



HINDUSTHAN UDYOG LTD.

Registered Office :
"TRINITY PLAZA" 3rd Floor
84/1A, Topsia Road (South)
Kolkata-700 046, India
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CIN No. : L27120WB1947PLC015767

NOTICE OF ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:-

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

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

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

SPECIAL BUSINESS:-

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

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

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

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

MAKING OF LOANS, INVESTMENTS AND GUARANTEES

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

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

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

BY ORDER OF THE BOARD
FOR HINDUSTHAN UDYOG LIMITED



[V.N. AGARWAL]
MANAGING DIRECTOR

NOTES:

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

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

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

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

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

ITEM NO. IV

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

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

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

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

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

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

ITEM NO. V

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

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

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

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

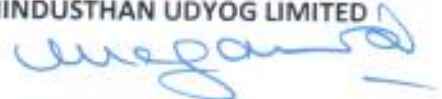
The Board therefore recommends passing of the Special Resolution.

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

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

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DATE: 30TH MAY, 2017
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BY ORDER OF THE BOARD
FOR HINDUSTHAN UDYOG LIMITED



[V.N. AGARWAL]
MANAGING DIRECTOR

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

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

DIRECTORS' REPORT

TO THE MEMBERS OF HINDUSTHAN UDYOG LIMITED

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

COMPANY PERFORMANCE:

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

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

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

The Durgapur Unit continued to remain closed during the year.

DIVIDEND:

In view of the losses incurred by the Company in the current year as well as the brought forward unabsorbed accumulated losses, the Directors express their inability to recommend any dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is appended below:-

A. BUSINESS

The Company is engaged in the manufacturing of Alloy and Stainless Steel Castings with stringent quality requirements required in Turbines, Metal Shredding, Earth Moving and Mining Equipment, Power Plants, Pumps, Valves, Compressors and other Heavy Engineering Industries. It is also engaged in the manufacturing of Material Handling Equipments of

varied nature required in Mines, Cement Plants, Power Plants and Other General Engineering Sectors. The Company has manufacturing units located in Kolkata and Nagpur.

B. REVIEW OF OPERATIONS & FUTURE PROSPECTS

The key operational highlights at both the Units have been:-

- Development of Pump Casings in Super Duplex Stainless Steel grade.
- Impellers, Bowl and bell in CD4MCuN Grade developed.
- Development of 9.5 M/T single piece Discharge Bowl in Grey Cast Iron.
- Operation of new VTL Machine.
- Increase in Line molding capacities by modification of existing line.
- Successful development of Creep Steel Castings
- Development of Duplex Stainless Steel Grade 5A Castings
- Removal of Low Alloy and plain Carbon Steel Items so as to concentrate on making of only High Alloy Steel Castings (H.A.S.) with good margins.

C. OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

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

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

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

D. INTERNAL CONTROL SYSTEM

The Company has internal control procedures commensurate with the nature of its business and size of its operations. The objective of these procedures are to ensure efficient use and