
HINDUSTHAN UDYOG LTD.

NOTICE OF ANNUAL GENERAL MEETING TO THE MEMBERS

NOTICE is hereby given that the Sixty-Fourth Annual General Meeting of the Members of **HINDUSTHAN UDYOG LIMITED** will be held on Friday, the 16th day of September, 2011 at 10.00 a.m. at the Registered Office of the Company at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046 to transact the following business :

ORDINARY BUSINESS :

- I. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the financial year ended on that date together with Directors' and Auditors' Reports thereon.
- II. To appoint a Director in place of Mrs. Ritu Agarwal, who retires by rotation at this Meeting and being eligible offers herself for re-appointment.
- III. To re-appoint Messrs S. Ghose & Co., Chartered Accountants, the retiring Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office:

Trinity Plaza, 3rd Floor,
84/1A, Topsia Road (South),
Kolkata - 700046

Date : 30th May, 2011

**By Order Of The Board
For Hindusthan Udyog Limited**

**Shikha Bajaj
Company Secretary**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS WILL REMAIN CLOSED FROM 9TH SEPTEMBER, 2011 TO 16TH SEPTEMBER, 2011 BOTH DAYS INCLUSIVE.

HINDUSTHAN UDYOG LTD.

DISCLOSURE OF THE DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING REQUIRED PURSUANT TO CLAUSE 49 (IVG) OF THE LISTING AGREEMENT

NAME OF THE DIRECTOR	MRS. RITU AGARWAL
Date of Birth	31.03.1975
Date of First Appointment	30.05.2003
Qualifications	Graduate
No. of shares held	NIL
Nature of Expertise	Having considerable experience in Business Management and Multinational Market
Other Directorships	<ol style="list-style-type: none">1. Asutosh Enterprises Limited2. Poysha Power Generation Private Limited3. Gas Supply Company Private Limited4. Live-Life Buildcon Private Limited5. Morgan Finvest Private Limited
Other Committee Memberships/Chairmanships	None

HINDUSTHAN UDYOG LTD.

BOARD OF DIRECTORS

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

COMPANY SECRETARY

SHIKHA BAJAJ

AUDITORS

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

BANKERS

UNITED BANK OF INDIA
IDBI BANK LIMITED

REGISTERED OFFICE

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

CORPORATE OFFICE

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

HINDUSTHAN UDYOG LTD.

DIRECTORS' REPORT

To
the Members,

Your Directors have pleasure in presenting their 64th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2011.

	<u>2010 - 2011</u>	<u>2009 - 2010</u>
	<u>Rs. in Lakhs</u>	<u>Rs. in Lakhs</u>
FINANCIAL RESULTS		
Total Income	5,548.03	5,145.12
Profit before Interest and Depreciation	605.00	759.50
Deduction :		
Interest	106.18	116.44
Depreciation	190.91	198.60
Tax for Earlier Year	—	6.18
Net Profit after Tax	307.91	438.28
Add : Brought forward Profit/(Loss)	(3,066.49)	(3,504.77)
Balance carried forward to Balance Sheet	(2,758.58)	(3,066.49)

COMPANY PERFORMANCE:

During the year under review, the Total Turnover of the Company increased from Rs. 5,145 Lakhs to Rs. 5,548 Lakhs resulting into a growth of 8%.

However, there was a marginal reduction in the Profits of the Company during the year compared to Previous Year because of adverse market conditions in view of Global Economic and Industrial Slowdown.

The Accumulated Losses of the Company reduced from Rs. 3,066 Lakhs to Rs. 2,758 Lakhs on adjustment of Current Year's Profits.

The Durgapur Unit continued to remain closed during the year.

DIVIDEND:

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

LISTING OF NEW EQUITY SHARES WITH CALCUTTA STOCK EXCHANGE:

As reported in the last year's Annual Report, 8,49,625 New Equity Shares allotted to the Equity Shareholder of ACC-Nihon Castings Limited pursuant to the Scheme of Amalgamation were listed with the Bombay Stock Exchange.

The same were also listed with the Calcutta Stock Exchange during the year 2010-2011 with effect from 16th June, 2010.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. BUSINESS

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

B. REVIEW OF OPERATIONS & FUTURE PROSPECTS

The Two Induction Furnaces with dual track record at the Nagpur Unit, which were made fully operational during the last year, have enabled the Company to maintain its bottomline.

During the year 2010-2011 the Company was primarily focused on the development of different kinds of Castings under various grades so as to meet the requirements of its Customers.

In fact, the Company has decided to maintain the development of new varieties of Products as its primary motive in the coming year also.

It is also taking steps for major quality improvements which will enable it to meet the requirements of international regulations and procure bulk export orders from global engineering majors.

Most of the Industries dealing in Turbines, Power, Pumps, Compressors, Valves, Traction and Locomotives will be in need of components which we are manufacturing in substantial volumes in view of their expected expansion plans. Their need will benefit the growth of the Overall Foundry Industry and therefore the Future Prospects of the Industry in which we are operating seems bright and promising.

In view of above, your Company hopes to enhance its profitability in the coming years.

C. OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

The Company sees opportunity in the development and supply of critical castings required in High Alloy Steel or Iron Segment. In addition to catering to the requirements of mostly the Ferrous Segments, the Company also sees the scope for growth in the Non-Ferrous Segment.

Further, good opportunity also exists for the Company to develop and cater new export markets.

For capturing the aforesaid opportunities, the Company is continuously carrying on improvement of its infrastructure and other facilities and workings which will enable it to yield better results in the near future.

However, the main causes of concern of your Company in the year to come are:-

- i) Demand for the Company's highly sophisticated steel casting products in few critical segments only.
- ii) Stagnancy in the Market Demand due to General Economic conditions.
- iii) Dependence on a few number of Customers in the Export Market. Any change in their requirements will have a direct impact on the Exports Volume of the Company.
- iv) Currency Fluctuations in adverse direction.
- v) Fluctuations in raw material prices on the fixed price orders which will have a consequential effect on the bottomline.

D. INTERNAL CONTROL SYSTEM

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

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

HINDUSTHAN UDYOG LTD.

E. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

CORPORATE GOVERNANCE:

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

A separate Report on Corporate Governance as prescribed by the Listing Agreement forms part of the Annual Report 2010 - 2011 along with the Auditors' Certificate on its compliance in Annexure "B".

DIRECTORS:

Mrs. Ritu Agarwal, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

A Brief Resume of the above mentioned Director seeking re-appointment is attached to the Notice of the ensuing Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, the Directors state as follows:-

- (i) That in the preparation of the Annual Accounts for the financial year ended 31st March, 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of your Company for that period.
- (iii) That the Directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors had prepared the Annual Accounts for the financial year ended 31st March, 2011 on a "going concern" basis.

AUDITORS:

Messrs S. Ghose & Co., Chartered Accountants, Auditors of the Company, hold office till the conclusion of this Annual General Meeting. They have expressed their willingness to continue as the Auditors of the Company, if so re-appointed and have furnished to the Company the requisite certificate to the effect that their re-appointment, if effected, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Accordingly, approval of the Shareholders will be sought at the ensuing Annual General Meeting of the Company to the re-appointment of and remuneration payable to Messrs S. Ghose & Co., Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

FIXED DEPOSIT:

Your Company has not invited and/or accepted any deposits from the General Public under Sections 58A and 58AA of the Companies Act, 1956 and the Rules framed thereunder.

PARTICULARS OF EMPLOYEES

Information required to be given pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to your Company.

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

Particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required under section 217(1)(e) of The Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure "A".

CODE OF CONDUCT:

Your Company has formulated Code of Conduct which applies to Board Members and Senior Management Personnel of the Company. Confirmations towards adherence to the Code during the Financial Year 2010-2011 have been obtained from all the Board Members and Senior Management Personnel in terms of the requirements of Clause 49 of the Listing Agreement and a declaration relating to compliance of this code during the year under review by all Board Members and Senior Management Personnel has been given by the Managing Director of the Company which accompanies this report.

ACKNOWLEDGEMENTS:

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

FOR AND ON BEHALF OF THE BOARD

V. N. AGARWAL
RITU AGARWAL
DIRECTORS

Place: Kolkata
Date: 30th May, 2011

HINDUSTHAN UDYOG LTD.

ANNEXURE – “A”

PARTICULARS AS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

ENERGY CONSERVATION MEASURES TAKEN :

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

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

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

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

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

The above mentioned measures initiated across the Company's business have resulted in significant savings in Energy Consumption and has helped in partially offsetting the inflationary trend in Electricity Costs. The energy savings have also helped to reduce total Carbon Di-oxide emissions.

Even though the consumption of Electricity per MT of production has increased during the year under review the same is competitive when compared with the industry standards.

	POWER CONSUMPTION	For the year ended 31.03.2011	For the year ended 31.03.2010
1)	Electricity		
	Units purchased (KWH in Lakhs)	86.25	76.28
	Total Amount (Rs. In Lakhs)	485.61	405.94
	Rate/Unit (Rs.)	5.63	5.32
2)	Light Diesel Oil		
	Units purchased (Ltrs. In Lakhs)	3.45	4.42
	Total Amount (Rs. In Lakhs)	113.23	133.42
	Rate/Unit (Rs.)	32.82	30.19
3)	Consumption/Unit of production		
	Product (Units) :		
	Steel, Alloy and Cast Iron Castings (MT)	2783	2580
	Electricity (KWH/MT)	3099	2957
	Light Diesel Oil (Ltrs/MT)	124	171

TECHNOLOGY ABSORPTION :**Research and Development (R&D) :**

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

Areas in which R&D have been carried out by the Company are :

- a) Development of many new products at Nagpur Unit such as Pump Castings in SG D2, CF8M, Impellers and Bowls in Duplex Stainless Steel, Magnet Frame in Cast Steel, Pump Castings and end shields in Plain SG iron. The development of Pump Castings in duplex stainless steel and 4th stage DVMX Pump Casting by the said Unit is under process.
- b) Development of Big size D2 Casting Orders.
- c) Development of valves which are in demand in huge volumes by various Industries is being considered by the Company.

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

Technology absorption, adaptation and innovation

The Company has not imported any new technology during the last five years reckoned from the beginning of the Current Financial Year i.e. 1st April, 2010.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange earned	Rs. 1437.97 Lakhs
Total Foreign Exchange used	Rs. 266.70 Lakhs

V. N. AGARWAL
RITU AGARWAL
DIRECTORS

ANNEXURE “B”

REPORT ON CORPORATE GOVERNANCE

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

1) THE COMPANY’S GOVERNANCE PHILOSOPHY

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

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

In terms of Clause 49 of the Listing Agreements with the Stock Exchanges, the details of compliances made by the Company for the year ended 31st March, 2011 are as follows:

2) BOARD OF DIRECTORS

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

The Company’s policy is to maintain an optimum combination of Executive and Non-Executive Directors. As on 31.03.2011 the Company’s Board consists of Five Directors out of which two are Independent Directors who are eminent professionals with experience and expertise in Business, Industry, Finance and Law.

Both the Independent Directors of the Company furnish a declaration at the time of their re-appointment as also annually that they qualify the conditions of their being independent as laid under Clause 49. All such declarations are placed before the Board. Mr. A.K. Ghosh and Mr. Binaya Kapoor are the Independent Directors.

The Composition of the Board and the category of Directors as on 31.03.2011 are as follows :

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

HINDUSTHAN UDYOG LTD.

The further details relating to the Composition of the Board as on 31.03.2011 are as follows :

Sl. No.	Name of the Board Members	Category	No. of other Directorships (including Public Limited and Private Limited Companies)	No. of other Board Committee(s) of which he/she is a Member	No. of other Board Committee(s) of which he/she is a Chairperson
1.	Mr. V. N. Agarwal	Managing Director & Promoter	12	7	2
2.	Mr. Prakash Agarwal	Non - Executive Director & Promoter	15	5	—
3.	Mrs. Ritu Agarwal	Non - Executive Director & Promoter	5	—	—
4.	Mr. Binaya Kapoor	Non - Executive & Independent Director	2	2	—
5.	Mr. A.K. Ghosh	Non - Executive & Independent Director	5	4	2

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

3) DETAILS OF BOARD MEETINGS AND ANNUAL GENERAL MEETING HELD AND ATTENDED BY THE DIRECTORS DURING THE FINANCIAL YEAR 2010-2011

(i) During the Financial Year 2010-11 Five Board Meetings were held on:-

3rd May, 2010, 31st May, 2010, 23rd July, 2010, 30th October, 2010 and 29th January, 2011

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

Name of the Board Members	No. of Board Meetings Attended	Attendance at the last AGM held on 23rd July, 2010
Mr. V.N. Agarwal	5	Yes
Mr. Prakash Agarwal	5	Yes
Mrs. Ritu Agarwal	5	Yes
Mr. Binaya Kapoor	3	Yes
Mr. A.K. Ghosh	5	Yes

4) BOARD MEETINGS

- The Company's Governance policy requires the Board to meet at least four times in a year with a time gap between any two Board Meetings not exceeding four months.
- In terms of Company's Corporate Governance Policy, all statutory, significant and material information are placed before the Board to enable it to discharge its responsibility.
- The Internal Guidelines for Board Meetings facilitate the decision making process at the Meeting of the Board in an informed and efficient manner.

5) BOARD AGENDA

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

HINDUSTHAN UDYOG LTD.

6) INFORMATION PLACED BEFORE THE BOARD

Apart from the items that are required to be placed before the Board for its approval, both under the statutes and the Governance policy, the following are also tabled for the Board's periodic review and information.

- i) Quality performance against plan
- ii) Treasury Policy
- iii) Internal Audit Findings
- iv) Status of business risk exposure and its management
- v) Write offs/disposals
- vi) Significant Court judgement and order
- vii) Terms of reference of Board Committees

7) BOARD PROCEDURE

- (i) The Members of the Board have been provided with the requisite information as required by Annexure 1A to Clause 49 of the Listing Agreements well before the Board Meetings and the same were dealt with appropriately.
- (ii) All Directors who are in various committees are within the permissible limits as stipulated in Clause 49(IC) of the Listing Agreements. The Directors from time to time have intimated to the Company their Memberships/Chairmanships in various Committees in other Companies.

8) POST MEETING FOLLOW UP SYSTEM

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

9) COMMITTEES OF THE BOARD

Currently there are three Board Committees– the Audit Committee, Investors' Grievance Committee and Remuneration Committee. The Terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Signed minutes of Board Committee Meetings are placed at the Board Meetings for the information of the Board.

i) AUDIT COMMITTEE

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

- (a) Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Compliance with Listing and legal requirements concerning financial statements.
- (c) Recommending to the Board the appointment/re-appointment of Auditors, fixation of their Audit Fees, and approving payments made for any other services rendered by them.
- (d) Reviewing with the Management the Quarterly and the Annual Financial Statements before submission to the Board for approval.
- (e) Reviewing with the management the performance of the Statutory Auditors and the adequacy of internal control function.
- (f) Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- (g) Reviewing the Internal Audit function and the progress in the implementation of recommendations contained in the Internal Audit Report.

- (h) Efficiency and effectiveness of operations.
- (i) Safeguarding of the assets and adequacy of provision made for all liabilities.
- (j) Reliability of financial and other management information and adequacy of disclosures.
- (k) Compliance with all relevant statutes.
- (l) Reviewing of the Statement of Related Party transactions as submitted by the Management.

The composition of the Audit Committee as on 31.03.2011 is as follows:-

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

During the Financial Year 2010-2011 Five Audit Committee Meetings were held and the Attendance of the Members at the said Meetings is given below:

Name of the Director	No. of meetings attended
Mr. A.K. Ghosh	5
Mr. Prakash Agarwal	5
Mr. Binaya Kapoor	3

ii) INVESTORS' GRIEVANCE COMMITTEE

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

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

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

During the year ended 31st March 2011, no complaints/queries were received and no reply was pending as on 31st March, 2011. There were no transfer of shares pending for registration as on 31st March 2011 and all transfers had been effected within a period of 30 days from the date of lodgement.

iii) REMUNERATION COMMITTEE

- The Remuneration Committee determines on behalf of the Board of Directors and the Shareholders, the Company's policy on specific remuneration packages for Executive Directors. Further, the terms of reference of the Committee covers fixation of remuneration, perquisites, increments etc. of the Managing Director.

- The Composition of the Remuneration Committee as on 31.03.2011 is as follows :

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

- No Remuneration Committee Meeting was held during the Financial Year ended 31st March, 2011.

HINDUSTHAN UDYOG LTD.

- Details of Remuneration paid/payable to Mr. V.N. Agarwal as Managing Director from 1st April 2010 to 31st March 2011 are as follows:-

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

- No Commission is payable to any Director.
- Apart from Sitting fees no other remuneration is paid/payable to the Non-Executive Directors.
- Sitting fees paid to the Non-Executive Directors for the financial year ended 31st March, 2011 were as follows :

Name of the Director	Sitting Fees paid
Mr. Prakash Agarwal	Rs. 5,000/-
Mrs. Ritu Agarwal	Rs. 5,000/-
Mr. Binaya Kapoor	Rs. 3,000/-
Mr. A. K. Ghosh	Rs. 5,000/-

10) GENERAL MEETINGS

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

Financial Year	Location	Date	Time
2009 - 2010	Registered Office at : Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.	23rd July, 2010	11 a.m.
2008 - 2009	Registered Office at : Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.	29th July, 2009	11 a.m.
2007 - 2008	Registered Office at : Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.	29th August, 2008	10 a.m.

- ii) Whether any Special Resolutions were passed in the previous Three Annual General Meetings : Yes

Two Special Resolutions were passed in each of the last two Annual General Meetings of the Company. They were:-

In the last AGM on 23.07.2010

(a) Alteration of Articles of Association so as to alter the Article in respect of the Fees payable to Non-Executive Directors for attending Board/ Committee Meetings

(b) Keeping of Registers and Index of Members and Annual Returns at the Office Premises of the Registrars and Share Transfer Agents instead of being kept at the Registered Office of the Company

HINDUSTHAN UDYOG LTD.

In the AGM on 29.07.2009

(a) Re-appointment of Mr. V. N. Agarwal as a Managing Director for a period of Three Years commencing from 01.01.2009

(b) Alteration of Articles of Association so as to include therein a Chapter on 'Dematerialization of Securities'

- iii) Whether Special Resolutions were put through Postal Ballot last year : No
- iv) Are Special Resolutions proposed to be put through Postal Ballot this year : No
- v) Procedure to be followed for Postal Ballot (if applicable) : In accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Rules made thereunder and Guidelines issued by The Institute of Company Secretaries of India.

11) DISCLOSURES

- i) There are no materially significant transactions with the Related Parties viz. Promoters, Directors or the Management, their Subsidiaries or Relatives etc. that may have potential conflict with the interests of the Company at large. However, suitable disclosures as required by Accounting Standard (AS)-18 on "Related Party Disclosures" have been made under Note B in Item No. 15 of Schedule P to the Accounts for the period under review.
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital markets during the last three years.
- iii) Your Company has a well laid out Code of Conduct and Business Ethics for the Board of Directors and Senior Management Personnel. It is one of the best means for increasing the transparency in the working of the Companies. The Board Members and the Senior Management Personnel of the Company adhere to this principle and compliance with the same is affirmed by each of them annually.
- iv) The Company is in compliance with the requirements of the Corporate Governance, which reflects in this Report. The Company can assure to adopt the residual non-mandatory requirements, not covered under this report, in the coming years. The details of compliance status are given herein under:-

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No)	Remarks
I. Board of Directors	Clause 49 (I)		
(A) Composition of Board	Clause 49 (IA)	Yes	
(B) Non-Executive Directors' Compensation & Disclosures	Clause 49 (IB)	N.A.	
(C) Other provisions as to Board and Committees	Clause 49 (IC)	Yes	
(D) Code of Conduct	Clause 49 (ID)	Yes	Declaration as necessary has been made in the Directors Report
II. Audit Committee	Clause 49 (II)		
(A) Qualified & Independent Audit Committee	Clause 49 (IIA)	Yes	

HINDUSTHAN UDYOG LTD.

(B) Meeting of Audit Committee	Clause 49 (IIB)	Yes	
(C) Powers of Audit Committee	Clause 49 (IIC)	Yes	
(D) Role of Audit Committee	Clause 49 (IID)	Yes	
(E) Review of Information by Audit Committee	Clause 49 (IIE)	Yes	
III. Subsidiary Companies	Clause 49 (III)	N.A.	The Company does not have any Subsidiary Company
IV. Disclosures	Clause 49 (IV)		
(A) Basis of related party transactions	Clause 49 (IVA)	Yes	
(B) Disclosure of Accounting Treatment	Clause 49 (IVB)	Yes	Not required as there is no deviation from Accounting Standards
(C) Board Disclosures	Clause 49 (IVC)	Yes	
(D) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	Clause 49 (IVD)	N.A.	The Company has not made any such issue in the recent past
(E) Remuneration of Directors	Clause 49 (IVE)	Yes	Disclosures as necessary have been made in the Corporate Governance Report forming part of Annual Report.
(F) Management	Clause 49 (IVF)	Yes	Management Discussion and Analysis Report forms part of respective year's Directors' Report
(G) Shareholders	Clause 49 (IVG)	Yes	
V. CEO/CFO Certification	Clause 49 (V)	Yes	The Certificate as required has been provided to the Board for the year ended 31st March, 2011.
VI. Report on Corporate Governance	Clause 49 (VI)	Yes	Report on Corporate Governance forms part of the Annual Report
VII. Compliance	Clause 49 (VII)	Yes	Certificate regarding compliance with the conditions of Corporate Governance forms part of the Annual Report

12) MEANS OF COMMUNICATIONS

- (i) **Quarterly Results** : Quarterly Results were announced within a period of 45 days from the end of the relevant Quarter (except the last quarter) and were published in The Financial Express (English) and the

Dainik Statesmen (Bengali) Newspapers. In place of the results for the last quarter, the Company opted to submit the Audited Financial results for the entire financial year.

- (ii) **Annual Reports** : Annual Reports containing, inter alia Audited Annual Accounts, Directors' Report, Auditors' Report and other important information are circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report.
- (iii) **Website** : The shareholders information is not displayed on the Website of the Company.
- (iv) **Official News Releases** : - Official News Releases, if any, are not displayed on the Website of the Company.
- (v) **Displays, Presentations etc** : Displays, presentations etc are not made to Institutional Investors/ Analysts and hence not displayed on the Company's Website.

13) GENERAL SHAREHOLDERS' INFORMATION

(i) Company Registration Details

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

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

Sl. No.	Particulars	Remarks
A.	Day	Friday
B.	Date	16th September, 2011
C.	Time	10.00 a.m.
D.	Venue	Registered Office at : Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South) Kolkata-700046.

(iii) Financial Calendar for the Year 2011-2012:

Sl. No.	Particulars	Remarks
A.	1st Quarter ending 30th June, 2011	Before 14th August, 2011
B.	2nd Quarter and Half-year ending 30th September, 2011	Before 14th November, 2011
C.	3rd Quarter ending 31st December, 2011	Before 14th February, 2012
D.	4th Quarter and Annual Results for the year ending 31st March, 2012	Before 30th May, 2012

- (iv) **Dates of Book Closure** : 9th September, 2011 to 16th September, 2011 (Both days inclusive for the purpose of AGM)
- (v) **Dividend payment date** : Not applicable since no dividend has been recommended for the year ended 31st March, 2011.
- (vi) **Name of the Stock Exchanges at which Equity Shares are listed and Scrip Code assigned to the Company's shares at the respective Stock Exchanges :**

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

1. The Calcutta Stock Exchange Limited (CSE)
7, Lyons Range, Kolkata – 700001
Scrip Code: 018142

HINDUSTHAN UDYOG LTD.

2. The Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Mumbai - 400001
Scrip Code: 513039

The Company has paid the listing fees for the Financial Year 2011-2012 to both the Stock Exchanges.

(vii) Market Price Data :

There was almost no trading of the shares of the Company at the BSE and CSE during the year ended 31st March, 2011.

(viii) Registrars and Share Transfer Agents :

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

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

LINK INTIME INDIA PRIVATE LIMITED

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

(ix) Share Transfer System:

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

The same are registered and returned within a period of 30 days from the date of receipt if the documents are clear in all respects.

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

(x) Distribution Schedule:

The Distribution Pattern of the Equity Shares of the Company as on 31st March, 2011 is given below:

Sl. No.	No. of Equity Shares held	No. of Holders	Percentage of total holders	No. of Shares	% of Shareholding
1.	1 – 500	9	9.28	1,713	0.02
2.	501 – 1000	—	—	—	—
3.	1001 – 2000	2	2.06	2,325	0.03
4.	2001 – 3000	1	1.03	2,400	0.03
5.	3001 – 4000	—	—	—	—
6.	4001 – 5000	3	3.09	15,000	0.21
7.	5001 – 10000	2	2.06	19,052	0.27
8.	10001 – above	80	82.48	71,36,235	99.44
	Total	97	100.00	71,76,725	100.00

HINDUSTHAN UDYOG LTD.

(xi) Shareholding Pattern as on 31st March, 2011 :

Sl. No.	Category	No. of Equity Shares held	Percentage of holding
A.	Promoters' holding :		
	1. Promoters		
	— Indian Promoters	39,75,210	55.39
	— Foreign Promoters	—	—
	2. Persons acting in concert	—	—
	Sub-Total	39,75,210	55.39
B.	Non-Promoters' holding :		
	3. Institutional Investors	—	—
	4. Others :		
	— Private Corporate Bodies	1,73,117	2.41
	— Indian Public	30,28,398	42.20
	— Any others	—	—
	Sub-Total	32,01,515	44.61
	GRAND TOTAL	71,76,725	100.00

(xii) Dematerialization of Equity Shares :

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

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

As on 31st March, 2011, 10,07,969 Equity Shares representing 14.04% of the Company's Total Equity Shares were held in dematerialized form.

The Company has paid the Custodial Fees for the Financial Year 2011-2012 to both the Depositories.

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

NOT APPLICABLE

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

(xiv) Plant Locations:

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

HINDUSTHAN UDYOG LTD.

(xv) Address for correspondence:

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

HINDUSTHAN UDYOG LIMITED

Trinity Plaza, 3rd Floor
84/1A, Topsia Road (South),
Kolkata – 700046
Tel : 033 3021 6800/6808
Fax No: 033 3021 6863
E-mail ID : kkg@hul.net.in

The above report has been placed before the Board at its Meeting held on 30th May, 2011 and the same was approved.

Place: Kolkata
Date: 30th May, 2011

V. N. AGARWAL
RITU AGARWAL
DIRECTORS

DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT

A Declaration signed by the Managing Director of the Company is given below :

I hereby confirm that the Company has obtained from all the Members of the Board and the Senior Management Personnel affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management Personnel in respect of the Financial Year 2010-2011.

Place: Kolkata
Date: 30th May, 2011

For Hindusthan Udyog Limited
V. N. Agarwal
Managing Director

AUDITORS' CERTIFICATE

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

To

The Members of Hindusthan Udyog Limited

We have examined the compliance of conditions of Corporate Governance by **HINDUSTHAN UDYOG LIMITED**, for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

We state that no investor grievances are pending for a period exceeding one month as on 31st March, 2011 as per records maintained by the Shareholders'/ Investors' Grievance Committee.

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

For S. GHOSE & CO.
Chartered Accountants
Registration No. 302184E

Chandan Chattopadhyay
Partner
Membership No. 051254

Place: Kolkata
Date: 30th May, 2011

HINDUSTHAN UDYOG LTD.

AUDITORS' REPORT

TO THE MEMBERS OF HINDUSTHAN UDYOG LIMITED

- 1.0 We have audited the attached Balance Sheet of Hindusthan Udyog Limited as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. Those financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2.0 We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit, also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3.0 As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4.0 Further to our comments in the Annexure referred to above, we report that :
 - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 4.2 In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - 4.3 The Balance Sheet, Profit and loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - 4.4 In our opinion, the Balance Sheet, Profit and loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ;
 - 4.5 On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 ;
 - 4.6 The Company, in the absence of any notification, as stated in the Note No. B-5 of Notes on Accounts (Schedule-P), has neither paid any cess payable under section 441A of the Companies Act, 1956 nor provided for the same in the accounts ;
 - 4.7 In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the Accounting Policies, Notes on Accounts and Other Schedules (From A to P) attached thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011 ; and
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date ;
 - (c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

For S. GHOSE & CO.
Chartered Accountants
Registration No. 302184E

Chandan Chattopadhyay
Partner
Membership No. 051254

Place: Kolkata
Date : 30th May, 2011

ANNEXURE TO THE AUDITORS' REPORT**TO THE MEMBERS OF HINDUSTHAN UDYOG LIMITED****(Referred to in paragraph 3.0 of our report of even date)**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
(c) The Company has not disposed off any part of fixed assets during the year.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
(c) The company is maintaining proper records of inventory and discrepancies found in physical verification have been properly dealt with in the accounts.
3. As per information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in Internal Control System.
5. According to the information and explanations given to us, there is no contract or arrangement during the year, the particulars of which are required to be entered in the register maintained under section 301 of the Companies Act, 1956. Consequently, clause (v)(b) of paragraph 4 of the Order is not applicable.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in terms of section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
7. The Company does not have any internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (l)(d) of the Companies Act, 1956.
9. (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, service tax, cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, there are no disputed dues in respect of income tax, custom duty, wealth tax, excise duty, service tax and cess. However, the details of sales tax liabilities which have not been deposited by the Company on account of dispute are shown in Enclosure-I.
10. The Company has accumulated losses as on 31st March, 2011, and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

HINDUSTHAN UDYOG LTD.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to information and explanations given to us, the Company has not taken any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no short term funds have been used for long term purposes.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture.
20. The Company has not raised any fund by public issue.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Kolkata
Date : 30th May, 2011

For S. GHOSE & CO.
Chartered Accountants
Registration No. 302184E

Chandan Chattopadhyay
Partner
Membership No. 051254

STATEMENT OF DISPUTED LIABILITIES FOR SALES TAX

Sl. No.	Name of Statute	Nature of Dues	Amount (Rs.)	Period of which the amount relates	Where Dispute is pending
1.	West Bengal Sales Tax Act 1994	Assessed Dues	98,403.00	1998-1999	Fast Track Revisional Authority Commercial Tax Bench 1
2.	West Bengal Sales Tax Act 1994	Assessed Dues	4,14,263.00	2004-2005	WBCT (A/R) Board
3.	Central Sales Tax Act 1956	Assessed Dues	1,81,067.00	2004-2005	WBCT (A/R) Board
4.	West Bengal Vat Tax Act 2003	Assessed Dues	1,25,993.00	2005-2006	WBCT (A/R) Board
5.	Central Sales Tax Act 1956	Assessed Dues	47,29,101.00	2005-2006	WBCT (A/R) Board
6.	Central Sales Tax Act 1956	Assessed Dues	1,00,10,875.00	2006-2007	Sr. Joint Commissioner (C.D)
7.	Central Sales Tax Act 1956	Assessed Dues	16,34,285.00	1998-1999	Registrar Maharashtra Sales Tax Tribunal, Mumbai
8.	Central Sales Tax Act 1956	Assessed Dues	59,26,481.00	1999-2000	Deputy Commissioner of Sales Tax (Appeal), Nagpur
9.	Bombay Sales Tax Act 1959	Assessed Dues	10,44,631.00	2000-2001	Deputy Commissioner of Sales Tax (Appeal), Nagpur
10.	Central Sales Tax Act 1956	Assessed Dues	13,89,004.00	2000-2001	Deputy Commissioner of Sales Tax (Appeal), Nagpur
11.	Central Sales Tax Act 1956	Assessed Dues	12,02,194.00	2001-2002	Registrar Maharashtra Sales Tax Tribunal, Mumbai
12.	Bombay Sales Tax Act 1959	Assessed Dues	9,49,067.00	2002-2003	Deputy Commissioner of Sales Tax (Appeal), Nagpur
13.	Central Sales Tax Act 1956	Assessed Dues	3,90,538.00	2002-2003	Deputy Commissioner of Sales Tax (Appeal), Nagpur
			2,80,95,902.00		

HINDUSTHAN UDYOG LTD.

Balance Sheet as at 31st March, 2011

Previous Year Rs.		SCHEDULE	Current Year Rs.
	SOURCES OF FUNDS		
	SHAREHOLDERS' FUNDS		
13,17,67,250	Capital	A	13,17,67,250
42,48,91,608	Reserves & Surplus	B	42,48,44,828
55,66,58,858			55,66,12,078
	LOAN FUNDS		
12,29,89,386	Secured Loans	C	12,25,34,654
17,01,17,028	Unsecured Loans	D	15,51,17,028
84,97,65,272			83,42,63,760
	APPLICATION OF FUNDS		
	FIXED ASSETS	E	
54,00,04,295	Gross Block		56,15,50,643
37,25,96,001	Less : Depreciation		38,99,25,891
16,74,08,294	Net Block		17,16,24,752
63,30,930	Capital Work-in-Progress		8,63,000
4,47,09,728			17,24,87,752
	INVESTMENTS	F	4,62,59,728
46,89,20,043	Current Assets, Loans and Advances	G	59,13,00,136
14,43,62,350	Less: Current Liabilities and Provisions	H	25,16,96,783
32,45,57,693			
1,09,618	NET CURRENT ASSETS		33,96,03,353
	Miscellaneous Expenditure (To the extent not written off or adjusted)	I	54,730
30,66,49,009	PROFIT & LOSS ACCOUNT		27,58,58,197
84,97,65,272			83,42,63,760
	Accounting Policies and Notes on Accounts	P	
	The Schedules referred to above form an integral part of the Balance Sheet.		

In terms of our report of even date
For S. GHOSE & CO.
Chartered Accountants

(CHANDAN CHATTOPADHYAY)
Partner

MEMBERSHIP NO. : 051254

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

SHIKHA BAJAJ
Company Secretary

Place : Kolkata
Date : 30th May, 2011

HINDUSTHAN UDYOG LTD.

Profit & Loss Account for the year ended 31st March, 2011

Previous Year Rs.	SCHEDULE	Current Year Rs.
INCOME		
51,45,12,448	Sales of Goods & Services and other Income J	55,48,03,402
EXPENDITURE		
20,95,60,171	Materials & Stores Consumed K	26,90,87,123
22,56,873	Tools & Implements Consumed L	29,88,716
—	Purchase of Trading Items	59,31,786
71,85,803	Movement in Stock M	(2,62,58,323)
2,90,50,305	Excise Duty	3,59,50,807
13,69,68,536	Manufacturing & Operating Expenses N	16,74,85,425
5,35,41,188	Administrative, Selling & Oth. Expenses O	3,91,17,730
1,16,43,595	Interest	1,06,17,727
1,98,60,547	Depreciation E	1,90,91,599
<u>47,00,67,018</u>		<u>52,40,12,590</u>
4,44,45,430	PROFIT/(LOSS) BEFORE TAX AND APPROPRIATION	3,07,90,812
—	Less : Provision for Taxation	
6,17,566	Income Tax	—
	Tax for Earlier Year	—
<u>4,38,27,864</u>	Profit after Tax	<u>3,07,90,812</u>
(35,04,76,872)	Add: Bal. brought forward from previous year	(30,66,49,009)
(30,66,49,009)	Available for appropriation	(27,58,58,197)
		<u>(27,58,58,197)</u>

6.11 Basic/Diluted earnings per Equity Share (Rupees) 4.29

**Accounting Policies and
Notes on Accounts**

The Schedules referred to above form an integral part of the Profit and Loss Account.

In terms of our report of even date
For S. GHOSE & CO.
Chartered Accountants

(CHANDANCHATTOPADHYAY)
Partner

MEMBERSHIP NO. : 051254

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

Place : Kolkata
Date : 30th May, 2011

SHIKHA BAJAJ
Company Secretary

HINDUSTHAN UDYOG LTD.

Schedules forming Part of the Balance Sheet as at 31st March, 2011

Previous Year Rs.	SCHEDULE 'A'	Current Year Rs.
	SHARE CAPITAL AUTHORISED	
7,50,00,000	75,00,000 Equity Shares of Rs. 10/- each	7,50,00,000
41,00,00,000	4,10,00,000 Equity Shares of Rs. 10/- each	41,00,00,000
6,00,00,000	60,00,000 Preference Shares of Rs. 10/- each	6,00,00,000
54,50,00,000		54,50,00,000
	ISSUED, SUBSCRIBED & PAID UP	
7,17,67,250	71,76,725 Equity Shares of Rs. 10/- each	7,17,67,250
	Of the above —	
	(i) 17,27,025 shares were allotted as fully paid up pursuant to contracts without payment being received in cash Rs. 1,72,70,250/-	
	(ii) 10,000 shares were allotted as fully paid up Bonus shares by Capitalisation of reserve Rs. 100,000/-	
6,00,00,000	60,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 10/- each	6,00,00,000
	– Due for redemption on March 9, 2012 [These Shares were allotted as fully paid up pursuant to a Scheme of Amalgamation]	
13,17,67,250		13,17,67,250

	SCHEDULE 'B'	
	RESERVES & SURPLUS	
39,08,27,590	CAPITAL RESERVE	39,08,27,590
51,13,360	REVALUATION RESERVE	50,60,944
52,416	Less : Adjusted with Depreciation	46,780
50,60,944		50,14,164
30,00,000	SPECIAL CAPITAL INCENTIVE	30,00,000
1,38,41,000	SHARE PREMIUM	1,38,41,000
1,21,62,074	GENERAL RESERVE	1,21,62,074
42,48,91,608		42,48,44,828

HINDUSTHAN UDYOG LTD.

Schedules forming Part of the Balance Sheet as at 31st March, 2011

Previous Year Rs.	SCHEDULE 'C'	Current Year Rs.
	SECURED LOANS	
12,00,40,274	IDBI BANK CASH CREDIT	12,10,12,251
	TERM LOANS	
2,75,665	ICICI BANK Secured by hypothecation of motor vehicles	—
26,73,447	HDFC BANK Secured by hypothecation of motor vehicles	15,22,403
12,29,89,386		12,25,34,654

SCHEDULE 'D'		
	UNSECURED LOANS	
1,17,028	Deferred Sales Tax Loans	1,17,028
17,00,00,000	Inter Corporate Deposits	15,50,00,000
17,01,17,028		15,51,17,028

HINDUSTHAN UDYOG LIMITED

SCHEDULE 'E' Schedules forming Part of the Balance Sheet as at 31st March, 2011

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31.03.2010 Rs.	Addition Rs.	Deduction Transfer Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.	Addition Rs.	Deduction Transfer Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
1. LAND & BUILDINGS									
i) LAND FREEHOLD	1,09,26,108	26,19,435	—	1,35,45,543	—	—	—	1,35,45,543	1,09,26,108
ii) LAND LEASEHOLD	1,43,63,933	43,14,615	—	1,86,78,548	10,61,152	1,54,372	—	1,74,63,024	1,33,02,781
iii) BUILDINGS	8,81,55,289	56,83,786	—	9,38,39,075	4,63,83,246	29,54,755	—	4,25,01,074	3,97,72,043
2. PLANT & MACHINERY									
i) MACHINERY	38,51,85,253	1,02,39,664	—	39,54,24,917	29,48,84,864	1,31,63,588	—	8,73,76,455	9,03,00,389
ii) COMPUTER INSTALLATION	35,40,546	1,42,131	—	36,82,677	31,94,519	1,72,149	—	3,16,009	3,46,027
iii) VEHICLES	1,27,74,892	—	21,41,843	1,06,33,049	67,87,510	14,82,761	18,08,489	41,71,267	59,87,382
3. FURNITURE FIXTURE & OFFICE EQUIPMENTS									
	2,49,95,062	6,88,559	—	2,56,83,621	1,82,84,710	12,10,744	—	61,88,167	67,10,352
	53,99,41,083	2,36,88,190	21,41,843	56,14,87,430	37,25,96,001	1,91,38,379	18,08,489	17,15,61,539	16,73,45,082
4. ASSETS DISCARDED (Estimated Net realisable value)	63,213			63,213				63,213	63,213
TOTAL	54,00,04,296	2,36,88,190	21,41,843	56,15,50,643	37,25,96,001	1,91,38,379	18,08,489	17,16,24,752	16,74,08,295
Previous Year	52,32,67,618	1,73,95,081	6,58,403	54,00,04,296	35,32,96,572	1,99,12,965	6,13,536	37,25,96,001	16,74,08,295

NOTE :- The major items like land, Building (including factory shed) Plant & Machinery were revalued on 31st August, 1985 (except Durgapur Unit).

HINDUSTHAN UDYOG LTD.

Schedules forming Part of the Balance Sheet as at 31st March, 2011

Previous Year Rs.	SCHEDULE 'F'	No. of Shares	Face Value Rs.	Current Year Rs.
INVESTMENTS AT COST :				
QUOTED :				
EQUITY SHARES (Fully Paid)				
2,86,777	Tea Time Ltd.	1,14,000	10	2,86,777
2,94,180	Phosphate Co. Ltd.	26,400	10	2,94,180
3,43,329	Northern Projects Ltd.	1,39,900	10	3,43,329
3,67,323	Asutosh Enterprises Ltd.	1,50,000	10	3,67,323
4,74,186	Neptune Exports Ltd.	2,30,500	10	4,74,186
4,88,711	Orient International Ltd.	1,65,000	10	4,88,711
8,82,248	Bengal Steel Industries Ltd.	3,45,000	10	8,82,248
3,57,48,081	WPIL Ltd.	38,61,659	10	3,57,48,081
12,56,503	Ador Welding Ltd.	3,000	10	12,56,503
21,22,953	Parsvnath Developers Ltd.	8,000	5	21,22,953
4,22,64,291				4,22,64,291
UNQUOTED :				
EQUITY SHARES				
10,15,500	Hindusthan Parsons Ltd.	5,00,000	10	25,65,500
3,25,000	H. S. M. International Pvt. Ltd.	1,52,500	10	3,25,000
3,01,500	Tamilnadu Alkaline Batteries Ltd.	3,00,000	10	3,01,500
2,50,000	Spaans Babcock India Ltd.	25,000	10	2,50,000
2,01,000	Sagarpriya Distributors Pvt. Ltd.	20,000	10	2,01,000
1,50,750	Revox Enterprises Pvt. Ltd.	15,000	10	1,50,750
1,00,000	Bengal Central Building Society Ltd.	10,000	10	1,00,000
45,887	Kabini Papers Ltd., in Liquidation	42,135	10	45,887
20,000	AKA Washeries India Pvt. Ltd.	2,000	10	20,000
20,000	Huwood Hindusthan Pvt. Ltd.	2,000	10	20,000
800	Macneill Electricals Ltd.	8	100	800
15,000	Government and Trust Securities (National Saving Certificate)			15,000
24,45,437				39,95,437
4,47,09,728	TOTAL :			4,62,59,728
75,05,45,667	Aggregate Market value of Quoted Investment			72,11,36,846

HINDUSTHAN UDYOG LTD.

Schedules forming Part of the Balance Sheet as at 31st March, 2011

Previous Year Rs.	SCHEDULE 'G'	Current Year Rs.
	CURRENT ASSETS, LOANS & ADVANCES :	
	CURRENT ASSETS :	
	INVENTORIES (See Note A.5 of Sch-'P')	
1,19,54,862	Tools & Implements	1,26,52,130
6,83,83,642	Raw Materials	7,91,52,045
2,28,63,902	Finished Goods	2,60,87,564
6,29,69,960	Semifinished Goods	8,60,04,621
<u>16,61,72,366</u>		<u>20,38,96,360</u>
	SUNDRY DEBTORS : (Considered Good)	
5,15,20,669	Over six months	15,72,02,854
2,19,93,305	Less : Provision made for doubtful debts	2,19,93,305
2,95,27,364		<u>13,52,09,549</u>
<u>13,77,57,313</u>	Other Debts	9,61,63,756
16,72,84,677		<u>23,13,73,305</u>
14,262	ACCRUED INTEREST ON INVESTMENT	14,262
	CASH AND BANK BALANCES	
6,15,151	Cash in hand (As certified)	8,05,085
2,83,07,428	Current Accounts with Scheduled Banks	3,74,25,640
17,50,000	Fixed Accounts with Scheduled Banks	72,60,006
<u>3,06,72,579</u>		<u>4,54,90,731</u>
	LOANS & ADVANCES	
	Advances recoverable in Cash or in kind or for value to be received : (Considered Good)	
19,17,891	Advance to Suppliers	20,13,640
88,414	Advance against Expenses	1,12,114
16,34,942	Advance to Employees	19,41,685
7,81,92,181	Other Advance	9,05,06,803
70,08,596	Less : Prov. for doubtful Advance	<u>70,08,595</u>
34,28,339	Advance Income Tax	8,34,98,208
2,68,619	Prepaid Expenses	41,47,510
		<u>3,49,817</u>
		<u>9,20,62,974</u>
	DEPOSITS	
1,67,82,137	Security Deposit	43,73,310
94,72,232	Other Deposit	1,40,89,194
<u>46,89,20,043</u>	TOTAL	<u>59,13,00,136</u>

HINDUSTHAN UDYOG LTD.

Schedules forming Part of the Balance Sheet as at 31st March, 2011

Previous Year Rs.	SCHEDULE 'H'		Current Year Rs.
	CURRENT LIABILITIES & PROVISIONS :		
	A. CURRENT LIABILITIES :		
	Sundry Creditors		
4,53,10,377	(a) For Goods	9,89,73,130	
<u>39,28,217</u>	(b) For Expenses	<u>48,81,630</u>	10,38,54,760
4,92,38,594			
6,39,50,851	Sundry Advance		11,46,78,065
1,99,72,162	Other Liabilities		1,86,56,788
<u>2,40,000</u>	Deposit for Godown		<u>2,75,356</u>
<u>13,34,01,607</u>			<u>23,74,64,969</u>
	B. PROVISIONS		
79,16,203	Provision for Gratuity		1,05,59,850
<u>30,44,540</u>	Provision for Leave Encashment		<u>36,71,964</u>
<u>1,09,60,743</u>			<u>1,42,31,814</u>
<u>14,43,62,350</u>	TOTAL (A + B) :		<u>25,16,96,783</u>

SCHEDULE 'I'

MISCELLANEOUS EXPENDITURE

(To the Extent not written off or Adjusted)

1,09,618	Deferred Revenue Expenditure	54,730
<u>1,09,618</u>		<u>54,730</u>

HINDUSTHAN UDYOG LTD.

Schedules forming Part of the Profit & Loss Account for the year ended 31st March, 2011

Previous Year Rs.	SCHEDULE 'J'		Current Year Rs.
	SALE OF GOODS & SERVICES AND OTHER INCOME		
49,30,99,159	Sales of Goods (Net of Returns)		52,35,68,031
	OTHER INCOME :		
1,57,551	Interest Receipt	6,46,049	
32,59,907	Rent Receipt	68,40,192	
57,599	Profit on Sale of Assets	2,67,146	
38,82,434	Dividend	77,41,318	
1,23,904	Sundry Creditors & Liabilities Written Back	—	
11,34,016	Misc. Receipt	4,87,577	
—	Foreign Exchange Fluctuation Gain	23,40,724	
1,27,97,878	D.E.P.B. Income	1,29,12,365	
<u>2,14,13,289</u>			<u>3,12,35,371</u>
<u>51,45,12,448</u>			<u>55,48,03,402</u>

	SCHEDULE 'K'		
	MATERIALS AND STORES CONSUMED		
6,13,68,137	Opening Stock		6,83,83,642
	Add: Purchase during the year		
17,15,54,617	Raw Materials & Components	23,11,32,353	
4,50,21,059	Sundry Stores	4,87,23,173	27,98,55,526
<u>27,79,43,813</u>			<u>34,82,39,168</u>
6,83,83,642	Less : Closing Stock		7,91,52,045
<u>20,95,60,171</u>			<u>26,90,87,123</u>

HINDUSTHAN UDYOG LTD.

Schedules forming Part of the Profit & Loss Account for the year ended 31st March, 2011

Previous Year Rs.	SCHEDULE 'L'	Current Year Rs.
	TOOLS AND IMPLEMENTS CONSUMED	
90,27,492	Opening Stock	1,19,54,862
51,84,243	Add: Purchase during the year	36,85,984
1,42,11,735		1,56,40,846
1,19,54,862	Less : Closing Stock	1,26,52,130
22,56,873		29,88,716

	SCHEDULE 'M'		
	MOVEMENT IN STOCK		
	OPENING STOCK		
2,17,65,126	Finished Goods	2,28,63,902	
7,12,54,539	Semifinished Goods	6,29,69,960	8,58,33,862
9,30,19,665			
	LESS : CLOSING STOCK		
2,28,63,902	Finished Goods	2,60,87,564	
6,29,69,960	Semifinished Goods	8,60,04,621	11,20,92,185
8,58,33,862			
71,85,803	Decrease/(Increase) in Stock		(2,62,58,323)

	SCHEDULE 'N'		
	MANUFACTURING & OPERATING EXPENSES		
3,89,831	Export Freight, Forwarding, Inspection & Testing etc		9,10,913
1,39,87,467	Transportation, Freight & Service Charges :		1,73,46,164
2,70,59,450	Component Processing Expenses		3,47,03,473
3,70,354	Fuel & Truck Maintenance		3,37,031
4,09,57,115	Power & Fuel		4,86,50,552
4,02,88,331	Salaries, Wages & Bonus		4,67,97,686
17,82,912	Workmen Welfare Expenses		21,12,256
3,16,236	Factory & Godown Rent		3,16,236
1,24,500	Repairs to Buildings		11,34,459
90,90,915	Repairs to Machinery		84,74,723
25,95,425	Sales Tax		66,58,032
6,000	Misc. Factory Expenses		43,900
13,69,68,536			16,74,85,425

HINDUSTHAN UDYOG LTD.

Schedules forming Part of the Profit & Loss Account for the year ended 31st March, 2011

Previous Year Rs.	SCHEDULE 'O'	Current Year Rs.
	ADMINISTRATIVE, SELLING AND OTHER EXPENSES	
50,14,901	Salaries & Bonus	31,69,230
12,21,500	Directors Remuneration & Fees	12,18,000
45,72,159	Provident Fund & E.S.I. Contribution	52,95,560
17,20,387	Gratuity	30,81,378
19,35,730	Staff Welfare & Medical Expenses	26,35,390
27,73,612	Service Charges	36,87,446
20,28,924	Liquidated Damages	23,62,250
1,69,500	Bad Debts	—
2,81,689	Commission	—
33,51,498	Repairing & Maintenance Charges	21,37,375
4,95,287	Electric Charges	5,87,027
31,46,256	Rent, Rates & Taxes	22,91,793
13,98,188	Bank Charges	9,59,183
93,52,812	Travelling & Conveyance Charges	50,25,095
12,92,012	Vehicle Expenses	13,86,366
7,75,199	Telephone & Telex Charges	7,59,637
5,47,960	Printing & Stationery	4,36,153
1,15,316	Postage & Telegrams	1,08,574
4,87,317	Insurance	4,60,652
4,74,512	Legal Charges	15,795
91,935	Advertisement	82,153
11,03,056	Subscription & Donation	7,69,609
	Auditors Remuneration :	
75,000	For Audit Fee	75,000
25,000	For Tax Audit Fee	25,000
10,000	For VAT Audit Fee	10,000
45,663	In other Capacity	59,545
5,250	Tender Purchase	6,125
24,55,260	General Expenses	19,96,120
11,59,539	Claims & Discount	3,78,856
54,888	Miscellaneous Expenditure written off	54,888
87,800	Listing Fees	43,530
3,81,173	Loss on Sale of Investment	—
68,91,866	Loss on Exchange Fluctuation	—
5,35,41,188		3,91,17,730

SCHEDULE 'P'**A. ACCOUNTING POLICIES****1. Accounting Convention :**

- i) The Financial Statements are prepared under the historical cost convention, on accrual basis in accordance with the provisions of The Companies Act, 1956.
- ii) Liquidated damage or claim are accounted for on settlement of claim.
- iii) Commission on sales is accounted for on submission of claim by / receipt of confirmation from agents /principals.

2. Capital Subsidy :

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

3. Fixed Assets & Depreciation :

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

Depreciation on Fixed Assets is charged on Written Down Value Method (On Straight Line Method for Nagpur Unit) at the rate specified in Schedule XIV to the Companies Act, 1956.

4. Investments :

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

5. Inventories :

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

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

6. Foreign Currency Transactions :

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

HINDUSTHAN UDYOG LTD.

7. Retirements Benefits :

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

8. Impairment of Asset :

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

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

9. Taxation :

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

10. Miscellaneous expenditure :

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

B. NOTES ON ACCOUNTS

1. No Preference Dividend is payable to Preference Shareholder in respect of aforesaid Preference Shares as they have waived their right in respect of any Preference Dividend from the date of allotment of these Shares till the date of their redemption.
2. Contingent Liabilities : -
 - i. Letters of Guarantee outstanding as at 31.03.11 Rs.62.51 Lacs (Previous year 62.51 Lacs).
 - ii. Claim not acknowledged as debts :- Disputed demand for Sales Tax, Rs. 280.95 Lacs (Previous year Rs. 301.70 Lacs) appealed against.
3. Cost of leasehold land at Nagpur is amortised over the period of the lease of 95 years. Provision for amortisation of long term leasehold land at Durgapur has not been made.
4. Depreciation amounting to Rs. 46,780/- (Previous year 52,416/-), being the amount of depreciation attributed to the revaluation as noted in Schedule ' B ', has been debited to the Revaluation Reserve.
5. In the absence of any Gazette notification as required under section 441A(1) of the Companies Act, 1956, no provision for payment of cess has been made in the accounts.

HINDUSTHAN UDYOG LTD.

6. Directors Remuneration :			Current Year	Previous Year	
Salary			12,00,000	12,00,000	
Sitting Fees			18,000	21,500	
			12,18,000	12,21,500	
7. Opening Stock			Current Year	Previous Year	
			Qty.	Rs.	
1) Semifinished Products					
Steel Structure & Goods			33,00,000	33,00,000	
Steel Casting Goods			5,96,69,960	6,79,54,539	
			6,29,69,960	7,12,54,539	
2) Finished Products					
Tea			6,507	6,507	
Steel Casting Goods	164.380 M/T		2,28,57,395	147.710 M/T 2,17,58,619	
			2,28,63,902	2,17,65,126	
8. Closing Stock			Current Year	Previous Year	
			Qty.	Rs.	
1) Semifinished Products					
Steel Structure & Goods			33,00,000	33,00,000	
Steel Casting Goods			8,27,04,621	5,96,69,960	
			8,60,04,621	6,29,69,960	
2) Finished Products					
Tea			6,507	6,507	
Steel Casting Goods	147.216 M/T		2,60,81,057	164.380 M/T 2,28,57,395	
			2,60,87,564	2,28,63,902	
9. Licensed and Installed Capacity and Actual Production					
	CAPACITY		(in MT)		
	Licensed	Installed		Production	
		Current Yr	Previous Yr	Current Yr	
				Previous Yr	
Steel Structure	Not Applicable	1,800	1,800	—	
Roller/Idlers	Not Applicable	1,000	1,000	—	
Steel Castings	Not Applicable	4,800	4,800	2,783	
				2,580	
10. Raw Materials Consumed					
		Current Year		Previous Year	
		Qty	Rs.	Qty	Rs.
Steel Materials	24.040 M/T		10,11,949	19.920 M/T	5,29,313
Sundry Stores & Consumables			11,39,23,491		11,88,89,640
Components			30,27,979		17,27,382
Scrap	3016.560 M/T		15,10,62,514	2801.735 M/T	8,84,05,494
Packing Materials			61,190		8,342
			26,90,87,123		20,95,60,171
Indigeneous			24,86,17,071	92.39%	99.92%
Imported			2,04,70,052	07.61%	00.08%
					20,93,97,623
					1,62,548

HINDUSTHAN UDYOG LTD.

11 Sale of Goods	Current Year		Previous Year	
	Qty.	Rs.	Qty.	Rs.
Steel Castings	2,760.190 M/T	50,24,21,024	2,626.893 M/T	48,15,34,113
Spares & Others for Conveyors		88,68,237		42,36,590
Others		1,22,78,770		73,28,456
		52,35,68,031		49,30,99,159

12. Expenses in Foreign Currency	Current Year		Previous Year	
	1) Import of Machinery Component		—	
2) Travelling (Foreign)		2,68,441		17,24,988
3) Import of Stores & Consumables		2,04,70,052		1,62,548
4) Import of Trading Goods		59,31,787		—

13. Earnings in Foreign Exchange	Current Year		Previous Year	
	1) F.O.B value of Exports		13,97,87,807	
2) Freight & Insurance Recovered		40,09,595		31,81,063

14. Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2011 amounts Receivable for export of goods

Foreign Currency	Current Year		Previous Year	
	Amount in Foreign Currency	Amount (Rs.)	Amount in Foreign Currency	Amount (Rs.)
USDOLLAR	3,81,127	1,68,57,249	4,58,258.03	2,11,59,896
GREAT BRITAIN POUND	2,50,986	1,78,17,496	2,32,491.99	1,67,85,381
EURO	96,432	60,13,500	90,579.00	56,49,116

15. Related Party Disclosure :

a) Associated Company :
WPIL Limited

b) Key Management Personnel & their Relatives :

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

Transactions with Related Parties :

Transaction	Associated Company	Key Management Personnel
Sales & Services	17,01,72,047	—
Rent Received	19,80,000	—
Remuneration (Mr V N Agarwal)	—	12,00,000
Sitting Fees	—	10,000

16. Segment Reporting :

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

Information about Secondary Segments: - Geographical

	Rs. Lakhs
(i) Revenue by Geographical Market	
– India	3,797.71
– Outside India	1,437.97
	5,235.68
(ii) Addition to Fixed Assets and Intangible Assets	
– India	236.88
– Outside India	—
	236.88
(iii) Carrying Amount of Segment Assets	
– India	7,596.40
– Outside India	—
	7,596.40

17. Earning Per Share :

Profit after Taxation Rs. 3,07,90,812/-

Weighted average number
of Equity Shares outstanding 71,76,725

Basic & Diluted earnings per
Share (Face value Rs. 10/-) 4.29

18. The Company has unabsorbed depreciation and carried forward losses available for set-off under the Income Tax Act, 1961. However, in view of present uncertainty regarding generation of sufficient future taxable income, net deferred tax assets at the year end including related debit for the year have not been recognised in these accounts on prudent basis.

19. Considering the external and internal impairment indicators, the management is of the opinion that no asset has been impaired as at 31st March, 2011. Consequently, no impairment loss has been recognised in the statement of Profit & Loss for the year ended 31st March, 2011.

20. There are no Micro enterprises or Small scale enterprises to whom the Company owes any due which are outstanding as at 31st March, 2011. [31.03.2010 – NIL]

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

21. Previous year's figures, wherever necessary, have been regrouped / rearranged.

HINDUSTHAN UDYOG LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i) Registration Details :

Registration No.	:	15767	State Code	:	21
			(Refer code list)		
Balance Sheet Date	:	31 03 2011			
		Date Month Year			

ii) Capital raised during the year (Amount in Rs. Thousand)

Public Issue	:	NIL	Bonus Issue	:	NIL
Right Issue	:	NIL	Private Placement	:	NIL

iii) Position of Mobilisation and Development of funds (Amount in Rs. Thousand)

Total Liabilities	:	8,34,264	Total Assets	:	8,34,264
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Sources of Funds

Paid up Capital	:	1,31,767	Reserves & Surplus	:	4,24,845
Secured Loans	:	1,22,535	Unsecured Loans	:	1,55,117

Application of Funds

Net Fixed Assets	:	1,72,488	Investments	:	46,260
Net Current Assets	:	3,39,603	Misc. Expenditure	:	55
Accumulated Losses	:	2,75,858			

iv) Performance of Company (Amount in Rs. Thousand)

Turnover	:	5,54,803	Total Expenditure	:	5,24,012
Profit/Loss before Tax	:	30,791	Profit/Loss after Tax	:	30,791
Earning per Share (in Rs.)	:	4.29	Dividend rate %	:	0

v) Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
8428	MATERIAL HANDLING EQUIPMENT
7325	CAST ARTICLES OF IRON OR STEEL

Place : Kolkata
Date : 30th May, 2011

SHIKHA BAJAJ
Company Secretary

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

HINDUSTHAN UDYOG LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	For the year ended 31.03.2011	For the year ended 31.03.2010
A) Cash Flow from Operating Activities		
Net Profit before Interest & Tax	3,07,90,812	4,44,45,430
Adjustments for :		
Provision for gratuity	26,43,647	15,92,934
Provision for Leave Encashment	6,27,424	18,44,778
Depreciation	1,90,91,599	1,98,60,547
Loss/(Profit) on Sale of Investments	—	3,81,173
Loss/(Profit) on Fixed Assets	(2,67,146)	(57,599)
Dividend Received	(77,41,318)	(38,82,434)
Interest Received	(6,46,049)	(1,57,551)
Interest Paid	1,06,17,727	1,16,43,595
Misc exps W/Off	54,888	54,888
Operating Profit before Working Capital Changes	5,51,71,584	7,57,25,761
Adjustments for :		
Trade & Other Receivables	(6,98,37,948)	1,51,80,251
Inventories	(3,77,23,994)	(27,57,072)
Trade Payables	10,40,63,362	1,37,15,400
Cash Generated from/(used) in Operations	5,16,73,004	10,18,64,340
Interest Paid	(1,06,17,727)	(1,16,43,595)
Income Tax Paid/Adjusted	—	(73,99,066)
Net Cash From/(used in) operating activities	4,10,55,277	8,28,21,679
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,82,20,260)	(2,14,23,868)
Sale of Fixed Assets	6,00,500	1,02,466
Purchase of Investments	(15,50,000)	(3,00,000)
Sale of Investments	—	1,21,55,780
Dividend Received	77,41,318	38,82,434
Interest Received	6,46,049	1,57,551
Net Cash used in Investing Activities	(1,07,82,393)	(54,25,637)
C) Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (Net)	(1,64,26,709)	(2,18,43,283)
Proceeds from Short Term Borrowings (Net)	9,71,977	(3,17,38,618)
Net Cash from Financing Activities	(154,54,732)	(5,35,81,901)
Net Increase/(Decrease) in cash and Cash Equivalents (A + B + C)	1,48,18,152	2,38,14,141
Cash and Cash Equivalents as at the beginning of the year (Opening Balance) – Cash and Bank Balances	3,06,72,579	68,58,438
Cash and Cash Equivalents as at the end of the year (Closing Balance) – Cash and Bank Balances	4,54,90,731	3,06,72,579

In terms of our report of even date
For S. GHOSE & CO.
Chartered Accountants

(CHANDAN CHATTOPADHYAY)
Partner

Place : Kolkata
Date : 30th May, 2011

MEMBERSHIP NO : 051254

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

SHIKHA BAJAJ
Company Secretary

HINDUSTHAN UDYOG LTD.

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statements of **Hindusthan Udyog Ltd.** for the year ended 31st March 2011. The Statement has been prepared by the Company in accordance with the requirement of clause 32 of Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 30th May, 2011.

For S. GHOSE & CO.
Chartered Accountants

Chandan Chattopadhyay
Partner
Membership No. 051254

Place: Kolkata
Date : 30th May, 2011