01,773	23,43,654
(VI) Scrap	17,95,640	2,46,636
	<u>48,27,12,099</u>	<u>77,35,76,050</u>
Trade Receivables:- NOTE NO - 15		
(I) Over six months (Refer Note No. 26B(3A))		
(i) Unsecured, considered good	12,83,72,049	9,11,71,825
(II) Others (Refer Note No. 26B(3A))		
(i) Secured, considered good	12,96,74,853	52,95,32,548
(ii) Unsecured, considered good	1,41,14,43,309	1,83,01,21,169
	<u>1,66,94,90,211</u>	<u>2,45,08,25,542</u>
Cash and Cash Equivalents:- NOTE NO - 16		
(I) Cash and Cash equivalents		
(I) Cash on Hand	24,23,632	7,87,777
(II) Cheque, draft on hand	-	50,000
(III) Balance with Banks		
Current Accounts	2,45,90,259	1,70,97,655
Fixed Deposits (Maturity upto 3 Months)	-	1,45,87,989
	<u>2,70,13,891</u>	<u>3,25,23,421</u>
(II) Other Bank Balances		
Earmarked Balances with Banks - Unclaimed Dividend	4,99,879	4,45,090
Balances with Banks held as Margin money/ Security #	4,57,66,053	11,00,37,114
	<u>7,32,79,823</u>	<u>14,30,05,625</u>
# Includes deposit more than 12 month ₹ 1,07,85,365/- (Previous year ₹ 4,72,48,924/-)		

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	As At 31.03.2015	As At 31.03.2014
	(₹)	(₹)
Short- term loans and advances:- NOTE NO - 17		
(I) Loans & Advances to Subsidiary (Un-secured)	22,00,000	-
- Hindusthan Vidyut Products Ltd ##		
(II) Earnest Money Deposit - Lien Fixed Deposit	-	-
- Others	1,26,96,500	33,38,394
(III) Deposit/ Credit with Government Authorities		
Custom, Excise & Service Tax	4,39,51,411	7,15,55,288
Sales tax	78,97,727	37,29,749
(IV) Employees	22,41,795	24,83,697
(V) Others	27,05,60,408	19,78,08,903
	<u>33,95,47,841</u>	<u>27,89,16,031</u>
## For Business purpose.		
Other Current Assets:- NOTE NO - 18		
Interest accrued but not Due - Unsecured	78,21,797	75,86,617
	<u>78,21,797</u>	<u>75,86,617</u>

NOTES - PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	2014-15	2013-14
	(₹)	(₹)
Revenue from operations:- NOTE NO - 19		
(A) SALE OF PRODUCTS		
(I) Conductors & Cables	6,97,91,61,553	6,54,55,81,859
(II) Insulators	1,36,56,72,810	1,28,92,94,704
(III) Power Generation Sales	1,63,74,910	2,65,98,787
TOTAL A	<u>8,36,12,09,273</u>	<u>7,86,14,75,350</u>
(B) OTHER OPERATING REVENUE		
(I) Scrap	1,38,92,102	1,73,43,042
(II) Export Incentive	20,34,149	2,01,79,456
TOTAL B	<u>1,59,26,251</u>	<u>3,75,22,498</u>
(C) EXCISE DUTY ON SALES TOTAL C	8,37,71,35,524	7,89,89,97,848
TOTAL I (A + B - C)	<u>49,20,39,858</u>	<u>71,18,77,701</u>
	<u>7,88,50,95,666</u>	<u>7,18,71,20,147</u>

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

PARTICULARS	2014-15	2013-14
Other Income:- NOTE NO - 20	(₹)	(₹)
(A) INTEREST INCOME		
From FDR's	86,33,052	64,84,888
From Customers	57,01,648	25,42,321
From Investment	-	33,00,888
From Related Parties - Hindusthan Vidyut Products Ltd.	13,260	-
From Others	18,71,996	17,62,307
(B) DIVIDEND INCOME	26,06,923	29,52,885
(C) NET GAIN ON SALE OF INVESTMENT	62,24,913	5,34,973
(D) OTHER NON- OPERATING INCOME		
Fluctuation in Exchange Rate (Net)	37,43,780	-
Claims Received (Net)	5,95,053	5,60,094
Profit on Sale of Fixed Assets	14,59,430	1,50,900
Liabilities No Longer Required & Sundry Credit Balance Written Back	1,12,79,913	24,45,757
TOTAL II	<u>4,21,29,968</u>	<u>2,07,35,013</u>
III. Total Revenue (I +II)	<u>7,92,72,25,634</u>	<u>7,20,78,55,160</u>
IV. EXPENSES	2014-15	2013-14
Cost of Materials Consumed:- NOTE NO - 21	(₹)	(₹)
RAW MATERIAL		
Inventories at the beginning of the year	30,71,15,866	32,48,84,464
Add:- Purchases during the Year	5,83,20,34,837	5,02,07,78,250
	<u>6,13,91,50,703</u>	<u>5,34,56,62,714</u>
Inventories at the end of the year	12,86,94,806	30,71,15,866
TOTAL A	<u>6,01,04,55,897</u>	<u>5,03,85,46,848</u>
PARTICULARS	2014-15	2013-14
	(₹)	(₹)
Purchase of Stock-In-Trade	-	21,41,385
TOTAL B	<u>-</u>	<u>21,41,385</u>
Change in Inventories of Finished Goods, Work-in-Progress and Scrap:- NOTE NO - 22		
Inventories at the beginning 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>
Inventories at the end of the year		
Finished Goods	8,01,93,559	21,94,09,601
Work-In-Progress	20,61,83,851	17,37,04,720
Scrap	17,95,640	2,46,636
	<u>28,81,73,050</u>	<u>39,33,60,957</u>
TOTAL C	<u>10,51,87,907</u>	<u>20,15,34,328</u>
	2014-15	2013-14
Employee Benefit Expenses:- NOTE NO - 23	(₹)	(₹)
(I) Salaries, Wages and Bonus etc.	26,75,26,822	24,95,25,969
(II) Contribution to Provident & Other Funds	1,78,47,846	1,90,30,055
(III) Staff & Workmen Welfare	60,35,786	64,69,519
TOTAL D	<u>29,14,10,454</u>	<u>27,50,25,543</u>

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	2014-15 (₹)	2013-14 (₹)
Finance Costs:- NOTE NO - 24		
(1) INTEREST		
On Term Loan	2,29,03,721	1,27,40,690
On Working Capital Borrowings	8,65,97,066	10,45,53,269
On Loan from - Related Party (HEIL)	4,91,07,944	3,77,95,671
On Exchange difference to the extent considered as an adjustment to borrowing cost	94,21,519	4,88,76,883
On Others	27,08,280	55,21,758
	<u>17,07,38,530</u>	<u>20,94,88,271</u>
(2) OTHER BORROWING COST		
Bank Charges	4,76,62,463	4,56,10,385
TOTAL E	<u>21,84,00,993</u>	<u>25,50,98,656</u>
PARTICULARS	2014-15	2013-14
Depreciation	(₹)	(₹)
	9,17,43,929	13,37,41,137
Other Expenses:- NOTE NO - 25		
MANUFACTURING EXPENSES		
(i) Stores & Spares	10,44,35,511	11,16,62,501
(ii) Packing & Forwarding Expenses (Net)	23,16,95,855	28,26,76,032
(iii) Power & Fuel	35,77,01,664	40,40,84,109
(iv) Repairs to Building	83,81,761	1,21,54,117
(v) Repairs to Machinery	2,62,81,302	2,66,65,334
(vi) Jobs on Contract	18,34,26,542	16,32,95,206
(vii) Freight and Transport	14,14,76,818	15,65,79,822
(viii) Increase/(Decrease) in Excise Duty & Cess on Inventories	(53,59,000)	(3,30,15,889)
SELLING AND ADMINISTRATION		
(i) Rent	80,38,722	80,21,394
(ii) Insurance	96,07,625	52,15,198
(iii) Rates & Taxes	1,13,30,539	38,04,248
(iv) Repairs - Others	56,02,616	47,74,378
(v) Directors Meeting Fees	2,25,000	1,30,000
(vi) Payment to Auditors	3,29,627	4,02,685
(vii) Charity & Donation	8,13,000	8,78,000
(viii) Brokerage & Commission	57,82,156	1,67,38,449
(ix) Bad Debts Written off	8,49,448	11,02,788
(x) Loss on Sale of Fixed Assets	4,07,836	4,28,628
(xi) Fluctuation in Exchange Rate (Net)	-	6,14,91,215
(xii) Miscellaneous Expenses	7,01,65,130	9,18,28,041
TOTAL F	<u>1,16,11,92,152</u>	<u>1,31,89,16,256</u>

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS:- NOTE NO - 26

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

2. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods and services. Sales are 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 as per the useful lives and in the manner prescribed under Part C of Schedule II of The Companies Act, 2013. (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, 2015 (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 is made only if such a decline is other than temporary. 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. 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 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 the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

(B) OTHER NOTES TO THE ACCOUNTS

(1) SEGMENT ACCOUNTING

Segment information for the year ending 31st March, 2015

Particulars	Conductor & Cable	Insulators	Unallocated	Total
	(₹)	(₹)	(₹)	(₹)
Revenue				
External Sales/other income (Net of Excise Duty)	6,63,57,59,742 (5,98,66,76,268)	1,25,00,39,190 (1,17,70,01,843)	4,14,26,702 (4,41,77,049)	7,92,72,25,634 (7,20,78,55,160)
Inter-segment	- (-)	- (-)	- (-)	- (-)
Total revenue	6,63,57,59,742 (5,98,66,76,268)	1,25,00,39,190 (1,17,70,01,843)	4,14,26,702 (4,41,77,049)	7,92,72,25,634 (7,20,78,55,160)
Results				
Segment result	18,40,65,997 (31,38,54,427)	6,06,42,157 (-6,66,17,800)	(25,24,651) (-2,68,65,226)	24,21,83,503 (22,03,71,401)
Interest Income	- (-)	- (-)	1,62,19,956 (1,40,90,404)	1,62,19,956 (1,40,90,404)
Finance cost	8,22,30,976 (12,57,08,854)	12,20,40,861 (11,02,49,473)	1,41,29,156 (1,91,40,329)	21,84,00,993 (25,50,98,656)
Dividend Received	- (-)	-	26,06,923 (29,52,885)	26,06,923 (29,52,885)
Profit/(Loss) on sale of Investments (Net)	- (-)	-	62,24,913 (5,34,973)	62,24,913 (5,34,973)
Profit/(Loss) before taxation and exceptional items	- (-)	-	- (-)	4,88,34,302 (-1,71,48,993)
Add:- Exceptional Items				(54,41,301)
Less : Provision for taxation (including deferred tax)				2,11,71,256 (1,03,82,741)
Net Profit/ (Loss) for the year				2,76,63,046 (-2,20,90,433)
Other Information				
Segment assets	2,62,66,51,122 (3,38,11,47,266)	2,05,12,33,713 (1,88,16,73,174)	1,07,40,58,226 (82,94,65,690)	5,75,19,43,061 (6,09,22,86,130)
Segment liabilities	1,02,11,93,317 (1,66,51,65,821)	1,68,01,18,380 (1,41,45,47,504)	11,73,49,989 (14,33,87,796)	2,81,86,61,686 (3,22,31,01,121)
Capital expenditure	38,71,63,837 (16,21,75,824)	15,92,53,775 (3,57,34,288)	5,84,10,296 (1,40,90,677)	60,48,27,908 (21,20,00,789)
Depreciation	3,32,66,849 (2,90,43,165)	4,74,97,557 (6,79,39,678)	1,09,79,523 (3,67,58,294)	9,17,43,929 (13,37,41,137)

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, 2015 (Contd.)

	Current Year Amount (₹)	Previous Year Amount (₹)
(2) (1) Contingent liabilities (to the extent not provided for)		
(a) Income Tax demand under appeal (Paid under Protest ₹ 17,00,000/- (Previous year ₹ 17,00,000/-))	35,61,524	47,37,892
(b) Outstanding Bank Guarantees (Net of Margin Money)	2,35,20,38,693	2,44,91,26,966
(c) Guarantees/Securities given on behalf of third parties	6,07,23,570	1,91,49,764
(d) Excise Duty show cause notices/demands under appeal (Paid under protest ₹ 35,00,000/- (Previous Year ₹ 35,00,000))	3,72,29,794	3,72,29,794
(e) Claims against the Company for Sales/Purchase Tax/ MCF & Other under litigation (Paid under protest ₹ 16,74,910/- (Previous Year ₹ 19,79,910/-))	2,05,58,424	5,08,27,259
(f) Surety Bond given to Custom & Excise/JDFT	3,15,00,000	3,15,00,000
(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)	2,66,01,195	32,63,60,430
(b) Other Commitments to be executed and not provided for Sales order to be executed against Government and Private Contracts	1,93,96,54,000	5,41,18,38,597
(3) Sundry creditors include acceptance	12,27,40,029	54,61,47,967
(3) (A) Trade Payable/ Receivables		
Balance confirmation letters has been sent to the respective parties, but no confirmation from the parties 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 ₹ 45,40,627/- (Previous year ₹ 49,20,937/-) payable to small scale industrial undertakings and the same are not outstanding for more than 30 days.		
(4) Foreign Currency Exposures		
(a) There are no Derivative contracts (forward contract for hedging purposes) entered into by the company and outstanding as on March 31, 2015.		
(b) Foreign currency exposures those are not hedged:-		

	Amount in (₹)	
Particulars	31.03.2015	31.03.2014
Foreign Currency Payables	66,47,41,786	1,11,45,05,279
Foreign Currency Receivables	29,13,33,459	65,81,49,701

Notes to Financial Statements for the year ended 31st March, 2015 (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 recognised during the year 2014-15

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	(₹)		(₹)	
	2014-15	2013-14	2014-15	2013-14
Current Service Cost	18,00,493	15,12,764	35,69,635	38,38,430
Interest Cost	8,43,544	8,60,625	56,07,977	53,88,045
Expected return on plan assets	-	-	-	-
Actuarial Losses / (Gains)	2,35,985	(22,91,774)	41,68,773	(40,52,963)
Past Service Cost	-	-	-	-
Net benefit expenses	28,80,022	81,615	1,33,46,385	51,73,512
Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2015				

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	(₹)		(₹)	
	2014-15	2013-14	2014-15	2013-14
Present Value of Defined Benefit Obligation as on 31.3.2015	1,06,90,393	1,03,18,520	6,96,28,044	6,82,94,576
Fair Value of plan assets	-	-	-	-
Funded status - Deficit	-	-	-	-
Unrecognised Past Service Costs	-	-	-	-
Net liabilities recognized in Balance Sheet	(1,06,90,393)	(1,03,18,520)	(6,96,28,044)	(6,82,94,576)
Change in the obligation over the year ended 31st March, 2015				

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	(₹)		(₹)	
	2014-15	2013-14	2014-15	2013-14
Present Value of Defined Benefit Obligation as on 1st April, 2014	1,03,18,520	1,07,63,005	6,82,94,576	6,71,90,693
Interest Cost	8,43,544	8,60,625	56,07,977	53,88,045
Past Service Cost	-	-	-	-
Current Service Cost	18,00,493	15,12,764	35,69,635	38,38,430
Benefits Paid	(25,08,149)	(5,26,100)	(1,20,12,917)	(40,69,629)
Actuarial (Gain) / loss on obligation	2,35,985	(22,91,774)	41,68,773	(40,52,963)
Present Value of Defined Benefit Obligation as on 31st March, 2015	1,06,90,393	1,03,18,520	6,96,28,044	6,82,94,576
Change in fair value of Plan Assets				

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	(₹)		(₹)	
	2014-15	2013-14	2014-15	2013-14
Fair Value of plan assets as on 01.04.2014	-	-	-	-
Actual return on plan assets	-	-	-	-
Contribution	-	-	-	-
Benefits paid	-	-	-	-
Fair Value of plan assets as on 31.03.2015	-	-	-	-

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

Major actuarial assumption					
Particulars	Segment	Leave Encashment (Non-Funded) (₹)		Gratuity (Non-Funded) (₹)	
		2014-15	2013-14	2014-15	2013-14
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	7.75 %	8.00 %	7.75 %	8.00 %
	Insulators	7.90 %	9.25 %	7.90 %	9.25 %
Salary increase (Taking into account inflation, seniority, promotion and other relevant factors)	Conductor & Cable	3.00 %	4.00 %	3.00 %	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 ₹ 1,78,47,846/- (Previous Year ₹ 1,90,30,055/-).

(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)
Hindusthan Vidyut Products Ltd. (Subsidiary Company)
Adarsh Commercial Co. Ltd.
General Engineering Works
Mody Education Foundation
Mrs. Nirmala Bhuvania (W/o Managing Director)
Mrs. Sanchita Mody, Advisor - Corporate Planning (W/o Promoter Director)

Directors / Key Managerial Personnel :

Mr. R.P. Mody, Promoter & acting in concert Promoter
Mr. V.A. Mody, Promoter Director Promoter
Mr. S.S. Bhuvania, Managing Director

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

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

With parties other than Directors / Key Managerial Personnel

	Current Year Amount	Previous Year Amount
	(₹)	(₹)
Purchases of goods	-	11,025
Sale of goods	6,39,854	12,42,456
Sale of capital goods	5,63,63,799	1,43,104
Rendering or receiving of services	44,39,325	1,49,44,195
Interest Received	13,260	-
Interest Paid	4,91,67,944	3,77,95,671
Loan Amount - Received	7,19,29,000	15,70,50,000
Loan Amount - Given	22,00,000	-
Guarantees and collaterals by the Company	6,07,23,570	1,91,49,764
Outstanding - Receivable	22,98,674	-
Outstanding - Payable	62,54,16,057	50,92,35,907
Investment in Equity Shares	33,30,00,000	4,00,00,700
With Directors / Key Managerial Personnel :		
Remuneration / Sitting Fee	82,57,000	83,06,417

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

	Year Ended 31.03.2015	Year Ended 31.03.2014
	(₹)	(₹)
Employee Benefit Expenses	3,26,34,408	1,32,85,047
Finance costs	3,21,61,140	-
Other Expenses	15,50,78,346	7,39,49,055
	<u>21,98,73,894</u>	<u>8,72,34,102</u>
Add : Brought forward from Previous year	8,20,06,529	1,38,86,071
	<u>30,18,80,423</u>	<u>10,11,20,173</u>
Less : Capitalised as part of		
Plant & Machinery	3,58,53,001	1,90,93,421
Buildings	77,47,360	-
Others	3,00,34,967	20,223
Carried forward under Capital work in progress	<u>22,82,45,095</u>	<u>8,20,06,529</u>

(8) Tax Expenses:-

(A) CURRENT TAX

Current tax for the Year	1,03,00,000	-
Add:- For earlier years Short/ (Excess) Provision	(37,81,744)	(65,259)
LESS:- MAT Credit entitlement	11,15,000	-

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

NET CURRENT TAX	54,03,256	(65,259)	
(B) DEFERRED TAX	Opening As At 01.04.2014	Charge/(Credit) During the Year	Closing As At 31.03.2015
Depreciation	23,45,26,000	1,43,38,000	24,88,64,000
Provision for Gratuity / Leave Encashment	(2,42,92,000)	(17,68,000)	(2,60,60,000)
Others	(38,33,000)	31,98,000	(6,35,000)
	<u>20,64,01,000</u>	<u>1,57,68,000</u>	<u>22,21,69,000</u>
(9) Earning Per Share:-			
Earnings per share (EPS) The numerators and denominators used to calculate Basic and Diluted Earnings per share :			
	Year Ended 31.03.2015	Year Ended 31.03.2014	
	(₹)	(₹)	
Profit/ (Loss) attributable to the Equity Shareholders (₹)			
Before extraordinary items (A)	2,76,63,046	(2,20,90,433)	
After extra ordinary items	2,76,63,046	(2,20,90,433)	
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	19 .17	(15.31)	
On Profit after extra ordinary items	19 .17	(15.31)	
(10) Other Disclosures to Profit and Loss Statement:-			
	2014-15	2013-14	
	(₹)	(₹)	
(1) NET GAIN/(LOSS) ON FOREIGN EXCHANGE			
SUNDRY DEBTORS			
For Export	2,05,13,953	(2,94,42,540)	
SUNDRY CREDITORS			
For Import	(1,74,18,666)	17,97,873	
For FCLR LOAN/ PCFC	6,48,493	(3,38,46,548)	
For Machinery	-	-	
	<u>37,43,780</u>	<u>(6,14,91,215)</u>	
(2) PAYMENT TO AUDITORS			
- Audit fees	1,75,000	1,75,000	
- Out of Pocket Expenses	30,627	31,685	
- Tax Audit	30,000	25,000	
- For Certification	94,000	1,71,000	
	<u>3,29,627</u>	<u>4,02,685</u>	

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

(3) (I) RAW MATERIAL

PARTICULARS	CONSUMPTION 31.03.2015	CONSUMPTION 31.03.2014
Aluminium	5,12,84,82,997	3,48,83,47,227
Steel	44,81,52,012	53,29,48,592
PVC Compound	7,83,21,406	47,85,20,883
Copper	2,84,65,365	22,07,85,628
Zinc	3,47,61,188	1,23,14,475
Clay/Powder	11,12,14,612	13,10,39,207
Metal Parts	17,69,96,693	15,17,80,849
Others	40,61,624	2,28,09,987
TOTAL	6,01,04,55,897	5,03,85,46,848

(II) FINISHED GOODS

PARTICULARS	SALES VALUE 31.03.2015	CLOSING INVENTORY	OPENING INVENTORY	SALES VALUE 31.03.2014	CLOSING INVENTORY	OPENING INVENTORY
Conductors, Strips	6,89,61,34,957	3,13,73,671	16,75,12,710	6,47,62,91,964	16,75,12,710	36,66,52,861
High Tension Insulators	1,36,56,72,810	4,88,19,888	5,18,96,891	1,28,92,94,704	5,18,96,891	6,34,17,813
Electrical Energy	1,63,74,910			2,65,98,787		
Trading- Conductor Accessories				25,17,900		
Miscellaneous	8,30,26,596	17,95,640	2,46,636	6,67,71,995	2,46,636	26,75,690
TOTAL	8,36,12,09,273	8,19,89,199	21,96,56,237	7,86,14,75,350	21,96,56,237	43,27,46,364

(III) WORK IN PROGRESS

PARTICULARS	WIP (31.03.2015)	WIP (31.03.2014)
Aluminium	11,18,642	1,67,86,870
Steel	10,70,532	39,07,436
PVC Compound	-	13,43,904
Copper	-	4,30,661
Insulators	20,39,55,526	15,05,95,412
Others	39,151	6,40,437
TOTAL	20,61,83,851	17,37,04,720

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

PARTICULARS	2014-15 (₹)	2013-14 (₹)
Brokerage & Commission	-	2,45,228
EPS Employer Contribution	3,67,885	-
PF Employer Contribution	-	-
Sundry Debtors Credit Balance Written off	1,11,381	4,62,271
Sundry Credit Balance Written off	11,17,756	7,32,840
Carriage Inwards/ Outward	-	2,92,575
Rates & Taxes (LADT)	96,16,891	-
Entry Tax	-	4,80,978
Provision for Bonus and Others etc.	66,000	2,31,865

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

TOTAL		1,12,79,913	24,45,757
(5)	VALUE OF IMPORTS CALCULATED ON C.I.F BASIS		
	PARTICULARS	2014-15	2013-14
		(₹)	(₹)
	Raw Material	99,16,57,870	76,31,33,260
	Components & Spare Parts	46,42,247	53,79,401
	Capital Goods	2,09,54,358	58,555
(6)	EXPENDITURE IN FOREIGN CURRENCY		
	PARTICULARS	2014-15	2013-14
		(₹)	(₹)
	Travelling	23,40,357	37,82,828
	Interest	5,21,54,662	5,11,77,072
	Commission	12,62,048	98,45,240
	Others	82,74,077	44,37,654
(7)	VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH %		
	IMPORTED	2014-15	2013-14
		(₹)	(₹)
	Raw Materials	16.99% 1,02,12,14,985	15.14% 76,30,15,429
	Stores and Spare Parts	7.74% 80,86,278	5.99% 68,72,154
	INDIGENOUS		
	Raw Materials	83.01% 4,98,92,40,912	84.86% 4,27,55,31,418
	Stores and Spare Parts	92.26% 9,63,49,233	94.01% 10,47,90,347
(8)	EARNINGS IN FOREIGN EXCHANGE		
	Exports (F.O.B.)	7,46,89,081	49,21,66,417
	Freight & Insurance on Export	17,24,618	1,84,88,584
	Interest Received	-	10,16,514
	Earning by Sale under Global Tender in India	3,66,80,21,973	76,00,16,018
(9)	PROPOSED DIVIDEND		
	Proposed Dividend	14,42,885	14,42,885
	Tax on Dividend	2,93,786	2,45,218
		<u>17,36,671</u>	<u>16,88,103</u>
(10)	As per requirements of Revised Schedule-II of the Companies Act,2013 effective from April 1, 2014, the company has revised the useful life of the assets as per Schedule-II. As a result, the depreciation for the year ended March 31st, 2015 is lower by ₹ 4,23,52,369 /-. Further, an amount of ₹ 90,63,783 /- and ₹ 49,34,943 /- pertaining to assets for which the remaining useful lives were Nil as at April 1, 2014 has been adjusted to Revaluation Reserve and General Reserve respectively.		
(11)	Previous year figures re-grouped or re-arranged wherever required, to make them comparable.		
(12)	The company is subject to statutory legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results.		

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **Hindusthan Urban Infrastructure Limited** ('the Company') and its subsidiaries, which comprise the consolidated balance sheet as at 31 March 2015, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and presentation 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 principles generally accepted in India. This responsibility includes design, implementation and maintenance of adequate internal control relevant to the preparation and 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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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 on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consolidation 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:

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31 March 2015;*
- (ii) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and*
- (iii) 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 Companies Hindusthan Speciality Chemicals Limited (HSCL) & Hindusthan Vidyut Products Limited (HVPL). The financial statements of HSCL reflect total assets of Rs. 384.48 lac as at 31st March, 2015, the total revenue of Rs. 35.36 lac and net cash inflow amounting to Rs. 907.40 lac for the year ended 31st March, 2015. The financial statements of HVPL reflect total assets of Rs. 10.33 lac as at 31st March, 2015, the total revenue of Rs. NIL and net cash inflow amounting to Rs. 2.83 lac for the year ended 31st March, 2015. 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)
(Firm Regn. No. 000853N)

Place : New Delhi
Dated : 30th April, 2015

Sd/-
(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*)

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified by the management during the year and as informed to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) As explained to us inventories (except stock lying with third parties and stock in transit) were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to information and explanation 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 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 with the books of account.
- (iii) (a) The Company has granted short term loan to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (b) In the case of the loan granted to the body corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loan is repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public within the meaning of directives issued by Reserve Bank of India and hence provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.
- (vi) 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 148(1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been maintained by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. There was no material undisputed outstanding statutory dues as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) According to the records of the company and as per information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:

INDEPENDENT AUDITORS' REPORT (Contd.)

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Haryana	17,20,197.00	2004-05	Tribunal, Chandigarh
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax U.P.	64,307.00	1985-86	Assistant Commissioner, (Assessment) Ghaziabad
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax U.P.	4,88,619.00	1995-96	Assistant Commissioner, (Assessment) Ghaziabad
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax U.P.	9,25,200.00	2001-02	Hon'ble High Court, Allahabad
Municipal Corporation, Faridabad	Development Charges at Faridabad, Work Land	92,85,750.00		Hon'ble Civil Court, (Adjudication) Chandigarh
Central Excise	No Proper Endorsement On Bill of Entry	31,869,030.00		Tribunal, New Delhi
Income Tax Department	Income Tax	1,840,570.00	2005-06	ITAT, New Delhi

(c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

(viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

(x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) The Company did not have any term loans outstanding during the year.

(xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place : New Delhi
Dated : 30th April, 2015

Sd/-
(D.K.AGARWAL)
PARTNER
(Membership No. 016952)

CONSOLIDATED BALANCE SHEET as at 31st March, 2015

	Note No.	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	1	1,44,28,850	1,44,28,850
Reserves and Surplus	2	2,69,24,92,526	2,64,93,28,213
Minority Interest			
		-	-
(2) Non-Current Liabilities			
Long-Term Borrowings	3	42,15,38,156	25,04,07,026
Deferred Tax Liabilities (Net)	4	21,96,91,338	20,62,10,870
Long Term Provisions	5	6,06,44,312	6,71,00,292
(3) Current Liabilities			
Short-Term Borrowings	6	1,37,73,62,997	1,19,95,15,285
Trade Payables	7	52,97,36,947	1,03,83,86,578
Other Current Liabilities	8	37,93,49,367	61,84,66,492
Short-Term Provisions	9	5,34,61,224	5,15,05,426
Total		5,74,87,05,717	6,09,53,49,032
II. ASSETS			
(1) Non-Current Assets			
<i>Fixed Assets</i>			
	10		
(i) Tangible Assets		1,67,06,26,235	1,58,79,89,922
(ii) Intangible Assets		30,54,770	6,60,422
(iii) Capital Work-in-Progress		92,02,80,516	22,30,19,958
Non-Current Investments	11	25,85,62,539	32,42,76,767
Long Term Loans and Advances	12	15,90,07,599	23,69,76,812
Other Non-Current Assets	13	4,53,69,213	4,89,81,768
(2) Current assets			
Inventories	14	48,42,01,395	77,35,76,050
Trade Receivables	15	1,66,98,39,394	2,45,08,25,542
Cash and Cash Equivalents	16	18,33,34,204	16,20,37,261
Short-Term Loans and Advances	17	34,46,24,894	27,94,17,913
Other Current Assets	18	98,04,958	75,86,617
Total		5,74,87,05,717	6,09,53,49,032

ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS

26 (A & B)

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

D.K. AGARWAL
Partner

Sd/-
M.L. Birmiwala
Sr.V.P.Finance & Secy.

Sd/-
Deepak Kejriwal
Chief Financial Officer

Sd/-
R.P. Mody
(DIN No.00140503) Director

Sd/-
S.S. Bhuwania
(DIN No.00107171) Managing Director

M.No.16952

Place: New Delhi
Date: 30th day of April, 2015

CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2015

	Note No.	2014-15 (₹)	2013-14 (₹)
I. Revenue from Operations	19	7,88,57,46,906	7,18,71,20,147
II. Other Income	20	4,50,16,068	2,07,39,112
III. Total Revenue (I +II)		7,93,07,62,974	7,20,78,59,259
IV. Expenses:			
Cost of Materials Consumed	21	6,01,04,55,897	5,03,85,46,848
Purchase of Stock-In-Trade		20,08,755	21,41,385
Changes in Inventories of Finished goods, Work-in-Progress and Scrap	22	10,36,98,611	20,15,34,328
Employee Benefit Expense	23	29,59,49,491	27,50,25,543
Finance Costs	24	21,84,16,431	25,50,98,656
Depreciation and Amortization Expense (Refer Note No. 26 B 10(11))		9,17,43,929	13,37,41,137
Other Expenses	25	1,16,70,58,575	1,31,98,96,043
Total Expenses		7,88,93,31,689	7,22,59,83,940
V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		4,14,31,285	(1,81,24,681)
VI. Exceptional Items			54,41,301
VII. Profit/ (Loss) before extraordinary items and tax (V-VI)		4,14,31,285	(1,26,83,380)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax (VII - VIII)		4,14,31,285	(1,26,83,380)
X. Tax expense:- (Refer Note No. 26 B (8))			
Current tax		54,03,256	(65,259)
Deferred tax		1,34,80,468	1,02,57,870
XI. Profit(Loss) for the period after tax (IX-X)		2,25,47,561	(2,28,75,991)
XII. Minority Interest		-	-
XIII. Profit(Loss) for the period from continuing operations (XI-XII)		2,25,47,561	(2,28,75,991)
XIV. Earning per equity share:- (Refer Note No. 26 B (9))			
(1) Basic		15.63	(15.85)
(2) Diluted		15.63	(15.85)

ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS

26 (A & B)

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

D.K. AGARWAL
Partner

Sd/-
M.L. Birmiwala
Sr.V.P.Finance & Secy.

Sd/-
Deepak Kejriwal
Chief Financial Officer

Sd/-
R.P. Mody
(DIN No.00140503) Director

Sd/-
S.S. Bhuwania
(DIN No.00107171) Managing
Director

M.No.16952

Place: New Delhi
Date: 30th day of April, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2014-15

	31.03.2015 (₹)	31.03.2014 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	4,14,31,286	(1,26,83,380)
Adjustments for :		
Depreciation	9,17,43,929	13,37,41,137
Unrealised Foreign Exchange Loss/(Gain)	(11,38,800)	2,81,82,616
Finance Cost	21,84,00,993	25,50,98,656
Provision for Liquidated Damages/ Bad Debts Written off	8,49,448	11,02,788
Exceptional Item	-	(54,41,301)
Rates and Taxes (Wealth Tax)	15,61,600	7,45,000
Interest Received	(1,62,19,956)	(1,40,90,404)
Dividend Received	(26,06,923)	(29,52,885)
Loss/(Profit) on Sale of Fixed Assets	(10,51,594)	2,77,728
Loss/(Profit) on Sale of Investment	(62,24,913)	(5,34,973)
Operating Profit Before Working Capital Changes	<u>32,67,45,070</u>	<u>38,34,44,982</u>
Add/Less: (Increase)/Decrease in Current Assets		
Trade Receivables	78,17,40,866	(70,77,27,575)
Loans & Advances	(8,47,49,348)	(3,62,36,976)
Inventories	29,08,63,951	23,29,74,508
Add/Less: Increase/(Decrease) in Current Liabilities		
Current Liabilities & Provisions	<u>(88,64,93,955)</u>	<u>23,84,39,500</u>
Operating Profit After Working Capital Changes	42,81,06,584	11,08,94,439
Direct Tax Paid (net of refund)	12,20,779	42,88,722
Rates & taxes (Wealth Tax Paid)	9,31,600	5,77,200
Net Cash (used in) Operating Activities	<u>42,59,54,205</u>	<u>10,60,28,517</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(80,89,89,180)	(19,67,91,711)
Sale of Fixed Assets	4,53,61,104	27,19,171
Purchase of Investment	(29,384)	(700)
Sale of Investment	7,19,68,525	1,35,02,440
Interest Received	1,88,18,611	85,76,520
Dividend Received	26,06,923	29,52,885
Long Term Loans & Advances	(7,96,200)	(71,64,620)
Capital Subsidy	3,63,52,149	6,85,12,126
Loan to Others - Given	5,71,360	-
Net Cash from Investing Activities	<u>(63,41,36,092)</u>	<u>(10,76,93,889)</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds From Short Term Borrowings	22,69,37,561	45,27,62,340
Proceeds From Long Term Borrowings	16,18,01,790	34,19,808
Payment of Short term Borrowings	-	-
Payment of Long term Borrowings	1,53,73,410	(15,65,33,304)
Finance Cost	(17,30,00,617)	(21,80,73,976)
Dividend Paid	(16,33,314)	(33,32,565)
Net Cash from Financing Activities	<u>22,94,78,830</u>	<u>7,82,42,303</u>
Net Increase/ (Decrease) in cash & cash Equivalent	2,12,96,943	7,65,76,931
Cash & cash Equivalent at Beginning of the Year	16,20,37,261	8,54,60,330
Cash & cash Equivalent at End of the Year	<u>18,33,34,204</u>	<u>16,20,37,261</u>

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

<p>As per our report of even date For K.M. AGARWAL & CO. Chartered Accountants FRN: 853N</p>	<p>Sd/- R.P. Mody (DIN No.00140503)</p>	<p>Director</p>
<p>D.K. AGARWAL Partner</p>	<p>Sd/- M.L. Birmiwala Sr.V.P.Finance & Secy.</p>	<p>Sd/- Deepak Kejriwal Chief Financial Officer</p>
<p>M.No.16952 Place: New Delhi Date: 30th day of April, 2015</p>	<p>Sd/- S.S. Bhuwania (DIN No.00107171)</p>	<p>Managing Director</p>

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

I. EQUITY AND LIABILITIES

(1) Shareholder's Funds		As At 31.03.2015 (₹)	As At 31.03.2014 (₹)	
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 31.03.2015 (₹)	As on 31.03.2014 (₹)	
NAME OF THE SHAREHOLDER	No. of Shares	% of Share holding	No. of Shares	% of Share holding
M/s Hindusthan Consultancy & Services Ltd.	708825	49.12%	7,08,825	49.12%
M/s Carbo Industrial Holdings Ltd.	132820	9.21%	1,32,820	9.21%
M/s Promain Ltd.	117900	8.17%	1,17,900	8.17%
Reserves and Surplus:- NOTE NO - 2				
		As on 31.03.2015 (₹)	As on 31.03.2014 (₹)	
(a) Capital Redemption Reserve		26,43,500	26,43,500	
(b) Revaluation Reserve	1,20,80,388		1,24,63,531	
Less:- Reserve adjusted due to revised Depreciation rates	90,63,783		-	
Less:- Transferred to General Reserve	1723		3,83,143	
	<u>30,14,882</u>	30,14,882	<u>1,20,80,388</u>	
(c) General Reserve	2,56,34,30,467		2,58,25,00,000	
Add/(Less):- Transferred from/ (To) Profit and Loss A/c	2,19,19,490		(2,20,65,999)	
Depreciation adjustment	(49,34,943)		-	
Deferred Tax Reversal on Land at Bangalore	-		26,13,323	
Transferred from Revaluation Reserve	1723		3,83,143	
	<u>2,58,04,16,737</u>	2,58,04,16,737	<u>2,56,34,30,467</u>	
(d) Capital Reserve	7,00,65,258		15,52,315	
Add:- Reserve on Government Subsidy	3,63,52,149		6,85,12,126	
Transferred from Forfeited Share Amount	-		575	
On Consolidation of Subsidiary Company	-		242	
	<u>10,64,17,407</u>	10,64,17,407	<u>7,00,65,258</u>	

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	As on 31.03.2015 (₹)	As on 31.03.2014 (₹)	
(e) Profit & Loss Account	11,08,600	36,28,988	
Add:- Profit / (Loss) for the year	2,25,47,561	(2,28,75,991)	
Transferred from General Reserve	-	2,20,65,999	
Less:- Appropriations			
Transferred to General Reserve	2,19,19,490	-	
Short Provision of tax on Dividend for Previous Year	-	22,293	
Proposed Dividend on Equity	14,42,885	14,42,885	
Tax on Dividend	2,93,786	2,45,218	11,08,600
	<u>2,69,24,92,526</u>	<u>2,64,93,28,213</u>	

	As on 31.03.2015 (₹)	As on 31.03.2014 (₹)	
2. Non Current Liabilities			
Long Term Borrowings :- NOTE NO - 3			
(I) Term Loan (Secured)	18,69,76,290	3,38,68,500	
12.20% Term Loan from a Bank (Rupee Loan)*			
Less:- Current Maturities	4,00,36,000	14,69,40,290	3,38,68,500
6.385% Term Loan from a Bank (FCLR)*	15,30,85,519	20,33,04,860	-
Less:- Current Maturities	53,00,000	14,77,85,519	1,14,67,500
13.70% Term Loan from a Bank (Rupee Loan)**	8,02,097	-	1,48,00,000
Less:- Current Maturities	8,02,097	-	73,62,366
6.345% Term Loan from a Bank (FCLR) **	3,38,45,250	-	7,83,37,858
Less:- Current Maturities	3,38,45,250	-	3,06,25,634
14.90% Term Loan from State Bank of India (Rupee Loan)	11,29,01,288	-	4,77,12,224
Less:- Current Maturities	-	11,29,01,288	-
10.34% ICICI Bank Term Loan - Car Loan#	1,76,03,153	-	-
Less:- Current Maturities	36,92,094	1,39,11,059	-
(II) Deferred Payment Liabilities (Unsecured)			
Sales Tax Deferment	76,04,039	-	1,10,23,847
Less:- Current Maturities	76,04,039	-	76,04,039
	<u>42,15,38,156</u>	<u>25,04,07,026</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 P&M created out of the loan. The said term loans were converted into Foreign Currency Loan 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 (\$) 647878.20, (\$) 647878.20 and (\$) 1133786.85 reset at fresh pricing of 6.385%.

During the year a fresh Term loan of ₹ 45,00,00,000/- sanctioned by canara bank, New Delhi for our Khurda Project at 12.20% against which ₹ 14,08,71,790/- availed. The said loan is repayable in 32 quarterly structured instalments starting from quarter ending December 2015-16 and ending on quarter ending September 2023-24. The loan is secured by exclusive charge on land & building and other fixed/movable/immovable assets situated at Village-chmpajhara, Distt- Khurda, Bhubaneswar.

** 13.70% Term Loans from Canara Bank, New Delhi of ₹ 28,30,00,000/- is repayable in 24 Quarterly instalments starting from 28.02.2011. 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 ₹ 3,44,00,000/- converted into Foreign Currency Loan of US (\$) 543874 at a pricing of 6 months LIBOR plus 600 bps (Net 6.345%), with rollover at every 6 month and reset at fresh pricing.

During the year company has availed car loan of ₹ 2,09,30,000/- from ICICI Bank is repayable in 59 equal monthly instalments starting from 10.06.2014.

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
Deferred Tax Liabilities (Net):- NOTE NO - 4		
Deferred tax Liabilities	24,88,64,000	23,45,26,000
Less:- Deferred tax Assets	2,91,72,662	2,83,15,130
	<u>21,96,91,338</u>	<u>20,62,10,870</u>
Long Term Provisions :- NOTE NO - 5		
(I) Employee Benefits	5,81,28,192	5,49,67,281
(II) (a) Statutory - Local Area Development Tax	-	96,16,891
(b) Others : Debtors under Litigation	25,16,120	25,16,120
	<u>6,06,44,312</u>	<u>6,71,00,292</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

(3) Current Liabilities	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
Short-term borrowings :- NOTE NO - 6		
(I) Working Capital Facilities - Secured *		
Foreign Currency loan		
FCNR Loan		
(Interest Rate Range 5.00% - 5.50%) #	-	27,20,42,787
PCFC Loan		
(Interest Rate Range 3.8325% - 3.8375%)	4,66,42,500	19,87,99,350
(Interest Rate Range 2.20% - 2.50%) #	96,60,922	90,87,528
Buyer's Credit Loan	37,76,05,396	-
(Interest Rate Range 0.7526% - 0.7668%)		
Rupee loan		
12.00% Cash Credit #	41,28,85,015	14,72,35,859
12.70% Cash Credit	-	6,46,78,978
(II) Loan & Advances - From Related Parties -Unsecured	53,05,69,164	50,76,70,783
- Hindusthan Engineering & Industries Ltd.		
	<u>1,37,73,62,997</u>	<u>1,19,95,15,285</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 ₹ 42,42,47,896/- (previous year ₹ 26,34,78,328/-).		
# 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 ₹ 42,25,45,937/- (previous year ₹ 42,83,66,174/-)		
Trade Payables :- NOTE NO - 7		
	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
For Goods & Services - Micro Small & (Refer Note No. 26 B (3B)	45,40,627	49,20,937
Medium Enterprises		
- Others (Refer Note No. 26 B (3A))	52,51,96,320	1,03,34,65,641
	<u>52,97,36,947</u>	<u>1,03,83,86,578</u>
Other Current Liabilities:- NOTE NO - 8		
(I) Current Maturities of Long term Debt		
12.20% Term Loan from a Bank (Rupee Loan)	4,00,36,000	3,38,68,500
6.385% Term Loan from a Bank (FCLR)	53,00,000	1,14,67,500
10.14% ICICI Bank Term Loan - Car Loan	36,92,094	73,62,366
13.70% Term Loan from a Bank (Rupee Loan)	8,02,097	3,06,25,634
6.345% Term Loan from a Bank (FCLR)	3,38,45,250	-
Unsecured Loan (Sales Tax Deferment)	76,04,039	76,04,039
(II) Interest accrued but not due on borrowings	9,57,60,304	55,49,939
(III) Unclaimed dividend	4,99,879	4,45,090
(IV) Other Payables		
(I) Creditors For Capital Goods	8,00,23,634	4,62,40,252
(II) Advance From Customers	6,65,12,271	43,02,16,608
(III) Statutory		
Income Tax (TDS)	1,09,85,681	84,02,329
Excise Duty	1,69,21,441	1,59,12,895
Sales Tax	14,41,853	48,24,699
Others	45,95,816	56,98,712
(IV) Other Deposits		
From Related Parties - Hindusthan Engineering & Industries Ltd.	9,28,960	15,65,124
Other Deposit - Trade/Service Deposits	1,04,00,048	86,82,805
	<u>37,93,49,367</u>	<u>61,84,66,492</u>
Short Term Provisions:- NOTE NO - 9		
(I) Employee Benefits	4,86,34,002	4,62,05,368
(II) Others		
Liquidated Damages	24,38,972	33,99,595
Proposed Dividend	14,42,885	14,42,885
Tax on Dividend	2,93,786	2,45,218
Others	6,51,579	2,12,360
	<u>5,34,61,224</u>	<u>5,15,05,426</u>

II. ASSETS

Fixed Assets:- NOTE NO - 10

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost/Value as at 1st April, 2014 (₹)	Additions during the Year (₹)	Deduct Cost/Value of Assets sold during the year (₹)	Other Adjustments during the year## (₹)	Total Cost/Value to 31st March 2015 (₹)	Depreciation as at 1st April, 2014 (₹)	Depreciation Provided during the year # (₹)	Depreciation adjusted on Assets sold during the year (₹)	Total Depreciation to 31st March 2015 (₹)	Net Value of Assets 31.03.2015 (₹)	31.03.2014 (₹)
(I) TANGIBLE ASSETS											
Land											
Free hold	14,67,48,903				14,67,48,903	-			-	14,67,48,903	14,67,48,903
Lease hold	6,00,19,439	6,71,68,924	4,46,06,646		8,25,81,717	52,43,606	8,46,792	31,86,189	29,04,209	7,96,77,508	5,47,75,833
Building	50,24,19,911	5,27,15,435	-	95,00,071	54,56,35,275	13,41,98,040	1,48,23,522	-	14,90,21,562	39,66,13,713	36,82,21,871
Plant & Machinery	1,83,24,93,054	7,81,84,623	79,57,673	25,35,916	1,90,01,84,088	84,40,96,102	6,74,60,196	66,84,453	90,48,71,845	99,53,12,243	98,83,96,952
Office Equipment	1,22,70,844	48,06,788	22,52,680	14,08,883	1,34,16,069	58,80,394	21,94,727	19,37,556	61,37,565	72,78,504	63,90,450
Furniture & fixtures	69,62,050	25,78,235	23,14,749	5,41,335	66,84,201	37,41,410	3,88,703	18,94,721	22,35,392	44,48,809	32,20,640
Motor Vehicle	2,87,91,498	2,78,23,846	25,40,176	32,961	5,40,42,207	85,56,225	66,19,361	16,79,994	1,34,95,652	4,05,46,555	2,02,35,273
	<u>2,58,97,05,699</u>	<u>23,32,77,851</u>	<u>5,96,71,924</u>	<u>1,40,19,166</u>	<u>2,74,92,92,460</u>	<u>1,00,17,15,777</u>	<u>9,23,33,301</u>	<u>1,53,82,853</u>	<u>1,07,86,66,225</u>	<u>1,67,06,26,235</u>	<u>1,58,79,89,922</u>
(II) INTANGIBLE ASSETS											
Software Licence	11,47,194	26,03,652	-	-	37,50,846	4,86,772	2,09,304	-	6,96,076	30,54,770	6,60,422
	<u>11,47,194</u>	<u>26,03,652</u>	<u>-</u>	<u>-</u>	<u>37,50,846</u>	<u>4,86,772</u>	<u>2,09,304</u>	<u>-</u>	<u>6,96,076</u>	<u>30,54,770</u>	<u>6,60,422</u>
TOTAL (I + II)	<u>2,59,08,52,893</u>	<u>23,58,81,503</u>	<u>5,96,71,924</u>	<u>1,40,19,166</u>	<u>2,75,30,43,306</u>	<u>1,00,22,02,549</u>	<u>9,25,42,605</u>	<u>1,53,82,853</u>	<u>1,07,93,62,301</u>	<u>1,67,36,81,005</u>	<u>1,58,86,50,344</u>
Previous Year	<u>2,56,03,75,323</u>	<u>3,50,87,796</u>	<u>46,10,226</u>	<u>-</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>92,02,80,516</u>	<u>22,30,19,958</u>
(III) CAPITAL WORK IN PROGRESS											

This includes ₹ 7,98,676/- (Prev Year ₹ 88182/-) taken to Capital-Work-In-Progress, since the operation of the Project has not been started.

This includes ₹ 90,63,783/- of revaluation reserve and ₹ 49,34,943/- of General reserve, reversed due to changes in depreciation rates as per New Companies Act, 2013.

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
NON-CURRENT INVESTMENT:- NOTE NO - 11		
Non- Trade Investment		
Investment in Property		
- Land at Banera	90,800	90,800
- Land at Bangalore	80,80,665	80,80,665
- Building at Bangalore (Boundary Wall)	14,33,477	14,04,093
QUOTED #		
Investment in Equity		
- Reliance Industries Ltd.	24,36,26,496	29,45,36,745
- Ballarpur Industries Ltd.	53,31,101	53,31,101
- West Coast Paper Mills Ltd	-	5,81,444
- BIOCON Ltd.	-	-
	24,89,57,597	1,42,51,919
(Market Value of Quoted Investments are ₹ 19,18,43,783/- (Previous Year ₹ 27,64,59,345/-)		31,47,01,209
	<u>25,85,62,539</u>	<u>32,42,76,767</u>

		As At 31.03.2015		As At 31.03.2014	
	Face value per Unit	No. of Units	Amount as per Face Value (₹)	No. of Units	Amount as per Face Value (₹)
# QUOTED					
Investments in Equity Instruments					
- Reliance Industries Ltd.	Others	₹ 10	2,30,000	23,00,000	2,80,000
- Ballarpur Industries Ltd.	Others	₹ 2	1,59,615	3,19,230	1,59,615
- West Coast Paper Mills Ltd	Others	₹ 2	-	-	10,000
- BIOCON Ltd.	Others	₹ 5	-	-	32,000
					1,60,000

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
Long Term Loans and Advances:- NOTE NO - 12		
(I) Capital Advances		
(i) Secured, considered good (against Bank Gurantee)	10,00,000	3,77,50,300
(ii) Unsecured, considered good	33,09,994	5,61,30,517
(II) Security Deposits		
Unsecured, considered good		
(A) (i) Sales Tax (Under Litigation)	12,58,249	13,01,660
(ii) Municipal Corporation (Under Litigation)	5,14,250	5,14,250
(iii) Central Excise & Custom (Under Litigation)	35,00,000	35,00,000
(B) Others -		
I) Tender	2,55,08,572	2,29,65,892
II) Electricity	2,66,69,349	1,88,68,450
III) Others	1,53,59,638	90,44,974
(III) Income Tax	7,92,44,293	8,37,68,334
(IV) Employees	4,19,748	4,49,524
(V) Others	22,23,506	26,82,911
	<u>15,90,07,599</u>	<u>23,69,76,812</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
Other Non - Current Assets:- NOTE NO - 13		
(I) Long terms trade Receivables		
(i) Unsecured, considered good (Under Litigation ₹ 39,58,233/- (Previous Year ₹ 42,68,433/-))	4,53,39,940	4,61,18,660
(II) Interest accrued but not Due - Unsecured	29,273	28,63,108
	<u>4,53,69,213</u>	<u>4,89,81,768</u>
(2) Current Assets		
Inventories:- NOTE NO - 14		
(I) Raw materials - In hand	12,86,94,806	17,50,22,998
- In Transit	-	13,20,92,868
(II) Work-in-Progress	20,61,83,851	17,37,04,720
(III) Finished Goods	8,16,82,855	21,94,09,601
(IV) Stores & Spares and Packing	6,34,42,470	7,07,55,573
(V) Loose Tools	24,01,773	23,43,654
(VI) Scrap	17,95,640	2,46,636
	<u>48,42,01,395</u>	<u>77,35,76,050</u>
Trade Receivables:- NOTE NO - 15		
(I) Over six months (Refer Note No. 26 B (3A))		
(i) Unsecured, considered good	12,83,72,049	9,11,71,825
(II) Others (Refer Note No. 26 B (3A))		
(i) Secured, considered good	12,96,74,853	52,95,32,548
(ii) Unsecured, considered good	1,41,17,92,492	1,83,01,21,169
	<u>1,66,98,39,394</u>	<u>2,45,08,25,542</u>
Cash and Cash Equivalents:- NOTE NO - 16		
(I) Cash and Cash equivalents		
(I) Cash on Hand	32,82,000	9,12,176
(II) Cheque, draft on hand	83,12,364	50,000
(III) Balance with Banks		
Current Accounts	4,15,58,209	3,60,04,892
Fixed Deposits (Maturity upto 3 Months)	-	1,45,87,989
	<u>5,31,52,573</u>	<u>5,15,55,057</u>
(II) Other Bank Balances		
Earmarked Balances with Banks - Unclaimed Dividend	4,99,879	4,45,090
Balances with Banks held as Margin money/ Security #	10,45,43,053	11,00,37,114
Other Fixed Deposit with Banks #	2,51,38,699	-
	<u>18,33,34,204</u>	<u>16,20,37,261</u>
# Includes deposit more than 12 month ₹ 2,86,35,365/- (Previous year ₹ 4,72,48,924/-)		

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	As At 31.03.2015 (₹)	As At 31.03.2014 (₹)
Short- term loans and advances:- NOTE NO - 17		
(I) Earnest Money Deposit - Lien Fixed Deposit	-	-
- Others	1,26,96,500	33,38,394
(II) Deposit/ Credit with Government Authorities		
Custom, Excise & Service Tax	4,63,90,819	7,17,72,670
Sales tax	78,97,727	37,29,749
(III) Employees	22,41,795	24,83,697
(IV) Others	27,53,98,053	19,80,93,403
	<u>34,46,24,894</u>	<u>27,94,17,913</u>
Other Current Assets:- NOTE NO - 18		
Interest accrued but not Due - Unsecured	98,04,958	75,86,617
	<u>98,04,958</u>	<u>75,86,617</u>

NOTES TO CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	2014-15 (₹)	2013-14 (₹)
Revenue from operations:- NOTE NO - 19		
(A) SALE OF PRODUCTS		
(I) Conductors & Cables	6,97,91,61,553	6,54,55,81,859
(II) Insulators	1,36,56,72,810	1,28,92,94,704
(III) Epoxy Resin and Allied Products	6,51,240	-
(IV) Power Generation Sales	1,63,74,910	2,65,98,787
TOTAL A	<u>8,36,18,60,513</u>	<u>7,86,14,75,350</u>
(B) OTHER OPERATING REVENUE		
(I) Scrap	1,38,92,102	1,73,43,042
(II) Export Incentive	20,34,149	2,01,79,456
TOTAL B	<u>1,59,26,251</u>	<u>3,75,22,498</u>
	8,37,77,86,764	7,89,89,97,848
(C) EXCISE DUTY ON SALES TOTAL C	49,20,39,858	71,18,77,701
TOTAL I (A + B - C)	<u>7,88,57,46,906</u>	<u>7,18,71,20,147</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

PARTICULARS	2014-15	2013-14
Other Income:- NOTE NO - 20	(₹)	(₹)
(A) INTEREST INCOME		
From Fixed Deposits	1,15,17,412	64,88,987
From Customers	57,01,648	25,42,321
From Investment	-	33,00,888
From Others	18,71,996	17,62,307
(B) DIVIDEND INCOME	26,06,923	29,52,885
(C) NET GAIN ON SALE OF INVESTMENT	62,24,913	5,34,973
(D) OTHER NON- OPERATING INCOME		
Fluctuation in Exchange Rate (Net)	37,43,780	-
Claims Received (Net)	5,95,053	5,60,094
Profit on Sale of Fixed Assets	14,59,430	1,50,900
Liabilities No Longer Required & Sundry Credit Balance Written Back	1,12,94,913	24,45,757
TOTAL II	<u>4,50,16,068</u>	<u>2,07,39,112</u>
III. Total Revenue (I +II)	<u>7,93,07,62,974</u>	<u>7,20,78,59,259</u>
IV. EXPENSES		
Cost of Materials Consumed:- NOTE NO - 21		
RAW MATERIAL		
Inventories at the beginning of the year	30,71,15,866	32,48,84,464
Add:- Purchases during the Year	5,83,20,34,837	5,02,07,78,250
	6,13,91,50,703	5,34,56,62,714
Inventories at the end of the year	12,86,94,806	30,71,15,866
TOTAL A	<u>6,01,04,55,897</u>	<u>5,03,85,46,848</u>
Purchase of Stock-In-Trade	20,08,755	21,41,385
TOTAL B	<u>20,08,755</u>	<u>21,41,385</u>
Change in Inventories of Finished Goods, Work-in-Progress and Scrap:- NOTE NO - 22		
Inventories at the beginning 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>
Inventories at the end of the year		
Finished Goods	8,16,82,855	21,94,09,601
Work-In-Progress	20,61,83,851	17,37,04,720
Scrap	17,95,640	2,46,636
	<u>28,96,62,346</u>	<u>39,33,60,957</u>
TOTAL C	<u>10,36,98,611</u>	<u>20,15,34,328</u>
Employee Benefit Expenses:- NOTE NO - 23		
(I) Salaries, Wages and Bonus etc.	27,18,87,978	24,95,25,969
(II) Contribution to Provident & Other Funds	1,80,25,727	1,90,30,055
(III) Staff & Workmen Welfare	60,35,786	64,69,519
TOTAL D	<u>29,59,49,491</u>	<u>27,50,25,543</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

PARTICULARS	2014-15 (₹)	2013-14 (₹)
Finance Costs:- NOTE NO - 24		
(1) INTEREST		
On Term Loan	2,29,03,721	1,27,40,690
On Working Capital Borrowings	8,65,97,066	10,45,53,269
On Loan from - Related Party (HEIL)	4,91,07,944	3,77,95,671
On Foreign Exchange difference to the extent considered as an adjustment to borrowing cost	94,21,519	4,88,76,883
On Others	27,08,280	55,21,758
	<u>17,07,38,530</u>	<u>20,94,88,271</u>
(2) OTHER BORROWING COST		
Bank Charges	4,76,77,901	4,56,10,385
TOTAL E	<u>21,84,16,431</u>	<u>25,50,98,656</u>
Depreciation	9,17,43,929	13,37,41,137
Other Expenses:- NOTE NO - 25		
MANUFACTURING EXPENSES		
(i) Stores & Spares	10,44,35,511	11,16,62,501
(ii) Packing & Forwarding Expenses (Net)	23,16,95,855	28,26,76,032
(iii) Power & Fuel	35,77,01,664	40,40,84,109
(iv) Repairs to Building	83,81,761	1,21,54,117
(v) Repairs to Machinery	2,62,81,302	2,66,65,334
(vi) Jobs on Contract	18,34,26,542	16,32,95,206
(vii) Freight and Transport	14,15,06,917	15,65,79,822
(viii) Increase/(Decrease) in Excise Duty & Cess on Inventories	(53,59,000)	(3,30,15,889)
SELLING AND ADMINISTRATION		
(i) Rent	80,58,660	80,21,394
(ii) Insurance	96,07,625	52,15,198
(iii) Rates & Taxes	1,49,25,918	41,35,928
(iv) Repairs - Others	56,02,616	47,74,378
(v) Directors Meeting Fees	2,75,000	1,65,000
(vi) Payment to Auditors	3,57,127	4,15,045
(vii) Charity & Donation	8,13,000	8,78,000
(viii) Brokerage & Commission	57,82,156	1,67,38,449
(ix) Bad Debit Written Off	8,49,448	11,02,788
(x) Loss on Sale of Fixed Assets	4,07,836	4,28,628
(xi) Fluctuation in Exchange Rate (Net)	-	6,14,91,215
(xii) Prior Period Items	-	3,60,380
(xiii) Miscellaneous Expenses	7,23,08,637	9,20,68,408
TOTAL F	<u>1,16,70,58,575</u>	<u>1,31,98,96,043</u>

ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS:- NOTE NO - 26

(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 companies as stated below:

Name of the Subsidiary	Country of Incorporation	Share Holding Percent
Hindusthan Speciality Chemicals Limited	India	100.00%
Hindusthan Vidyut Products 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, 2013, 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 subsidiaries. In the preparation of these consolidated financial statements, investment in subsidiaries have been accounted for in accordance with the provisions of Accounting Standard - 21 (Consolidated Financial Statements). The financial statement of the subsidiary companies have 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 companies 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 companies is adjusted for the accounting policies followed by the holding 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, 2015

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 as per the useful lives and in the manner prescribed under Part C of Schedule II of The Companies Act, 2013.
- (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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

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, 2015

(B) OTHER NOTES TO THE ACCOUNTS

(1) SEGMENT ACCOUNTING

Segment information for the year ending 31st March, 2015

Particulars	Conductor & Cable	Insulators	Unallocated	Total
Revenue	(₹)	(₹)	(₹)	(₹)
External Sales/other income (Net of Excise Duty)	6,63,57,59,742 (5,98,66,76,268)	1,25,00,39,190 (1,17,70,01,843)	4,49,64,042 (4,41,81,148)	7,93,07,62,974 (7,20,78,59,259)
Inter-segment	- (-)	- (-)	- (-)	- (-)
Total revenue	6,63,57,59,742 (5,98,66,76,268)	1,25,00,39,190 (1,17,70,01,843)	4,49,64,042 (4,41,81,148)	7,93,07,62,974 (7,20,78,59,259)
Results				
Segment result	18,40,65,997 (31,38,54,427)	6,06,42,157 (-6,66,17,800)	(1,27,83,330) (-2,78,45,013)	23,19,24,824 (21,93,91,614)
Interest Income	-	-	1,90,91,056 (1,40,94,503)	1,90,91,056 (1,40,94,503)
Finance cost	8,22,30,976 (12,57,08,854)	12,20,40,861 (11,02,49,473)	1,41,44,594 (1,91,40,329)	21,84,16,431 (25,50,98,656)
Dividend Received	-	-	26,06,923 (29,52,885)	26,06,923 (29,52,885)
Profit/(Loss) on sale of Investments (Net)	-	-	62,24,913 (5,34,973)	62,24,913 (5,34,973)
Profit/(Loss) before taxation and exceptional items	-	-	-	4,14,31,285 (-1,81,24,681)
Add:- Exceptional Items				- (54,41,301)
Less : Provision for taxation (including deferred tax)				1,88,83,724 (1,01,92,611)
Profit for the year after Tax				2,25,47,561 (-2,28,75,991)
Less: Minority Interest				- -
Net Profit/ (Loss) for the year				2,25,47,561 (-2,28,75,991)
Other Information				
Segment assets	2,62,66,51,122 (3,38,11,47,266)	2,05,12,33,713 (1,88,16,73,174)	1,07,08,20,882 (83,25,28,592)	5,74,87,05,717 (6,09,53,49,032)
Segment liabilities	1,02,11,93,317 (1,66,51,65,821)	1,68,01,18,380 (1,41,45,47,504)	11,90,44,635 (14,39,79,671)	2,82,03,56,332 (3,22,36,92,996)
Capital expenditure	38,71,63,837 (16,21,75,824)	15,92,53,775 (3,57,34,288)	28,46,05,859 (3,47,21,470)	83,10,23,471 (23,26,31,582)
Depreciation	3,32,66,849 (2,90,43,165)	4,74,97,557 (6,79,39,678)	1,09,79,523 (3,67,58,294)	9,17,43,929 (13,37,41,137)

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, 2015

	2014-15 (₹)	2013-14 (₹)
(2) (1) Contingent liabilities (to the extent not provided for)		
(a) Income Tax demand under appeal (Paid under Protest ₹ 17,00,000/- (Previous year ₹ 17,00,000/-))	35,61,524	47,37,892
(b) Outstanding Bank Guarantees (Net of Margin Money)	2,35,20,38,693	2,44,91,26,966
(c) Guarantees/Securities given on behalf of third parties	6,07,23,570	1,91,49,764
(d) Excise Duty show cause notices/demands under appeal (Paid under protest ₹ 35,00,000/- (Previous Year ₹ 35,00,000))	3,72,29,794	3,72,29,794
(e) Claims against the Company for Sales/Purchase Tax/MCF & Other under litigation (Paid under protest ₹ 16,74,910/- (Previous Year ₹ 19,79,910/-))	2,05,58,424	5,08,27,259
(f) Surety Bond given to Custom & Excise/JDFT	3,15,00,000	3,15,00,000
(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)	2,66,01,195	32,63,60,430
(b) Other Commitments to be executed and not provided for Sales order to be executed against Government and Private Contracts	1,93,96,54,000	5,41,18,38,597
(3) Sundry creditors includes acceptance	12,27,40,029	54,61,47,967
(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 ₹ 45,40,627/- (Previous year ₹ 49,20,937/-) payable to small scale industrial undertakings and the same are not outstanding for more than 30 days.		
(4) Foreign Currency Exposures		
(a) There are no Derivative contracts (forward contract for hedging purposes) entered into by the company and outstanding as on March 31, 2015.		
(b) Foreign currency exposures those are not hedged:-		
	31.03.2015 (₹)	31.03.2014 (₹)
Particulars		
Foreign Currency Payables	66,47,41,786	1,11,45,05,279
Foreign Currency Receivables	29,13,33,459	65,81,49,701

(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 2014-15

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2014-15 (₹)	2013-14	2014-15 (₹)	2013-14
Current Service Cost	18,00,493	15,12,764	35,69,635	38,38,430
Interest Cost	8,43,544	8,60,625	56,07,977	53,88,045
Expected return on plan assets	-	-	-	-
Actuarial Losses / (Gains)	2,35,985	(22,91,774)	41,68,773	(40,52,963)
Past Service Cost	-	-	-	-
Net benefit expenses	28,80,022	81,615	1,33,46,385	51,73,512

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2015

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	(₹)		(₹)	
	2014-15	2013-14	2014-15	2013-14
Present Value of Defined Benefit Obligation as on 31.3.2015	1,06,90,393	1,03,18,520	6,96,28,044	6,82,94,576
Fair Value of plan assets	-	-	-	-
Funded status - Deficit	-	-	-	-
Unrecognised Past Service Costs	-	-	-	-
Net liabilities recognized in Balance Sheet	(1,06,90,393)	(1,03,18,520)	(6,96,28,044)	(6,82,94,576)

Change in the obligation over the year ended 31st March, 2015

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	(₹)		(₹)	
	2014-15	2013-14	2014-15	2013-14
Present Value of Defined Benefit Obligation as on 1st April, 2014	1,03,18,520	1,07,63,005	6,82,94,576	6,71,90,693
Interest Cost	8,43,544	8,60,625	56,07,977	53,88,045
Past Service Cost	-	-	-	-
Current Service Cost	18,00,493	15,12,764	35,69,635	38,38,430
Benefits Paid	(25,08,149)	(5,26,100)	(1,20,12,917)	(40,69,629)
Actuarial (Gain) / loss on obligation	2,35,985	(22,91,774)	41,68,773	(40,52,963)
Present Value of Defined Benefit Obligation as on 31st March, 2015	1,06,90,393	1,03,18,520	6,96,28,044	6,82,94,576

Change in fair value of Plan Assets

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	(₹)		(₹)	
	2014-15	2013-14	2014-15	2013-14
Fair Value of plan assets as on 01.04.2014	-	-	-	-
Actual return on plan assets	-	-	-	-
Contribution	-	-	-	-
Benefits paid	-	-	-	-
Fair Value of plan assets as on 31.03.2015	-	-	-	-

Major actuarial assumption

Particulars	Segment	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
		(₹)		(₹)	
		2014-15	2013-14	2014-15	2013-14
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	7.75 %	8.00 %	7.75 %	8.00 %
Salary increase	Insulators	7.90 %	9.25 %	7.90 %	9.25 %
(Taking into account inflation, seniority, promotion and other relevant factors)	Conductor & Cable	3.00 %	4.00 %	3.00 %	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, 2015

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 ₹ 1,80,25,727/- (Previous Year ₹ 1,90,30,055/-).

(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.
Adarsh Commercial Co.Ltd.
General Engineering Works
Mody Education Foundation
Mrs. Nirmala Bhuvania (W/o Managing Director)
Mrs. Sanchita Mody, Advisor - Corporate Planning

Directors / Key Managerial Personnel :

Mr. R.P. Mody, Prometer & acting in concert
Mr. V.A. Mody, Prometer Director
Mr. 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 Managerial Personnel

	2014-15 Amount (₹)	2013-14 Amount (₹)
Purchases of goods	-	11,025
Sale of goods	6,39,854	12,42,456
Sale of capital goods	5,63,63,799	1,43,104
Rendering or receiving of services	44,39,325	1,51,54,562
Interest Received	13,260	-
Interest Paid	4,91,67,944	3,77,95,671
Loan Amount - Received	7,19,29,000	15,70,50,000
- Given	22,00,000	-
Guarantees and collaterals by the Company	6,07,23,570	1,91,49,764
Outstanding - Receivable	22,98,674	-
Outstanding - Payable	62,54,16,057	50,92,35,907
Investment in Equity Shares	33,30,00,000	4,00,00,700
With Directors / Key Managerial Personnel :		
Remuneration / Sitting Fee	82,57,000	83,06,417

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

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

	Year Ended 31.03.2015 (₹)	Year Ended 31.03.2014 (₹)
Employee Benefit Expense	4,04,26,042	2,08,94,621
Finance costs	3,21,61,140	-
Other Expenses	<u>30,48,17,477</u>	<u>7,92,02,170</u>
	37,74,04,659	10,00,96,791
Add : Brought forward from Previous year	10,51,69,539	2,41,86,392
	48,25,74,198	12,42,83,183
Less : Capitalised as part of		
Plant & Machinery	3,58,53,001	1,90,93,421
Buildings	77,47,360	-
Others	<u>3,00,34,967</u>	<u>20,223</u>
Carried forward under Capital work in progress	<u>40,89,38,870</u>	<u>10,51,69,539</u>

- (8) Tax Expenses:-

(A) CURRENT TAX			
Current tax for the Year	1,03,00,000		-
Add:- For earlier years Short/ (Excess) Provision	(37,81,744)		(65,259)
LESS:- MAT Credit entitlement	<u>11,15,000</u>		<u>-</u>
	54,03,256		(65,259)
NET CURRENT TAX	Opening As At	Charge/(Credit)	Closing As At
(B) DEFERRED TAX	01.04.2014	During the Year	31.03.2015
Depreciation	23,45,26,000	1,43,38,000	24,88,64,000
Provision for Gratuity / Leave Encashment	(2,42,92,000)	(17,68,000)	(2,60,60,000)
Others	<u>(40,23,130)</u>	<u>9,10,468</u>	<u>(31,12,662)</u>
	20,62,10,870	1,34,80,468	21,96,91,338

- (9) Earning Per Share:-

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

	Year Ended 31.03.2015 (₹)	Year Ended 31.03.2014 (₹)
Profit/ (Loss) attributable to the Equity Shareholders		
Before extraordinary items (A)	2,25,47,561	(2,28,75,991)
After extra ordinary items	2,25,47,561	(2,28,75,991)
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	15.63	(15.85)
On Profit after extra ordinary items	15.63	(15.85)

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

- (1) NET GAIN/(LOSS) ON FOREIGN EXCHANGE
SUNDRY DEBTORS
For Export
SUNDRY CREDITORS
For Import
For FCLR Loan

	2014-15 (₹)	2013-14 (₹)
	2,05,13,953	(2,94,42,540)
	(1,74,18,666)	17,97,873
	<u>6,48,493</u>	<u>(3,38,46,548)</u>
	<u>37,43,780</u>	<u>(6,14,91,215)</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	2014-15 (₹)	2013-14 (₹)				
(2) PAYMENT TO AUDITORS						
- Audit fees	2,02,500	1,87,360				
- Out of Pocket Expenses	30,627	31,685				
- Tax Audit	30,000	25,000				
- For Certification	94,000	1,71,000				
	<u>3,57,127</u>	<u>4,15,045</u>				
(3) PRIOR PERIOD ITEMS						
Preliminary Expenses	-	3,60,380				
(4) (I) RAW MATERIAL CONSUMPTION						
PARTICULARS						
Aluminium	5,12,84,82,997	3,48,83,47,227				
Steel	44,81,52,012	53,29,48,592				
PVC Compound	7,83,21,406	47,85,20,883				
Copper	2,84,65,365	22,07,85,628				
Zinc	3,47,61,188	1,23,14,475				
Clay/Powder	11,12,14,612	13,10,39,207				
Metal Parts	17,69,96,693	15,17,80,849				
Others	40,61,624	2,28,09,987				
TOTAL	<u>6,01,04,55,897</u>	<u>5,03,85,46,848</u>				
(II) FINISHED GOODS						
PARTICULARS	SALES VALUE	CLOSING	OPENING	SALES VALUE	CLOSING	OPENING
	31.03.2015	INVENTORY	INVENTORY	31.03.2014	INVENTORY	INVENTORY
Conductors, Strips	6,89,61,34,957	3,13,73,671	16,75,12,710	6,47,62,91,964	16,75,12,710	36,66,52,861
High Tension Insulators	1,36,56,72,810	4,88,19,888	5,18,96,891	1,28,92,94,704	5,18,96,891	6,34,17,813
Electrical Energy	1,63,74,910			2,65,98,787		
Trading Item	6,51,240	14,89,296		25,17,900		
Miscellaneous	8,30,26,596	17,95,640	2,46,636	6,67,71,995	2,46,636	26,75,690
TOTAL	<u>8,36,18,60,513</u>	<u>8,34,78,495</u>	<u>21,96,56,237</u>	<u>7,86,14,75,350</u>	<u>21,96,56,237</u>	<u>43,27,46,364</u>
(III) WORK IN PROGRESS						
PARTICULARS				WIP	WIP	
				(31.03.2015)	(31.03.2014)	
Aluminium				11,18,642	1,67,86,870	
Steel				10,70,532	39,07,436	
PVC Compound				-	13,43,904	
Copper				-	4,30,661	
Insulators				20,39,55,526	15,05,95,412	
Others				39,151	6,40,437	
TOTAL				<u>20,61,83,851</u>	<u>17,37,04,720</u>	
(5) AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED						
PARTICULARS				2014-15	2013-14	
				(₹)	(₹)	
Brokerage & Commission				-	2,45,228	
EPS Employer Contribution				3,67,885	-	
PF Employer Contribution				-	-	
Sundry Debtors Credit Balance Written off				1,26,381	4,62,271	
Sundry Credit Balance Written off				11,17,756	7,32,840	
Carriage Inwards/ Outward				-	2,92,575	
Rates & Taxes (LADT)				96,16,891	-	
Entry Tax				-	4,80,978	
Provision for Bonus and Others etc.				66,000	2,31,865	
TOTAL				<u>1,12,94,913</u>	<u>24,45,757</u>	

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

PARTICULARS		2014-15 (₹)	2013-14 (₹)
(6) VALUE OF IMPORTS CALCULATED ON C.I.F BASIS			
Raw Material		99,16,57,870	76,31,33,260
Components & Spare Parts		46,42,247	53,79,401
Capital Goods		2,09,54,358	58,555
(7) EXPENDITURE IN FOREIGN CURRENCY			
Travelling		23,40,357	41,42,089
Interest		5,21,54,662	5,11,77,072
Commission		12,62,048	98,45,240
Others		82,74,077	44,37,654
(8) VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH %			
IMPORTED		2014-15 (₹)	2013-14 (₹)
Raw Materials	16.99%	1,02,12,14,985	15.14% 76,30,15,429
Stores and Spare Parts	7.44%	80,86,278	5.99% 68,72,154
INDIGENOUS			
Raw Materials	83.01%	4,98,92,40,912	84.86% 4,27,55,31,418
Stores and Spare Parts	92.20%	9,63,49,233	94.01% 10,47,90,347
(9) EARNINGS IN FOREIGN EXCHANGE			
Exports (F.O.B.)		7,46,89,081	49,21,66,417
Freight & Insurance on Export		17,24,618	1,84,88,584
Interest Received		-	10,16,514
Earning by Sale under Global Tender in India		3,66,80,21,973	76,00,16,018
(10) PROPOSED DIVIDEND			
Proposed Dividend		14,42,885	14,42,885
Tax on Dividend		2,93,786	2,45,218
		<u>17,36,671</u>	<u>16,88,103</u>
(11) As per requirements of Revised Schedule-II of the Companies Act,2013 effective from April 1, 2014, the company has revised the useful life of the assets as per Schedule-II. As a result, the depreciation for the year ended March 31st, 2015 is lower by ₹ 4,23,52,369 /-.Further, an amount of ₹ 90,63,783 /- and ₹ 49,34,943 /- pertaining to assets for which the remaining useful lives were Nil as at April 1, 2014 has been adjusted to Revaluation Reserve and General Reserve resectively.			
(12) 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	Provison for Taxation	Profit after Taxation	Proposed Dividend
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1. Hindusthan Speciality Chemicals Limited	38,25,00,000	(7,60,310)	38,44,84,736	38,44,84,736	6,51,240	(49,76,815)	(15,37,836)	(34,38,979)	-
2. Hindusthan Vidyut Products Limited	5,00,000	(16,76,505)	10,33,248	10,33,248	-	(24,26,201)	(7,49,696)	(16,76,505)	-

Additional Information as required under Schedule III to the Companies Act, 2013 of the enterprises consolidated as Subsidiary/Associate/Joint Venture.

Name of entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Hindusthan Urban Infrastructure Limited	85.84	2321143310	122.69	27663046
Subsidiaries				
1. Hindusthan Speciality Chemicals Limited	14.12	381739690	(15.25)	(3438979)
2. Hindusthan Vidyut Products Limited	0.04	1023495	(7.44)	(1676505)
Minority Interest in all subsidiaries	NIL	N/A	NIL	N/A

Form AOC-I

Statement Containing salient features of the Financial statement of Subsidiaries/Associate companies/Joint ventures

(Persuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules,2014)

Part "A" : Subsidiaries		
SI No.	1	2
Name of subsidiary	Hindusthan Speciality Chemicals Limited	Hindusthan Vidyut Products Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N/A	N/A
reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N/A	N/A
Share Capital	382500000	500000
Reserves & Surplus	(760310)	(1676505)
Total Assets	384484736	1033248
Total Liabilities	384484736	1033248
Investment	-	-
Turnover	651240	-
Profit before taxation	(4976815)	(2426201)
Provision for taxation	(1537836)	(749696)
Profit after taxation	(3438979)	(1676505)
Proposed Dividend	-	-
% of Shareholding	100%	100%

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

D.K. AGARWAL
Partner

Sd/-
M.L. Birmiwala
Sr.V.P.Finance & Secy.

Sd/-
Deepak Kejriwal
Chief Financial Officer

Sd/-
R.P. Mody
(DIN No.00140503) Director

Sd/-
S.S. Bhuwania
(DIN No.00107171) Managing Director

M.No.16952

Place: New Delhi
Date: 30th day of April, 2015

