



PROTECTOR

Hindcon Chemicals Limited
Annual Report 2019-20

CONTENTS

2

Corporate
snapshot

4

Financial
highlights

8

Chairman and
Managing Director's
message

12

Business model

14

Case studies

18

Notice

30

Board's report

59

Standalone
financial statements

88

Consolidated
financial statements

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

PROTECTOR

The word 'protection' is the flavour of the year.

There is a greater premium on the need to live safe and stay safe.

Hindcon Chemicals (through its promoters) has been engaged in the protection of infrastructure through the manufacture of niche construction chemicals and other chemicals for more than seven decades.

Extending the life of constructed assets. Deepening its role in nation-building.

**THE INDIAN INFRASTRUCTURE
SECTOR IS VAST AND GROWING.**

**IN THIS CORE NATIONAL SPACE,
HINDCON CHEMICALS LIMITED
HAS SELECTED TO PLAY A
DISTINCTIVE ROLE.**

**OF PROTECTING.
OF EXTENDING ASSET LIFE.
OF ENHANCING INFRASTRUCTURE
PROFITABILITY.**

**BACKGROUND**

The company was promoted by Mr. Sanjay Goenka in 1998 as Hind Silicates Private Limited (renamed Hindcon Chemicals Limited in 2012) following a 37 year experience in the sector. The Company has grown its presence in the niche space of construction chemicals.

**LOCATION**

The Company's manufacturing facility is located in Jalan Industrial Complex on the outskirts of Kolkata.

**PORTFOLIO**

The Company's offerings comprise concrete and mortar admixtures, floorings, protective waterproofing coatings and adhesives. The Company also provides waterproofing and repair services as well as retrofitting of distressed structures.

**CUSTOMERS**

The Company works with prominent construction companies like JP Associates, Dinesh Chandra R Agarwal Group, Bridge & Roof, Patel Engineering, Gayatri Projects, Navayuga Engineering, HCC and AFCONS, among others. The Company also worked closely with the multinational Hindustan Unilever.

**CAPACITY**

The Company manufactures products in a state-of-the-art facility at Jalan Industrial Complex, Howrah. The installed capacity of sodium silicate was 18,000 tonnes per annum and of construction chemical was 12,000 tonnes per annum. The manufacturing facility was operated at a capacity utilisation of 54.15% in FY 2019-20.

**CERTIFIED**

The Company is accredited for ISO 9001:2015 and ISO 22716:2007 covering quality control and management processes. The Company is also a member of Indian Green Building Council, emphasising the manufacture of environment-friendly products. The Company is accredited with IS 9103 certification for admixtures and IS 2645 certification for water-proofing compounds.

**PEOPLE**

Hindcon comprises a nine-member R&D team credited with the development of cutting-edge products. As on 31st March, 2020, Hindcon's employee strength stood at 98 permanent employees.

**LISTING**

The Company is listed on National Stock Exchange-SME and its market capitalisation as 31st March, 2020 stood at ₹11.26 crores.

64.76

Promoters' holding,
31st March, 2020 (%)

11.26

Market capitalisation,
31st March, 2020
(₹ crores)

98

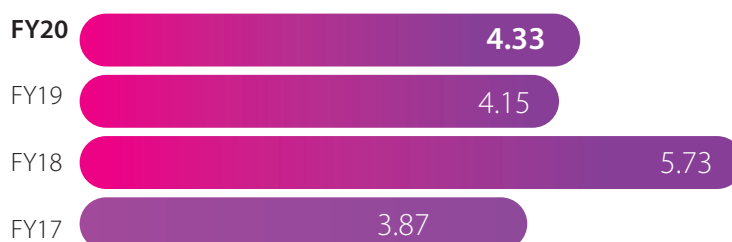
Team size,
31st March, 2020

ENHANCING VALUE



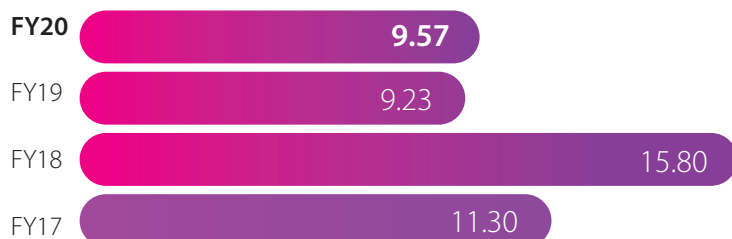
Revenue (₹ crores)

Performance: Aggregate revenues grew 0.6% to ₹45.25 crores during FY 2019-20 following an increase in retail sales, wallet share and customers.



EBITDA (₹ crores)

Performance: EBITDA increased by 4.34% to ₹4.33 crores in FY 2019-20 on account of an increase in revenues and effective cost management.



EBITDA margin (%)

Performance: The Company's EBITDA margin increased by 34 bps during FY 2019-20 on account of an increase in the offtake of value-added products, superior cost amortisation and opex cost management.



Debt-equity ratio

Performance: The Company's gearing moderated from 0.73 during FY 2016-17 to 0.21 during FY 2019-20 following net worth infusion and profit reinvestment.



India intends to invest ₹102 trillion on infrastructure creation across the next 5 years.

This is expected to substantially grow the market for construction chemicals.


Hindcon expects to capitalise through adequate capacity and longstanding experience.

Overview

The Indian real estate sector was valued at around US\$ 120 billion and expected to reach a value of US\$ 1 trillion by 2030, growing at a CAGR of 19.5% during the period, catalysed by economic growth, urbanisation and government policies.

The growth of this market is likely to be catalysed by GST reduction, additional deduction on interest, alternative investment fund, Section 80IA benefits, concession to real estate transactions, urbanisation, rise in nuclear families, increase in incomes, demographic dividend, changing lifestyle, rising investments, Smart Cities Mission, Pradhan Mantri Awas Yojana, increased number of ultra-high-net-worth individuals and improved borrower affordability.





Climate change is widening the market for construction chemicals.

Structures (existing and new) need to be protected against the extreme action of natural elements.

Hindcon expects to capitalise through research-led product development and a number of large brand-enhancing customers.

Overview


Temperatures: According to World Bank, if climate change continues, average temperatures in India could reach as high as 29.1° C by the end of the century (25.1° C currently).

Precipitation: In India, the annual rainfall was 109% of its Long Period Average (LPA) in 2019. The monsoon season (June-September) rainfall over the country was 110% of its LPA. During the last monsoon, among the four large geographical regions of the country, Central India and South Peninsular India received 129% and 116% of its LPA rainfall respectively. The monsoon 2019 was the wettest in 25 years.

Cyclones: The number of cyclones and severe cyclones in the Arabian Sea and the Bay of Bengal has risen nearly 32% in five years.

Verticalisation: Indian cities are becoming increasingly vertical. Of 1816 housing projects launched across seven cities in 2019, over 52% were high-rises of 20 or more storeys.

(Source: News18, Hindustan Times, Financial Express, Economic Times, Business Standard)



The green shoots in select construction chemical companies are showing.

The FY 2019-20 was marked by an economic slowdown; construction sector slowed; home offtake declined.

Hindcon Chemicals reported profitable growth, indicating a margins-accretive undercurrent.

Overview

Even as the construction chemical market reported slow offtake in FY 2019-20, better days lie ahead for various reasons.

To achieve a GDP of US\$ 5 trillion by 2025, the Government announced a National Infrastructure Policy with an investment plan worth ₹102 trillion in five years.

India is likely to continuously invest in its infrastructure, driving the growth of the construction chemical market.

With work-from-home being the new normal, the demand for a dedicated study/work room at residential buildings will only increase, driving residential renovation.

India, being a developing economy, has a long way to go as far as infrastructure is concerned, thus, indicating headroom for the construction chemicals business.

With the Government's increased focus on affordable housing, the construction chemical industry is likely to report superior traction.



THE CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE



This is our third Annual Report reviewing our performance of FY 2019-20, following our initial public offer in FY 2017-18.

Performance overview

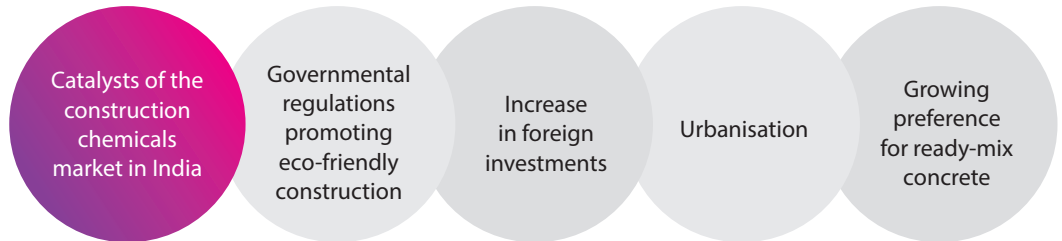
Your Company reported profitable growth in FY 2019-20, which is a creditable performance at a time when the Indian economy slowed from a peak of 10.06% growth in FY 2006-07 to 4.2% in FY 2019-20, the slowest quarterly growth in 11 quarters.

Against this landscape, your Company performed creditably: revenues finished around the level of the previous year, despite nearly seven days of productive revenues being lost on account of the lockdown in March 2020. Your company reported profitable growth: even as revenues stayed flat at the level of the previous year, EBITDA increased by 4.34% and profit after tax strengthened 0.65%.

I am pleased to report that the increase in profits was not the result of a fleeting increase in realisations or a cost arbitrage; the increase was derived from higher production and offtake, superior coverage of fixed and variable costs as well as value-addition.

Growth strategy

During the last annual report, the management of your Company had indicated that the time had come to extend its presence in existing geographies and emerge as a pan-Indian player in view of a ground shift arising out of GST introduction and the narrowing price differential between products offered by organised companies like ours and unorganised competition.



During the year under review, the Company extended its footprint. The Company embarked on extending its footprint in Maharashtra during the year under review. We believe that the broad-basing of this geographic footprint holds the key to our prospective growth in revenues, margins and overall valuation.

On the construction chemicals front, the Company grew its B2C business 62% during the year under review, owing to the increasing demand from residential spaces. Further, with the COVID-19 pandemic, the demand for a dedicated workspace at residential properties will only drive the B2C business segment. The Company also grew its job work segment 2x following the addition of new clients and a substantial increase in orders.

Optimism

Even as India is passing through a slowdown, there are good reasons to be optimistic about the country's prospects across the medium-term.

The Indian government intends to invest deeper in national infrastructure building. What provides me hope extends beyond the quantum of infrastructure; there is a corresponding premium on infrastructure quality as well, manifested in asset health, protection and low maintenance costs. Besides, there is a greater public accountability related to the employment of credible vendors, materials and practices.

This indicates that public infrastructure does not just need to be built well; it needs to be built to last. This endurance is

derived not just from credible construction practices but also from a forward-looking protective mindset. This protective approach has created a compelling case for construction chemicals.

What makes your Company's role visible is that it is organised, research-led and listed, enhancing the confidence of large construction institutions. Besides, we do not just provide a product; we are engaged in providing a solution that enhances assuredness and a customer's peace of mind.

Right company, right time

Hindcon Chemicals is the right company at the right time in the right country in the right sector.

Your Company possesses the competence to manufacture resin and cement capsules; the Hind Bolt R resin brand is established and growing. Your company's portfolio of around 95 products are customised around customer needs. These products have been trusted in large infrastructure projects by prominent construction companies.

Your Company has responded with speed to the evolving scenario. The enhanced awareness related to construction chemicals has extended from large construction companies to private home builders as well. In line with this transition, your Company extended its focus to retail customers. During the year under review, the proportion of revenues from institutional customers stood at 96%. Your Company is poised to re-balance its sales mix with the objective to generate

revenues from retail customers (B2C) 10-fold across the next five years.

Outlook

During the current financial year, your Company will focus on cost rationalisation, leverage existing institutional relationships and protect the integrity of the Balance Sheet with the objective to widen its geographic footprint across the foreseeable future through stronger brand promotion on the one hand and deeper distribution presence on the other. When demand accelerates – as we are confident it will – the Company will be attractively placed to commence production in a second shift that doubles this capacity with no increase in assets.

Hindcon has focused on leveraging post-pandemic opportunities. Your Company intends to extend into the sanitiser business, marked by a nominal investment funded through accruals and commissioned by the third quarter of 2020-21. The capacity of 7 kilolitres per day is expected to break even within a year, validating our optimism.

I assure our shareholders that we address a multi-year growth journey, which should translate into superior value in the hands of those who own shares in our Company.

Sanjay Goenka

Chairman & Managing Director

MULTIPLE STRUCTURAL SHIFTS IN INDIA

Formalisation of the Indian economy

- > Narrowing difference between unorganised and organised players
- > Large users procuring sodium silicate from organised players
- > Larger addressable market for Hindcon



Institutionalisation of all-weather construction standards in India

- > Use of superior cement grades
- > Growing appetite for quality additives
- > Larger addressable market for Hindcon



Need to reduce construction tenure

- > Builders turning to pre-cast construction methods
- > Pre-cast construction warrants larger use of construction chemicals



Bigger premium on getting construction right first time

- > Focus on lower maintenance costs
- > Enhanced use of construction chemicals
- > Larger addressable market for Hindcon



More erratic climatic patterns

- > Growing focus on superior water-proofing
- > Increased use of construction chemicals



Premium on quicker and safer construction

- > Need to shrink cement setting time while protecting construction quality
- > Increased use of construction chemicals



THE INDIA TRANSFORMATION STORY

THE SECOND LARGEST CEMENT MANUFACTURER IN THE WORLD

India's per capita cement consumption 65% lower than global average.

India likely to grow from US\$ 2.9 trillion to US\$ 5 trillion by 2025.

Increased cement consumption to drive market for sodium silicate.

Larger addressable market for Hindcon.

HOW HINDCON INTENDS TO ENHANCE SHAREHOLDER VALUE

Core focus on construction chemicals and its new sanitiser vertical.

Economies of scale and brand.

Cost leadership and customer reliability.

Multi-year relationships with customers.

More than 60% revenues from customers of 3+ years.

Revenue visibility and business stability.

Sectoral broadbasing.

Customers across construction, induction furnace and paper sectors.

Broadbased dependence on diverse sectors.

Geographic broadbasing.

More than 50% offtake derived from Bengal.

Strategic extension into other states.

THE HINDCON BUSINESS MODEL

SECTORAL OPPORTUNITIES



Income growth

The nominal per-capita net national income during FY 2019-20 was estimated at ₹1,34,226, a rise of 6.1% compared to ₹126,521 during FY 2018-19, in turn, driving consumption in the country.



Rising population

India is the second-most populous country in the world, with a population of around 1.36 billion in 2019, which drives the real estate and infrastructure industries in the country, in turn, driving the growth of the construction chemicals industry.



Affordable housing

The per capita ownership of housing area in India is pegged at 0.50 square metres compared to 2.6 square metres in China and 5-6 square metres in Europe.



Cement consumption

The per capita consumption of cement is pegged at 210 kgs in India compared to the global average of 575 kgs.



Infrastructure

India is expected to invest ₹102 trillion on infrastructural development in five years, creating a wider market for construction chemicals.



Repair and rehabilitation

Following the pandemic, the demand for dedicated work space at home is likely to gain traction, driving renovation.

HOW HINDCON IS ADDRESSING THESE OPPORTUNITIES

Innovation

The Company has an active and dedicated R&D wing, helping service customer needs better.

Capacity

Hindcon has a capacity to produce 18,000 tonnes of sodium silicate and 12,000 tonnes of construction chemicals. The Company reported an average capacity utilisation of 54.15% in FY 2019-20.

Location

The Company has a strategically-located plant at Jalan Industrial Complex, Howrah, ensuring the easy sourcing of raw materials from within a 300km radius and easy dispatch of end products to core markets.

Diversified portfolio

The Company has a portfolio of ~100 products, helping it emerge as a one-stop shop for construction chemicals.

Financials

The Company maintained a deleveraged Balance Sheet, assuring liquidity.

De-risked business

The Company reduced its excessive dependence on the B2B segment, increased job working 2x and B2C business ~62% in FY 2019-20.

THE OUTCOMES

The Company grew its revenues from ₹33.48 crores during FY 2015-16 to ₹45.25 crores during FY 2019-20.

The Company's margins strengthened from 3.88% in FY 2015-16 to 9.24% in FY 2019-20.

The Company sustained a debt-equity ratio of 0.21x in FY 2019-20, same as the previous fiscal.

HOW HINDCON TRANSFORMED A NERVOUS CUSTOMER TO DELIGHT



The 5000 sq ft basement area of the Bhandari Automobiles workshop at Ranigunge was submerged.

Hindcon examined the basement and assumed the responsibility of bringing it to its erstwhile condition in the shortest time.

The Company responded with cement slurry injection by a pump admixed with

expanding grouting admixture; it turned to acrylic polymer coating and concreting with integral waterproofing admixture as a protective layer.

The result is that within a short time, the basement roof leaks had been plugged, the water drained and the client cannot believe that when it rained in June 2020, not a drop passed was transmitted into the basement.

Hindcon brands used

Hind Plast EGA
Hind CretePlus WPM
Hind Proof No.1.

HOW HINDCON REPAIRED FOUR BRIDGES ON NH-2 (DURGAPUR EXPRESSWAY)



Four bridges (Kanaidanga, Julkia, Kangoi and Singur) were identified by NHAI as structurally damaged. The prestigious Jadavpur University recommended a repair procedure.

Hindcon was awarded the assignment. The Company studied the bridges. Identified the challenges. Recognised the need to accelerate the turnaround in view of traffic needs.

Hindcon not only provided materials for

re-construction but also the technical consultation. It repaired the damaged structural members (pier, beams, deck) with high-strength micro concrete. The polymer modified fibre reinforced the repairing mortar. The injection grouting of cement slurry was used for the honeycombed portions.

The bridges were turned around in quick time. The repairs have extended the infrastructure life by more years, enhancing citizen convenience.

Hindcon brands used

- Hind HSMC
- Hind Patch R
- Hind Styrene BR
- Hind Plast EGA
- Hind Anchorlok, etc.

HOW WE WATERPROOFED NUCLEAR FUEL CENTRE IN KOTA



The Nuclear Fuel Centre in Kota needed a waterproofing solution.

Tata Projects, the principal contractor, turned to Hindcon.

Hindcon was allocated a certain space to work on. The Company examined the critical project.

It laid brickbats of 110 mm average

thickness filled with cement sand mortar admixed with IS 2645-certified integral waterproofing admixture. The area was 'finished' with cement punning with the chequered mark.

The project was completed and the client was delighted. The last of their worries now is water leaking into their facilities.

Hindcon brands used

- Hind Plast IWA

HOW WE WATER-PROOFED LEAKING RAILWAY TUNNEL JOINTS ON THE SILCHAR-IMPHAL RAILWAY LINK



The Silchar-Imphal railway track comprises 28 bridges connecting different mountains and more than 100 tunnels running through them.

The tunnel construction joints were designed at regular intervals. Given the topography and weather, most construction joints leaked extensively.

NF Railway turned to Hindcon for assistance.

Hindcon examined the challenging terrain. Eventually, the company's solution comprised 750m.

The technologies comprised sealing the leaking joint with an epoxy sealant to make them permanently water-tight following cement slurry injection and plugging with relevant compounds.

The result is that the rail linkages are completely secure and perennial today.

Hindcon brands used

- Hind Shot Set P
- Hind Plast EGA
- Hind ERS 21(P)
- Hind Sealant E.

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of **M/s. HINDCON CHEMICALS LIMITED** will be held on **Tuesday, the 25th August, 2020, at 3:00 P.M.** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statement of the Company including Audited Balance Sheet as at 31st March, 2020, Audited Statement of Profit and Loss and the Cash Flow Statement for the year ended as on that date together with Report of Directors' and Auditors' thereon.
2. To declare a Dividend on Equity Shares for the financial year ended 31st March, 2020.
3. To appoint a Director in place of **Mrs. Nilima Goenka (DIN: 00848225)**, Director who retires by rotation and being eligible, offers herself for re-appointment.
4. **To rectify the existing terms of appointment of M/s R B Roy & Co., Chartered Accountants (Firm Registration No. 322805E) as the Statutory Auditors of the Company for a period of 5 years w.e.f. 12th September, 2019 (who were wrongly appointed for 1 year in last AGM) in terms of Section 139 of the Companies Act, 2013 and rules made thereunder and to fix their remuneration and to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT the existing terms of appointment of M/s R B Roy & Co., (Firm Registration No. 322805E), Chartered Accountants, be and is hereby rectified to the extent to hold the office of Auditors for a period of 5 (five) consecutive years till the conclusion of the 26th AGM of the Company to be held for the Financial Year 2023-24 in compliance to Section 139 of the Companies Act, 2013 and rules made thereunder.

FURTHER RESOLVED THAT Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be required for the aforesaid purpose."

SPECIAL BUSINESS:

5. **RE-APPOINTMENT OF MR. RAMSANATAN BANERJEE (DIN: 05191594) AS A WHOLE-TIME DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013,

and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members be and is hereby accorded for the re-appointment of **Mr. Ramsanatan Banerjee (DIN: 05191594)**, as a Whole-time Director & Key Managerial Personnel of the Company for a period of 5 (five) years with effect from February 4, 2020, on such terms and conditions including remuneration, as set out in the statement annexed to the Notice convening this meeting as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board), with the liberty to the Board to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Banerjee, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modifications or re-enactment thereof;

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

6. **RE-APPOINTMENT OF MRS. NILIMA GOENKA (DIN: 00848225) AS A WHOLE-TIME DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members be and is hereby accorded for the re-appointment of **Mrs. Nilima Goenka (DIN: 00848225)**, as a Whole-time Director of the Company for a period of 5 (Five) years on expiry of her present terms of office, i.e. with effect from June 1, 2020, on such terms and conditions including remuneration, as set out in the statement annexed to the Notice convening this meeting as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board), with the liberty to the Board to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mrs. Goenka, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any

statutory modifications or re-enactment thereof.

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

7. CHANGE OF PLACE OF KEEPING REGISTER OF MEMBERS & OTHER RECORDS BY REGISTRAR & SHARE TRANSFER AGENTS

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 94 and all other

applicable provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members be and is hereby accorded to shift and maintain the Register of Members, Index of Members and Share Transfer Books and other statutory records with the Company's existing Registrars and Share Transfer Agents, **M/s. Link Intime India Pvt. Ltd. at its new address at Room Nos. 502 & 503, 5th Floor, Vaishno Chamber, 6, Brabourne Road, Kolkata - 700001** w.e.f. 1st September, 2020."

By **Order of the Board of Directors**
For **Hindcon Chemicals Limited**

Registered office:

62B, Braunfeld Row
Kolkata – 700 027

Date: 25.06.2020

Sd/-
Jaya Bajpai
Company Secretary

NOTES:

- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM) and dispensed personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said Circulars, the 22nd Annual General Meeting (AGM) of the members be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Refer serial No.31) and available at the Company's Website www.hindcon.com. The deemed venue for the AGM shall be the Registered Office of the Company.
- The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800-225-533.
- Since, the AGM is being conducted through VC/ OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.
- The Shareholders can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein below in the Notice.
- The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 24th July, 2020.
- The attendance of the Shareholders attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- Members can raise questions during the meeting or in advance at cs@hindcon.com. The members are requested to write to the Company on or before 18th August, 2020, through Email on cs@hindcon.com. However, it is requested to raise the queries precisely and in short at the time of meeting to enable to answer the same.
- Corporate members are requested to send at kolkata@linkintime.co.in before e-voting/attending annual general meeting, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting, pursuant to Sec 113 of the Companies Act, 2013.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

10. Note for Institutional Shareholders

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

11. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
12. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
13. The profile of the Directors seeking appointment/re-appointment, as required in terms of applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange is annexed hereto and forms part of this Notice.
14. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the said Circulars issued by the MCA and said SEBI Circular, the Annual Report including Notice of the 22nd AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by Email, to all the Shareholders whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes to the Shareholders and to all other persons so entitled.

Members (Physical/ Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting in member updation form by sending an email to kolkata@linkintime.co.in and cs@hindcon.com. Please submit duly filled and signed member updation

form to the above mentioned email. Upon verification of the Form the email will be registered with the Company.

Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and said SEBI Circular, the Annual Report including Notice of the 22nd AGM of the Company will also be available on the website of the Company at www.hindcon.com The same can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and on the website of CDSL i.e. www.evotingindia.com.

15. In terms of the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 (as amended from time to time) and Regulation 44 of the SEBI Listing Regulations and the said Circulars, the Company is pleased to provide the facility of "e-voting" to its Shareholders, to enable them to cast their votes on the resolutions proposed to be passed at the AGM, by electronic means. The instructions for e-voting are given herein below. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), who will provide the e-voting facility of casting votes to a Shareholder using remote e-voting system (e-voting from a place other than venue of the AGM) ("remote e-voting") as well as e-voting during the proceeding of the AGM ("e-voting at the AGM").
16. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 19, 2020 to Tuesday, August 25, 2020, both days inclusive.
17. In accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed Tuesday, 18th August, 2020 as the "cut-off date" to determine the eligibility to vote by remote e-voting or e-voting at the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. Tuesday, 18th August, 2020, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given at Serial no. 29. Members whose email ids are not registered with the depositories for procuring user id and password and registration of email-ids for e-voting for the resolutions are requested to refer the instructions provided at serial no.30.
18. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 18th August, 2020 are requested to send the duly signed written / email communication to the Company at cs@hindcon.com and to the RTA at kolkata@linkintime.co.in by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.

19. Those Shareholders, who will be present at the AGM through VC/ OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
20. The Company has appointed Mr. S. K. Tibrewalla, Membership No. F3811 & Certificate of Practice No. 3982, Company Secretaries in practice, as the Scrutinizer to scrutinize the remote e-voting and the e-voting at the AGM in a fair and transparent manner.
21. Institutional Members / Bodies Corporate (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 through e-mail at santibrewalla@gmail.com with a copy mark to helpdesk.evoting@cDSLindia.com on or before 24th August, 2020 upto 5.00 P.M. without which the vote shall not be treated as valid.
22. Shareholders holding shares in identical order of names in more than one folio, are requested to write to the Company or to the office of the Registrar & share Transfer Agent, M/s Link Intime India Private Limited, Room Nos. 502 & 503, 5th Floor, Vaishno Chamber, 6 Brabourne Road, Kolkata- 700001, enclosing their share certificate to enable the Company to consolidate their holdings in one single folio.
23. The Final Dividend for the financial year ended March 31, 2020, as recommended by the Board, if approved at the AGM, will be paid within 30 days of declaration, to those Members whose name appears in the Register of Members of the Company as on the record date, i.e. Tuesday, August 18, 2020. Members can submit details with the company for receiving dividend directly in their bank accounts through Electronic Clearing Services (ECS) by writing an email at cs@hindcon.com. In case any member is unable to submit their details for remittance of dividend through ECS, their dividend warrants/cheque shall be dispatched upon normalization of the postal services, post covid-19.
24. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the Registrar & Share Transfer Agent, M/s Link Intime India Private Limited, quoting their folio number. The Members updation form forms a part of the Annual Report and is available on the website of the Company.
25. Pursuant to the provisions of the Companies Act, 2013, dividend for the year ended March 31, 2020 and thereafter, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.
26. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules") notified by the Ministry of Corporate Affairs effective September 7, 2016, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more would be transferred to the Investor Education and Protection Fund (IEPF) Suspense Account. The Company has no such shares on which dividend has not been claimed or paid for a consecutive period of seven years.
27. The Register of Directors' and Key Managerial Personnel and their shareholding maintained of the Companies Act, under Section 189 of the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to cs@hindcon.com.
28. Members who are present in meeting through video conferencing facility and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.
- 29. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**
- (i) The voting period begins on **22nd August, 2020 at 9:00 A.M.** and ends on **24th August, 2020 at 5:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18th August, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on "Shareholders" module.
 - (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

30. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.
- The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

31. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance atleast 3 (three) days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- vii. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533

32. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

33. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The

Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@hindcon.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

Other Information:

1. Those persons, who have acquired shares and have become members of the Company after the dispatch of Notice of the AGM by the Company and whose names appear in the Register of Members or Register of beneficial holders as on the cut-off date i.e. Tuesday, 18th August, 2020 shall view the Notice of the 22nd AGM on the Company's website or on the website of CDSL. Such persons may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can cast his/her vote by using existing User ID and password and by following the procedure as mentioned above or by voting at the AGM.
2. Voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, 18th August, 2020. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
3. Every Client ID No./ Folio No. will have one vote, irrespective of number of joint holders.

Scrutinizer's Report and Declaration of results

1. The Scrutinizer shall, after the conclusion of e-voting at the AGM, first count the votes cast vide e-voting at the AGM and thereafter shall, unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company. He shall submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, not later than 48 (forty eight) hours of the conclusion of the AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
2. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hindcon.com and on the website of CDSL i.e. www.evotingindia.com. The Company shall simultaneously forward the results to National Stock Exchange of India Limited, where the shares of the Company are listed.

Dividend

1. The Board of Directors has recommended for consideration of the Shareholders a dividend of 9% i.e. ₹0.90 per Equity share of the nominal value of ₹10/- each for the year ended 31st March, 2020.
2. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, 19th August, 2020 to Tuesday, 25th August, 2020 (both days inclusive), for the purpose of AGM and Dividend. The Dividend, if declared, will be payable on or after Wednesday, 26th August, 2020, to those Shareholders whose names are registered as such in the Register of Members of the Company as on Tuesday, 18th August, 2020 and to the beneficiary holders as per the beneficiary list as on Tuesday, 18th August, 2020 provided by the NSDL and CDSL, subject to deduction of tax at source where applicable.

Payment of Dividend through electronic means:

- (a) The Company provides the facility to the Shareholders for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). In view of the outbreak of the COVID-19 pandemic and resultant difficulties involved in dispatching of physical dividend warrants, Shareholders holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code), along with their Folio Number, to the Company. Shareholders holding shares in dematerialized form are requested to provide the said details to their respective Depository Participants.
- (b) In line with the General Circular No. 20/ 2020 dated 5th May, 2020 issued by the MCA, in case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code), the Company/ RTA shall upon normalization of the postal services, dispatch the dividend warrant/ cheque to such shareholder by post.

- (c) Shareholders holding shares in dematerialized form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company/ RTA for payment of dividend. The Company/ RTA cannot act on any request received directly from the Shareholders holding shares in dematerialized form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Shareholders.
3. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to the Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and their respective Depository Participants (in case of shares held in dematerialized form). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by Email to cs@hindcon.com by 18th August, 2020. **Effective April 1, 2020, as per the Income Tax Act, 1961, the dividend income is taxable in the hands of shareholders. Accordingly, if any resident individual shareholder is in receipt of dividend exceeding ₹5,000 in a fiscal year, entire dividend will be subject to TDS @ 7.5%. The rate of 7.5% is applicable provided the shareholder has updated his/her Permanent Account Number (PAN) with the depository/ Registrar and Transfer Agent (RTA).** Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Resident shareholders who are eligible for deduction of TDS at a concessional or NIL rate as per Section 197 of the Income-tax Act, 1961, can submit the certificate/letter issued by the Assessing Officer, to avail the benefit of lower rate of deduction or non-deduction of tax at source by Email to cs@hindcon.com by 18th August, 2020. Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an Email to cs@hindcon.com. The aforesaid declarations and documents need to be submitted by the Shareholders by 18th August, 2020. The aforesaid Form No. 15G/15H can be downloaded from website of the Company i.e. www.hindcon.com
 4. In terms of the provisions of Sections 124 and 125 of the Act, dividend which remains unpaid/ unclaimed for a period of 7 (seven) years from the date of declaration is required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, in terms of the provisions of Section 124 of the Act read with the Investor

Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), Equity Shares, in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more from the date of declaration, are also required to be transferred to an account viz. IEPF Suspense Account, which is operated by the IEPF Authority pursuant to the IEPF Rules. All equity shares of the Company on which dividend has not been paid or claimed for 7 (seven) consecutive years or more, shall be transferred by the Company to the IEPF from time to time. Details of unpaid / unclaimed dividend and equity shares transferred to IEPF are uploaded on the website of the Company as well as that of the Ministry of Corporate Affairs, Government of India ("MCA"), if any. No claim shall lie against the Company in respect of unclaimed dividend amount and equity shares transferred to the IEPF and IEPF Suspense Account, respectively, pursuant to the IEPF Rules. Shareholders can however claim both the unclaimed dividend amount and the equity shares from the IEPF Authority by making an online application in web Form No. IEPF-5, the details of which are available at www.iepf.gov.in.

- In terms of the provisions of Regulation 40 of SEBI Listing Regulations and various notifications issued in that regard, requests for effecting transfer of securities (except in case of transmission or transposition of securities) could not be processed since 1st April, 2019 unless the securities are held in the dematerialized form with the depositories. In view of the same, Shareholders are requested to take action to dematerialize the Equity Shares of the Company/ RTA, promptly.
- SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in dematerialized form are,

therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Shareholders holding shares in physical form should submit their PAN to the Company/ RTA.

- Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, Email ID, telephone / mobile numbers, PAN, mandates, nominations, power of attorney, bank details (such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.), with necessary documentary evidence, to their Depository Participants in case the shares are held by them in dematerialized form and to the Company/ RTA in case the shares are held by them in physical form.
- In terms of the provisions of Section 72 of the Act, the facility for making nomination is available for the Shareholders in respect of the shares held by them. Shareholders who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Shareholders holding shares in dematerialized form are requested to submit the said details to their Depository Participant(s) and the Shareholders holding shares in physical form, are requested to submit the said details to the Company or RTA. The aforesaid Form No. SH 13 can be downloaded from website of the Company i.e. www.hindcon.com
- Shareholders are requested to quote their Folio No. or DP ID - Client ID, as the case may be, in all correspondence with the Company or the RTA.
- Since the AGM will be held through Video Conferencing or Other Audio Visual Means, route map of venue of the AGM and admission slip is not attached to this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

(Annexure as referred to in the notes of the notice)

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item No. 5

The present terms of appointment of **Mr. Ramsanatan Banerjee (DIN: 05191594)** as a Whole Time Director have expired on February 3, 2020. The Nomination & Remuneration Committee at its meeting held on 15th February, 2020 had recommended his re-appointment for a further period of 5 (five) years with effect from February 4, 2020 and the same was approved by the Board of Directors in its meeting held on 15th February, 2020 subject to the approval of members in the ensuing Annual General Meeting of the Company. The remuneration, perquisites payable to Mr. Ramsanatan Banerjee and other terms & conditions as recommended by the Nomination and Remuneration Committee, subject to provisions of section 197 and Schedule V of the Companies Act, 2013 are as follows :-

- I. **Remuneration:** ₹63,000/- per month and such increments as may be decided by the Board of Directors from time to time and subject to the permissible limit as provided by the Schedule V of the Companies Act, 2013.
- II. **Perquisites:** In addition to the salary he shall be entitled to the following perquisites which, may be reviewed by the Board from time to time.
 - a. **Provident Funds:** - As per the Company's policy.
 - b. **Other Benefits:**
 1. His office shall be liable to determination by retirement of Directors by rotation.
 2. He will not be entitled to leave on full day and allowances as per the rules of the Company but not more than one month's leave for every eleven months of services. However, leave accumulated but not availed of shall be dealt with as per the Income Tax Rules, 1962. Casual and sick leave on full pay and allowance as per the rules of the Company.
 3. He shall be entitled for reimbursement of travelling, entertainment and all other expenses actually and properly incurred for legitimate business need of the Company but subject to the rules of the Company framed from time to time.
 4. He shall be reimbursed actual out of the pocket expenses incurred by him in the course of discharging his duties in the capacity of Whole time Director.
 5. Either party may terminate the agreement by giving 3 (three) months' notice in writing to other party or remuneration in lieu thereof without assigning any reason.
 6. Mr. Ramsanatan Banerjee, as long as he functions as such, shall not be paid any sitting fees for attending

meeting of the Board Meeting or any Committee, if any, thereof.

7. In the absence or inadequacy of profit of the Company in any Financial Year, he shall be entitled to receive aforesaid remuneration as minimum remuneration or such higher remuneration as is permissible under the Section 197 read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and approved by the Board.

Mr. Ramsanatan Banerjee has completed his second year Bachelor of Commerce from University of Burdwan. He possesses 35 years of rich work experience in various fields such as purchase, production, marketing, finance and accounts. Presently, he is entrusted with the responsibility to oversee raw material procurement and logistics function in the Company.

Mr. Banerjee does not hold any equity shares of the Company in his own name.

Besides, as per the provision of section 197(3) and Part II of Schedule V of the Companies Act, 2013 where in any financial year during the currency of tenure of a managerial persons, a Company has no profit or its profit are inadequate the appointment of a person as managerial personnel is to be approved by the members by passing ordinary/special resolution.

A Statement as per Schedule V (third proviso of Section II of Part II) in respect of appointment of Mr. Ramsanatan Banerjee as a Whole time Director of the Company is annexed hereto which forms part this explanatory statement. Mr. Banerjee is responsible for operation and other functions of the Company. The Board felt that his association with the Company for managing the affairs of the Company would definitely contribute in the performance of the Company and accordingly proposed for his re-appointment.

Except Mr. Banerjee, none of the Directors or any Key Managerial Personnel or their relatives is in any way, financially or otherwise, directly or indirectly, concerned or interested in the aforesaid resolution.

The Board recommends the resolution as set forth in Item no. 5 for the approval of the members of the Company.

The letter of Appointment issued to Mr. Ramsanatan Banerjee setting out the terms of his re-appointment is open for inspection at the Registered Office and Corporate Office of the Company by any members during business hours on all working days except

Saturday and also at the venue of the Annual General Meeting in physical mode.

Item No. 6

The present terms of appointment of **Mrs. Nilima Goenka (DIN: 00848225)** as a Whole Time Director have expired on May 31, 2020. The Nomination & Remuneration Committee at its meeting held on 25th June, 2020 had recommended her re-appointment for a further period of 5 (five) years with effect from June 1, 2020 and the same was approved by the Board of Directors in its meeting held on 25th June, 2020, subject to the approval of members in the ensuing Annual General Meeting of the Company. The remuneration, perquisites payable to Mrs. Nilima Goenka and other terms & conditions as recommended by the Nomination and Remuneration Committee, subject to provisions of section 197 and Schedule V of the Companies Act, 2013 are as follows :-

- **Salary:** ₹3,00,000/- per month and such increment as may be decided by the Board from time to time and subject to the permissible limit as provided in Schedule – V of the Companies Act, 2013.
- **Perquisites:** In addition to Salary she shall be entitled to the following perquisites which, may be reviewed by the Board from time to time.
- **Provident Fund:** As per rules of the Company.
- **Other Benefits:**
 - i. Leave on full pay and allowances as per the rules of the Company but not more than one month's leave for every eleven months' of services. However, leave accumulated but not availed of shall be dealt with as per the Income Tax Rules, 1962, casual and sick leave on full pay and allowance as per rules of the Company.
 - ii. She shall be entitled to reimbursement of traveling, entertainment and all other expenses actually and properly incurred for legitimate business need of the Company but subject to rules of the Company framed from time to time.
 - iii. She shall be reimbursed out of pocket expenses as may be incurred by her in the course of discharging her duties in her capacity as an Executive Director.
 - iv. Her office shall be liable to retirement by rotation.
 - v. Mrs. Nilima Goenka, as long as she functions as such, shall not be paid any sitting fee for attending meeting of the Board of Directors or any Committee, if any thereof.
 - vi. In the absence or inadequacy of profit of the Company in any financial year, she shall be entitled to receive aforesaid remuneration as minimum remuneration or such higher remuneration as is permissible under Section 197 read with Schedule V of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and approved by the Board."

Mrs. Nilima Goenka is H.S. in Commerce and is specialized in the area of administrative skills.

Mrs. Nilima Goenka holds 13,72,500 equity shares of the Company.

Besides, as per the provision of section 197(3) and Part II of Schedule V of the Companies Act, 2013 where in any financial year during the currency of tenure of a managerial person, a Company has no profit or its profit are inadequate the appointment of a person as managerial personnel is to be approved by the members by passing a special resolution.

A Statement as per Schedule V (third proviso of Section II of Part II) in respect of appointment of Ms. Nilima Goenka as an Executive Director is annexed hereto which forms part of this explanatory statement.

Except Mr. Sanjay Goenka and Mrs. Nilima Goenka, none of the other Directors or any key managerial personnel or their relatives is in any way, financially or otherwise, directly or indirectly, concerned or interested in the aforesaid resolution.

The Board recommends the special resolution as set forth in Item no. 6 for the approval of the members of the Company.

The letters of Appointment issued to Ms. Nilima Goenka setting out the terms of her appointment is open for inspection at the Registered Office of the Company by any members during business hours in all working days till the conclusion of the ensuing Annual General Meeting.

Item No. 7

The Members of the Company previously approved to maintain the Register of Members, Index of Members and Share Transfer Books and other statutory records with its Registrars and Share Transfer Agents (RTA) viz. **M/s. Link Intime India Pvt. Ltd. at 59C, Chowringhee Road, 3rd Floor, Kolkata – 700 020**, a place other than the registered office of the Company.

The aforesaid RTA proposed to shift and maintain the records of the Company from its existing place to Room Nos. 502 & 503, 5th Floor, Vaishno Chamber, 6 Brabourne Road, Kolkata - 700001 for their operational and administrative convenience. In accordance to the provisions of Section 94 of the Companies Act, 2013 approval of the Shareholders is required for effecting the change in the place at which the Register, Index of Members and other documents are proposed to be kept.

The Board recommends for approval of the special resolution by the shareholders as set out under Item No. 7 of the Notice.

None of the Directors, Key managerial personnel of your Company and their relatives are in any way financially or otherwise, directly or indirectly is concerned or interested in the proposed Resolution.

ANNEXURE TO NOTICE OF AGM

A. Details of the Directors seeking appointment/ re-appointment in forthcoming Annual General Meeting

[In pursuance to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Statement as per Schedule V (third proviso of Section II of Part II) and Secretarial Standard 2 issued by the Institute of Company Secretaries of India]

Sl. No.	Name of the Director	Mr. Ramsanatan Banerjee	Mrs. Nilima Goenka
1.	DIN	05191594	00848225
2.	Date of Birth and Age	2nd October, 1956 63 Years	24th August, 1969 50 years
3.	Nationality	Indian	Indian
4.	Date of appointment on Board	4th February, 2012	1st June, 2017
5.	Remuneration last drawn / Past Remuneration	7.14 lakhs	36.00 lakhs
6.	No. of shares held in the Company	Nil	13,72,500
7.	Qualification & Expertise in specific functional area / Background details / Job profile and his suitability	Bachelor of Commerce from University of Burdwan and expertise in purchase, production, marketing, finance and accounts	H.S. in Commerce and Expertise in Administration of Company
8.	Recognitions / Awards	NIL	NIL
9.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Board is of the opinion that the proposed remuneration is commensurate with his role and responsibility as an Executive Director of the Company	The Board is of the opinion that the proposed remuneration is commensurate with her role and responsibility as an Executive Director of the Company
10.	Pecuniary relationship directly or indirectly with the Company	No pecuniary relationship with the Company except Managerial Remuneration.	No pecuniary relationship with the Company except Managerial Remuneration.
11.	No. of Board Meetings Attended	3 (Three)	4 (Four)
12.	List of other listed Companies in which Directorships held as on 31st March, 2020	NIL	NIL
13.	List of other Companies in which Directorships held as on 31st March, 2020	NIL	NIL
14.	Chairman/ Member of the Committee of the Board of other Companies in which he/she is a Director as on 31st March, 2020	NIL	NIL
15.	Disclosure of relationship between Directors inter-se/Managerial Personnel	NIL	Mr. Sanjay Goenka, Managing Director-Spouse

B. Statement as per Schedule V (third proviso of Section II of Part II) of the Companies Act, 2013 in respect of remuneration payable by the Company having no profits or inadequate profits

I. General Information:

- 1) Nature of industry: Manufacturing of Construction Chemical Products.
- 2) Date or expected date of commencement of commercial production: Not Applicable as it is an existing Company since 1998.
- 3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- 4) Financial performance based on given indicators:

(₹ in Lakhs)

	31.03.2020	31.03.2019	31.03.2018
Turnover (Gross):	4,445.90	4,452.42	3,529.56
Net Profit/(Loss) :	306.41	278.87	397.52

- 5) Foreign investments or collaborations, if any: No investment is made by the Company during financial year 2019-20.

II. Information about the appointee:

Name of the appointee	Ramsanatan Banerjee	Nilima Goenka
Background details	Mr. Ramsanatan Banerjee is a Commerce Graduate and is of 63 years of age	Mrs. Nilima Goenka is H.S. in Commerce and 50 years of age
Past remuneration(₹ In Lakhs)	7.14	36.00
Recognition or awards	NIL	NIL
Job profile and his suitability	Production & Marketing	Administration of Company
Remuneration proposed	As provided in the notice	As provided in the notice
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Board is of the opinion that the proposed remuneration is commensurate with his role and responsibility as an Executive Director of the Company.	The Board is of the opinion that the proposed remuneration is commensurate with her role and responsibility as an Executive Director of the Company.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr. Banerjee has no other pecuniary relationship with the Company except his managerial remuneration.	Mrs. Goenka has no other pecuniary relationship with the Company except her managerial remuneration. Mrs. Goenka is spouse of Mr. Sanjay Goenka

III. Other information:

- i) **Reasons of loss or inadequate profits:** During the year 2019-20, in spite of best efforts, the quantum of net profit could not meet the limits as required for payment to Executive Directors resulting inadequacy.
- ii) **Steps taken or proposed to be taken for improvement:** Various measures and suitable steps have been taken to reduce the cost of production and to cope with the unfavorable climatic conditions for increasing efficiency/ productivity/ quality in the coming years.
- iii) **Expected increase in productivity and profitability in measurable terms:** The Company expects substantial increase in production and significant profitability after implementation of its necessary steps for improvement.

IV. Disclosures:

The requisite disclosure with respect to Mr. Ramsanatan Banerjee and Mrs. Nilima Goenka has been set out in item no. 5 & 6 of the Explanatory Statement annexed to the notice convening this meeting.

BOARD'S REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the 22nd (Twenty Second) Annual Report together with the Audited Annual Accounts of your Company for the year ended March 31, 2020.

Financial Results:

(₹ in lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
i. Gross Turnover	4445.90	4452.42	4445.90	4452.42
ii. Other Income	79.35	45.89	94.51	58.40
iii. Total Revenue	4525.25	4498.31	4540.41	4510.82
iv. Expenses other than Finance Cost and Depreciation	4092.60	4083.47	4096.67	4087.09
v. Earnings Before Interest, Depreciation, Taxation and Amortization (EBIDTA)	432.65	414.84	443.74	423.73
vi. Finance Cost	0.31	15.03	0.31	15.03
vii. Depreciation	14.02	13.47	14.02	13.47
viii. Profit / (Loss) before Tax & Exceptional Item	418.32	386.34	429.41	395.23
ix. Exceptional Items	0.00	0.00	0.00	0.00
x. Profit before Taxation (PBT)	418.32	386.34	429.41	395.23
xi. Tax including Deferred Tax	(111.91)	(107.47)	(143.39)	(110.73)
xii. Profit after Taxation (PAT)	306.41	278.87	286.02	284.50
xiii. (Profit) / Loss of minority interest	-	-	(1.74)	(2.50)

State of company's affairs and operations

During the year under review, your Company has achieved a Total Turnover of ₹4,445.90 lakhs which is 0.15% lower as compared with the previous financial year. The EBIDTA of the Company has increased by 4.29% as compared with the previous financial year. Further, the Company has earned a net profit of ₹306.41 lakhs in the financial year 2019-20. The Company has produced 16,243.71 MT of Sodium Silicate and Construction Chemicals during the financial year as compared to 15,307.91 MT of Sodium Silicate and Construction Chemicals in the previous financial year, which is 6.11% higher as compared with the corresponding previous financial year.

The sales and profitability was marginally affected due to sudden lock down due to COVID-19 from 24th March, 2020 till 31st March, 2020 in the current financial year under review.

Outlook

The Company has an arsenal of over 100 products, helping the Company emerge as a one-stop shop for construction chemicals in the foreseeable future. The ISO 9001:2015 and ISO 22716:2007 certifications further validate the Company's compliance with stringent quality management and manufacturing norms. The Company aims to leverage its longstanding relationships with retailers to strengthen its presence in the retail segment, thus ensuring better margins.

The revenue may marginally affect in the current financial year 2020-21 owing to the challenges rising from the COVID-19 crisis coupled with partial operations at the plant till 17th May, 2020.

Change in nature of business, if any

During the year, there was no change in the nature of business of the Company and the Company continues to concentrate on its own business.

Dividend

The Board of Directors has recommended a dividend of ₹0.90 per equity share (9% of the paid up value of the shares) for the financial year ended March 31, 2020 amounting to ₹92,14,312.50. The dividend payment is subject to approval of members at the ensuing Annual General Meeting.

Share capital

The paid up equity share capital as on March 31, 2020 stood at ₹10,23,81,250/- comprising of 1,02,38,125 shares of ₹10/- each fully paid shares.

Your Company has not issued any equity shares, equity shares with differential rights, Sweat equity shares, Employees' Stock Options and did not purchase its own shares. Hence there is no information to be provided as required under Rule 4 (4), Rule 8 (13), Rule 12 (9) and Rule 16 (4) of the Companies (Share Capital and Debentures) Rules, 2014 and Section 62 of the Companies act 2013, respectively.

Deposits

Your Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

Transfer to reserve

The Company has not transferred any amount in the general reserve for the financial year under review.

Directors' responsibility statement

Pursuant to the Directors Responsibility Statement as referred to in section 134 (3) (c) and 134 (5) of the Companies Act, 2013, your Directors hereby confirm that:

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year ended on 31st March, 2020;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other

irregularities;

- iv) The Directors have prepared the annual accounts for the financial year ended 31st March, 2020 on a going concern basis;
- v) The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of employees and managerial remuneration

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Report as "Annexure –A"

In terms of the provisions of Section 197 (12) of the Act read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report, which forms part of this Report.

Conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo

Information related to Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo as required under section 134 (3) (m) of the Companies Act, 2013 and Rule 8 (3) of Companies (Accounts) Rules, 2014 are given in the "Annexure–B" as attached hereto and forming part of this Report.

Company's website

The website of your Company www.hindcon.com displays the Company's businesses up-front on the home page. The site carries a comprehensive database of information of all the Chemicals and Chemical products including the Financial Results of your Company, Shareholding Pattern, Directors' & Corporate profile, details of Board Committees, Corporate Policies and business activities of your Company.

All the mandatory information and disclosures as per the requirements of the Companies Act, 2013 and Companies Rules 2014 and as per the SEBI (LODR) Regulations, 2015 has been uploaded.

Listing of securities in stock exchanges

The shares of the Company are presently listed at the National Stock Exchange of India Limited – SME. The Company is registered with both NSDL & CDSL for holding the shares in dematerialized form and open for trading. The Company has paid Listing Fees to the Stock Exchange and the depositories.

Directors and key managerial personnel (KMP)

i) retirement by rotation:

Mrs. Nilima Goenka (DIN: 00848225), Executive Director of the Company, pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, retires by rotation at the ensuing Annual General Meeting and being eligible, offered herself for re-appointment.

ii) appointment /re-appointment of executive directors / independent directors:

- a. The terms of appointment of Mr. Ramsanatan Banerjee (DIN: 05191594) as a Whole-time Director of the Company, has expired on February 3, 2020. The Nomination & Remuneration Committee in its adjourned meeting held on 15th February, 2020 had recommended his re-appointment for a further period of 5 (five) year with effect from February 4, 2020 and the same was approved by the Board of Directors in its adjourned meeting held on 15th February, 2020, subject to the approval of shareholders in the ensuing Annual General Meeting, in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. His appointment as a Whole Time Director has been proposed accordingly.
- b. The terms of appointment of Mrs. Nilima Goenka (DIN: 00848225) as a Whole-time Director of the Company expired on May 31, 2020. The Nomination & Remuneration Committee in its meeting held on 25th June, 2020 had recommended her re-appointment for a further period of 5 (five) years with effect from June 1, 2020 and the same was approved by the Board of Directors in its meeting held on 25th June, 2020, subject to the approval of shareholders in the ensuing Annual General Meeting, in accordance with the provisions of Sections 196, 197, 198 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Her appointment as a Whole Time Director has been proposed accordingly.

iii) appointment and resignation of whole-time key managerial personnel (KMP):

During the year under review there were no changes in the Whole-time Key Managerial Personnel of the Company. The present Whole-time Key Managerial Personnel of the Company are as follows:-

- i. Mr. Sanjay Goenka – Managing Director
- ii. Mr. Kashi Nath Dey – Chief Financial Officer
- iii. Ms. Jaya Bajpai – Company Secretary & Compliance Officer

None of the Directors of the Company are disqualified as per section 164(2) of the Companies Act, 2013 and rules made thereunder or any other provisions of the Companies Act, 2013. The Directors have also made necessary disclosures to the extent as required under provisions of section 184(1) of the Companies Act, 2013.

All members of the Board of Directors and senior management personnel affirmed compliance with the Company's Code of Conduct policy on an annual basis.

Declaration by independent directors

In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company conforming that he/she meets the criteria of independence as mentioned under section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Auditors and their reports

(i) Statutory auditors:

M/s R B Roy & Co., (Firm Registration No. 322805E), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 21st Annual General Meeting of the Company held on 12th September, 2019 for a period of 1 (One) year instead of 5 (five) consecutive years in terms of Section 139 of the Companies Act, 2013 and rules made thereunder. The Secretarial Auditor has qualified the terms and the Board has now proposed to rectify the existing terms of appointment to enable the Auditors to hold the office of Auditors for 5 years till the conclusion of the 26th AGM of the Company to be held for the Financial Year 2023-24 in compliance to Section 139 of the Companies Act, 2013 and rules made thereunder. The resolution rectifying the terms has accordingly proposed in the Notice convening the 22nd Annual General Meeting for approval of the Shareholders.

The observations, if any, made by the Statutory Auditors in their Auditors Report together with the notes to accounts, as append thereto are self-explanatory and hence does not call for any further explanation. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

The Report given by M/s. R B Roy & Co., Chartered Accountants on the financial Statements of the Company for the financial year 2019-20 forms part of this Annual Report.

(ii) Internal auditor:

The Board had appointed M/s. Amit Ved Garg & Co., Chartered Accountants, as the Internal Auditors of the Company to carry out the Internal Audit for the year 2019-20 under the provisions of section 138 of the Companies Act, 2013.

The Company has received consent letter from M/s. Amit Ved Garg & Co., Chartered Accountants, for their re- appointment as the Internal Auditors of the Company for the financial year 2020-21 and the Board has re-appointed them accordingly.

(iii) Secretarial auditors:

The Board had appointed Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary, as the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year 2019-20 under the provisions of section 204 of the Companies Act, 2013.

The report of the Secretarial Auditor for the F.Y. 2019-20 is enclosed as Annexure-C in Form MR-3 to this Board's Report has qualified for non-compliance of Section 139 of the Companies Act, 2013 and the same is explained and taken care for rectification in the ensuing Annual General Meeting as detailed under the heading Statutory Auditors in the foregoing paragraph. There is no other qualification and hence do not call for any further explanation.

The Company has received consent letter from Mr. Santosh Kumar Tibrewalla for his re-appointment as the Secretarial Auditor of the Company for the financial year 2020-21 and the Board has re-appointed him accordingly.

Corporate governance

Your Company has practiced sound Corporate Governance and takes necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions and strive to comply non-mandatory requirements of Corporate Governance. Your Company has complied with the requirements of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as issued by Securities and Exchange Board of India and as amended from time to time. Your Company has given its deliberations to provide all the information in the Board's Report and the Corporate Governance Report as per the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as a matter of prudence and good governance.

Report on Corporate Governance Practices and the Auditors Certificate regarding compliance of conditions of Corporate Governance and certification by CEO/Whole time Director & CFO is not applicable to your Company as per regulation 15(2)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Management discussions & analysis report

The Management Discussion and Analysis Report, in terms of Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms the part of this Annual Report as enclosed "Annexure-D"

Code of conduct for prevention of insider trading

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted the Code of Conduct to regulate, monitor and report trading by designated persons towards prevention of Insider Trading. Further, in accordance with the provisions of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has duly approved and adopted the code of practices and procedure for fair disclosure of Un-published Price Sensitive Information and formulated the code of conduct of the Company.

The code is applicable to Directors, Employees, Designated Person and other connected persons of the Company; the aforesaid code of conduct for prevention of Insider Trading is duly placed on the

Website of the Company at www.hindcon.com.

Indian accounting standards

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (IND AS) applicable to certain classes of companies. IND AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. However, the Company is exempted from applicability of IND AS and accordingly the accounts have been prepared as per IGAAP.

Disclosures as per applicable act and SEBI (LODR) regulations, 2015

i) Related party transactions:

All transactions entered with related parties during the F.Y.2019-20 were on arm's length basis and were in the ordinary course of business and provisions of Section 188(1) are not attracted. There have been no materially significant related party transactions with the Company's Promoters, Directors and others as defined in section 2(76) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 which may have potential conflict of interest with the Company at large. Details of contracts which are not on arm's length basis and **material transaction** on arm's length basis are detailed in **Form AOC 2** and annexed as "**Annexure -E**" to the Boards' Report.

The other disclosures regarding the related party transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy.

ii) Number of Board Meetings:

During the financial year ended March 31, 2020, 4 (Four) Board Meetings were held on May 24, 2019, July 23 2019, November 7, 2019 and February 8, 2020. The Board meeting dated February 8, 2020 was adjourned and was held on February 15, 2020.

The gap between any two consecutive meetings did not exceed one hundred and twenty days in terms of the Regulation 17(2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, Secretarial Standards and the provision of Companies Act, 2013.

The attendance details of each Director at the Board meetings held during their tenure is given herein below:

Sl. No.	Name of the Directors	No. of meetings held	No. of Board meetings attended
1	Mr. Sanjay Goenka	4	4
2	Mr. Ramsanatan Banerjee	4	3

3	Mrs. Nilima Goenka	4	4
4	Mr. Binay Kumar Agarwal	4	3
5	Mr. Girdhari Lal Goenka	4	3
6	Mr. Krishna Kumar Tantia	4	3

*All the directors attended the adjourned meeting held on 15.02.2020.

The meetings of the Board are generally held at the Registered Office of the Company.

Evaluation of the Board's Performance:

During the year under review, the Board, in compliance with the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has continued to adopt formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board, as a whole and the Chairman, who were evaluated on parameters such as their participation, contribution at the meetings and otherwise, independent judgements, safeguarding of minority shareholders interest, etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors, Committees of the Board and Board as a whole were carried out by the Independent Directors in their separate meeting.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

iii) Committees of the Board:

As on March 31, 2020 the Board had four Committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder's Relationship Committee and Corporate Social Responsibility Committee.

a. Audit Committee:

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI-LODR Regulations, 2015. The Committee comprises of Mr. Binay Kumar Agarwal being the Chairman and Mr. Krishna Kumar Tantia and Mr. Sanjay Goenka being the members of the Committee as on March 31, 2020.

During the financial year ended March 31, 2020, 3 (three) Audit Committee meeting was held on May 24, 2019, November 7, 2019

and February 8, 2020. The attendance details of each member at the Audit Committee meetings are given below:

Sl. No.	Name of the Members	No. of meetings held	No. of meetings attended
1.	Mr. Binay Kumar Agarwal	3	2
2.	Mr. Krishna Kumar Tantia	3	2
3.	Mr. Sanjay Goenka	3	3

Recommendation by Audit Committee

There were no such instances where the recommendation of Audit Committee has not been accepted by the Board during the financial year under review.

Vigil Mechanism (Whistle Blower Policy):

By virtue of Whistle Blower Policy, the Directors and employees of the Company are encouraged to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of Directors or employees or any other person who avails the mechanism from reprisals or victimization, for whistle blowing in good faith. This policy also allows the direct access to the Chairperson of the Audit Committee. During the year under review, the Company has not reported any complaints under Vigil Mechanism.

Details of establishment of the Vigil Mechanism have been uploaded on the Company's website: www.hindcon.com

b. Nomination and Remuneration Committee:

The Board of Directors of your Company has constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, 2015. The Committee comprises of Mr. Girdhari Lal Goenka being the Chairman and Mr. Krishna Kumar Tantia and Mr. Binay Kumar Agarwal being the members of the Committee as on March 31, 2020.

During the financial year ended March 31, 2020, 1(one) meeting was held on 8th February, 2020 and the same was adjourned and was held on 15th February, 2020. The attendance details of each member at the Committee meetings are given below:

Sl. No.	Name of the Members	No. of meetings held	No. of meetings attended
1.	Mr. Girdhari Lal Goenka	1	1
2.	Mr. Krishna Kumar Tantia	1	1
3.	Mr. Binay Kumar Agarwal	1	1

*All the members attended the adjourned meeting held on 15.02.2020

Nomination, Remuneration and Evaluation Policy:

Pursuant to the provisions of the Companies Act, 2013 read with the Rules made therein and the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 (as amended from time to time), the Committee has formulated the Nomination and Remuneration Policy which broadly laid down the various principles of remuneration being support for strategic objectives, transparency, internal & external equity, flexibility, performance driven remuneration, affordability and sustainability and covers the procedure for selection, appointment and compensation structure of Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company..

The detailed Nomination & Remuneration Policy of the Company is placed on the Company's website and can be viewed at: <http://www.hindcon.com/wp-content/uploads/2018/05/Nomination-Remuneration-Policy-Final.pdf>

c. Composition of Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee comprises of Mr. Binay Kumar Agarwal being the Chairman and Mr. Krishna Kumar Tantia and Mrs. Nilima Goenka being the members of the Committee as on March 31, 2020.

During the financial year ended March 31, 2020, 3 (three) meeting was held on May 24, 2019, November 7, 2019 and February 8, 2020. The attendance details of each member at the Committee meetings are given below:

Sl. No.	Name of the Members	No. of meetings held	No. of meetings attended
1.	Mr. Binay Kumar Agarwal	3	2
2.	Mr. Krishna Kumar Tantia	3	2
3.	Mrs. Nilima Goenka	3	3

d. Composition of Corporate Social Responsibility Committee:

Pursuant to Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee presently comprises of Mr. Sanjay Goenka being the Chairman and Mr. Binay Kumar Agarwal and Mrs. Nilima Goenka being the members of the Committee as on March 31, 2020.

During the financial year ended March 31, 2020, 2 (two) meeting was held on May 24, 2019 and February 8, 2020.

The attendance details of each member at the Committee meetings are given below:

Sl. No.	Name of the Members	No. of meetings held	No. of meetings attended
1.	Mr. Sanjay Goenka	2	2
2.	Mr. Binay Kumar Agarwal	2	1
3.	Mrs. Nilima Goenka	2	2

Further, other details regarding CSR Activities / Initiatives undertaken by the Company are mentioned in the 'Annual Report on CSR Activities' enclosed as "Annexure –F" to this Report. The CSR policy is also uploaded on the Company's website i.e. on www.hindcon.com.

iv) Meeting of Independent Directors for FY 2019-20:

During the year under review, the Independent Directors of the Company met once on 15.02.2020 to carry out the evaluation of the Non-Independent Director and of the Board as a whole.

v) Extracts of Annual Return:

The details forming part of the extract of the Annual Return in form MGT-9 as provided under section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as "Annexure- G" and the same is placed on the website of the company at the following link www.hindcon.com

Pursuant to Section 134(3)(a) of the Companies Act, 2013 and amendments thereof, the Annual Return for the financial year 2018-19 is placed on the website of the Company at the following link www.hindcon.com

vi) Risk Analysis:

The Board has developed and implemented a risk management policy identifying therein the elements of risk that may threaten the existence of the Company. The Company has in place a mechanism to inform the Board members about the risk assessment, their comparison against benchmarks or standards, and determination of an acceptable level of risk and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.

vii) Internal Financial Control:

The Company has in place adequate internal financial control as required under section 134(5)(e) of the Act and the same was evaluated by the Audit Committee. During the year such controls were tested with reference to financial statements and no reportable material weakness in the formulation or operations were observed. The Statutory Auditors of the Company conducted audit on the Company's internal financial control over financial reporting and the report of the same is annexed with Auditors' Report.

viii) Disclosure Relating To Material Variations:

As per Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, there are no such material variances in the Company.

ix) Loans, Guarantees and Investments:

During the year under review, your Company has invested and deployed its surplus funds in Securities, Bonds, units of Mutual Funds, Fixed deposits, etc. which is within the overall limit of the amount and within the powers of the Board as applicable to the Company in terms of Section 179 and 186 of the Companies Act, 2013.

The particulars of loans, guarantees and investments have been disclosed in the notes of the Financial Statements for the year ended 31st March, 2020 and form a part of this Annual Report.

x) Material changes and commitments, if any, affecting the financial position between the end of the financial year and date of the report:

On occurrence of COVID -19, there was a complete nationwide lock down since 24th March, 2020 and the operation of the Company was jeopardized since then till 17th May, 2020. However, partial operation was resumed since 3rd April, 2020 with the approval of Government.

In 3rd week of May, 2020, extremely severe cyclonic storm 'Amphan' was occurred which has also impacted the revenue of the Company. The cyclone has caused severe damage to the shed and had also damaged the raw materials at its factory. However, they were fully insured and the Company is in the process of claiming the same from the Insurance company.

xi) Subsidiaries, Associates or Joint Ventures:

As on 31st March, 2020 Company has only one Subsidiary Company viz. Padmalaya Vinimay Private Limited.

The consolidated financial statement in this Annual Report is as per the Accounting Standards as laid down by the Institute of Chartered Accountants of India. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information will also be available on our website including financial statement of Subsidiary Company. These documents will also be available for inspection during business hours at the Registered Office of the Company. The Company will also make available copy on specific request by any member of the Company, interested in obtaining the same.

In accordance to regulation 33 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company opts to submit consolidated financial results only on Annual basis and the same has been intimated to the Stock Exchange.

Further a statement containing the salient features of the financial statement of our Subsidiary Company in the prescribed format AOC-1 is appended as "Annexure-H" to this Board's Report.

Registered Office:

62B, Braunfeld Row
Kolkata – 700 027

Date: 25.06.2020

xii) Secretarial Standards

Secretarial Standards, i.e. SS-1, SS-2 and SS-3, relating to 'Meetings of the Board of Directors', 'General Meetings' and 'Dividend' respectively, to the extent as applicable have been duly followed by the Company.

xiii) Internal Complaint Committee

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The sexual harassment of women at workplace (Prevention, Prohibition and Redressal) act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year under review, no complaints with allegations of sexual harassment were filed.

Industrial relations

The industrial relation during the year 2019-20 had been cordial. The Directors take on record the dedicated services and significant efforts made by the Officers, Staff and Workers towards the progress of the Company.

Significant & material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There have been no significant & material orders passed by regulators / courts / tribunals impacting going concern status and Company's operations in future.

Appreciation

Your Directors take this opportunity to place on record their gratitude to the Central and State Governments, Bankers and Investors for their continuous support, co-operation and their valuable guidance to the Company and for their trust reposed in the Company's management. The Directors also commend the continuing commitment and dedication of the employees at all levels and the Directors look forward to their continued support in future.

**On behalf of the Board of Directors
For Hindcon Chemicals Limited**

Sd/-
Sanjay Goenka
Chairman & Managing Director
DIN: 00848190

Sd/-
Nilima Goenka
Whole time Director
DIN: 00848225

Annexure – A

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director / KMP for financial year 2019-20 (₹ in lakhs)	% increase in Remuneration in the financial year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Sanjay Goenka Managing Director	84.00	N.A.	897:1
2	Mrs. Nilima Goenka Whole Time Director	36.00	N.A.	385:1
3	Mr. Ramsanatan Banerjee Whole-time Director	7.14	5.78	76:1
4	Mr. Kashi Nath Dey Chief Financial Officer	4.25	14.55	45:1
5	Ms. Jaya Bajpai Company Secretary	2.16	N.A.	23:1

Note:

- i) No other Director other than the Managing Director and Whole-time Director received any remuneration during the financial year 2019-20
- ii) The median remuneration of employees of the Company during the financial year was ₹9,360/- compared to the previous year of ₹48,600/-.
- iii) In the financial year 2019-20, there was a decrease of **80.74%** in the median remuneration of employees;
- iv) There were **98** permanent employees on the rolls of Company as on March 31, 2020;
- v) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2020 is as per the Remuneration Policy of the Company.

Statement pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

A. LIST OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN :

Sl. No. of the Employees	Designation of the employee	Remuneration drawn during the financial year 2019-20 (₹ in lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment held before joining the Company	% of equity shares held in the Company	Whether relative of Director or Manager of the Company and if so, name of such Director or Manager
1	Vidisha Goenka Finance Manager	16.77	Permanent	POST GRADUATE	01.04.2016	30 years	NA	NO	Sanjay Goenka and Nilima Goenka
2	Debasis De Dy. General Manager	8.32	Permanent	B.SC	01.08.2019	43 years	NA	NO	NO
3	Satyajit Dey Sr. General Manager	6.21	Permanent	B.SC	03.05.2011	56 years	NA	NO	NO
4	Tapan Bhowal General Manager	5.21	Permanent	B.SC	01.08.2018	53 years	NA	NO	NO
5	Dillip Kumar Sahoo Factory Manager	5.66	Permanent	B.COM	01.12.2002	44 years	NA	NO	NO
6	Bijaya Kumar Sahoo Asst. Manager- Production & QC	4.76	Permanent	B.SC	01.12.2002	40 years	NA	NO	NO
7	Kashi Nath Dey Chief Financial Officer	4.25	Permanent	B.COM	01.06.2017	43 years	NA	NO	NO
8	Subrat Kumar Kuanr Manager Marketing	4.20	Permanent	B.COM	01.07.2010	43 years	NA	NO	NO
9	Sanath Kr-Bhattach Manager-Contracts	3.94	Permanent	B.SC	01.06.2012	53 years	NA	NO	NO
10	Prabhat Jha Asst. General Manager	3.87	Permanent	B.SC	01.03.2017	54 years	NA	NO	NO

B. List of employees drawing a remuneration not less than ₹102.00 lakhs per annum or ₹8.50 lakhs per month, if employed for part of the year :

No employee in the Company has drawn remuneration falling under this category.

C. There is no employee in employment throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Executive Chairman or Manager and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the Company.

D. There is no employee posted and working outside India not being directors or their relatives, drawing more than sixty lakhs rupees per financial year or five lakhs rupees per month.

Registered Office:

62B, Braunfeld Row
Kolkata – 700 027

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Sd/-

Sanjay Goenka

Chairman & Managing Director

DIN: 00848190

Sd/-

Nilima Goenka

Whole-time Director

DIN: 00848225

Dated: 25.06.2020

Annexure – B

PARTICULARS PURSUANT TO THE PROVISIONS OF SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 AND RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

A) Conservation of Energy:

(i) Steps taken or impact on conservation of energy

The conservation of energy is a continuous process for the Company and towards this endeavor, the company has taken various initiatives which are as under:

- Up gradation and modernization of equipment based on fuel or power efficiency.
- Installation of Gas Generating sets for generating power.
- Maintenance and overhauls of generators to achieve a high unit per liter delivery.
- Monitoring the maximum demand and power load factor on daily basis.
- Installation of power capacitors for efficient utilization of available power.
- Optimum power factor is being maintained to avoid surcharge on power factor as well as to get maximum rebate on electricity consumption bills.
- Condensed Bulbs is gradually replaced with LED Bulbs in the factory to reduce the energy consumption.
- Installation of Gas flow meter to save the power and fuel cost.

(ii) Steps taken by the Company for utilizing alternate sources of energy

The Company is committed to conserve energy at its various levels and has explored possibilities to exploit alternate source of energy as well. The company is steadily progressing in this endeavor and is hopeful that improvements will be made going forward.

(iii) Capital investment on energy conservation equipment

Not ascertainable.

B) Technology Absorption

(i) Efforts, in brief, made towards technology

The Company undertakes regular efforts to upgrade and modernize its equipment through adoption of improved technology.

Managerial staffs often attend seminars and training program for quality improvement in their respective fields.

The Company conducts various workshop and interactive group discussions regularly duly complimented by efficient training of staff with specific approach towards development of efficiency.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

The adoption of improved technology, regular up-gradation, modernization of equipment, conducting various workshops and implementation of organic technologies help in improving the quality of chemical. The Company is also exporter of its products to various countries.

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)

a)	Details of technology imported	}	N.A.
b)	Year of import		
c)	Whether the technology been fully absorbed		
d)	If not fully absorbed, areas where absorption has not taken place, reasons thereof: and		

(iv) The expenditure incurred on Research and Development:

Expenses incurred are charged to respective heads are not allocated separately.

The Company is keeping a close watch on the new product Development in Chemical sector, Upgradation and Automation is being done wherever.

FOREIGN EXCHANGE EARNING AND OUTGO

The Foreign exchange earned in terms of actual cash inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows is as follows –

Particulars	2019-20	2018-19
Total foreign Exchange Used and Earned:		
Earned (F.O.B.)	3.61	50.23
Used	1,013.98	344.86

(₹ In lakhs)

**On behalf of the Board of Directors
For Hindcon Chemicals Limited**

Sd/-

Sanjay Goenka
Chairman & Managing Director

DIN: 00848190

Sd/-

Nilima Goenka
Whole-time Director

DIN: 00848225

Registered Office:

62B, Braunfeld Row
Kolkata – 700 027
Dated: 25.06.2020

Annexure – C

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

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

To

The Members

Hindcon Chemicals Limited

62B, Braunfeld Row, 1st Floor

Kolkata – 700 027

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Hindcon Chemicals Limited** (hereinafter called 'the Company') bearing **CIN: L24117WB1998PLC087800**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, to the extent Acts / provisions of the Acts applicable, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that, having regards to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis and on representation made by the Company and its officers for compliances under other applicable Acts, laws and Regulations to the Company, the Company in addition to applicable general manufacturing laws has complied with the following law specifically applicable to the Company:-

- i. Manufacture, Storage, Import of Hazardous Chemicals Rules, 1989

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the National Stock Exchange Ltd.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that –

1. *The Company had appointed M/s R B Roy & Co., (Firm Registration No. 322805E), Chartered Accountants, as the Statutory Auditors of the Company at the 21st Annual General Meeting of the Company held on 12th September, 2019 for a period of 1 (One) year instead of 5 (five) consecutive years which is not in terms of Section 139 of the Companies Act, 2013 and rules made thereunder.*

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including a Woman Director. No changes in the composition of the Board of Directors took place during the period under review. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the

agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

None of the Directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has no reportable specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, regulations, guidelines, standards, etc. referred to above.

Sd/-

Santosh Kumar Tibrewalla
Practicing Company Secretary

Membership No.: 3811

Certificate of Practice No.: 3982

UDIN: F003811B000376073

Place: Kolkata

Date: 24.06.2020

Annexure – D

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Indian economic review

The Indian economy slowed to 4.2% in FY2019-20, compared to 6.1% in FY2018-19. In FY2019-20, GDP growth slowed, which contributed to an increase in fiscal deficit mainly on account of lower aggregate demand, lower fiscal revenue, lower economic activity and higher fiscal expenditure on account of the measures to address the economic slowdown.

India emerged as the fifth-largest world economy in 2019. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. The country climbed 79 positions in five years and was among the top 10 performers for the third year running.

The nominal exchange rate (the Indian rupee or INR vis-à-vis the US dollar) exhibited sizable two-way movements during October-December 2019. The INR came under intensified and sustained depreciation pressures beginning mid-January, reflecting a generalized weakening of emerging market currencies amidst flights to safety.

Retail inflation climbed to a six-year high of 7.59% in January, breaching the RBI's upper band of 6% while settling at 5.91% in March 2020. Growth in nominal rural wages, both for agricultural and non-agricultural labourers, remained subdued averaging around 3.4% and 3.3%, respectively during FY2019-20 so far (until January 2020), reflecting a continued slowdown in the construction sector.

The outbreak of COVID-19 and the subsequent lockdown enforced in the country are expected to moderate demand. Intensification of social distancing is expected to lead to supply side as well as demand side shocks. Supply chain disruptions could hurt domestic production in sectors which are dependent on imported inputs such as pharmaceuticals, autos, chemicals, power, etc.

Growth of India's GDP in FY2019-20

	Q1, FY20	Q2, FY20	Q3, FY20	Q4, FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, RBI, Franklin Templeton, PIB)

Key government initiatives

- **National infrastructure pipeline:** To achieve a GDP of USD 5 trillion by 2025, the government announced National Infrastructure Policy with an investment plan worth ₹102 trillion in five years. It laid down the vision of the government in terms of job creation: about 50 million people are expected to leave farming from 2012 to 2030, the transition being underway.
- **Corporate tax relief:** Indian companies were unable to compete globally, with the cost of capital and corporate income

tax (CIT) being significantly higher than overseas competitors. In view of this, the government reduced corporate tax rate to 22% from 30%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%.

Indian construction chemicals industry overview

The India construction chemicals market is classified into admixtures, flooring chemicals, waterproofing compounds, adhesives & sealants and repair and rehabilitation, among others. Of this the biggest share is carved out by the adhesives, sealants and admixtures segment followed by repair and rehabilitation segment. With repair and rehabilitation growing traction in the recent times on the back of the Government's increasing focus on repair and maintenance of infrastructure, the demand of Indian construction chemical industry is poised to grow in the foreseeable future.

The Indian construction chemical market was pegged at US\$ 6 billion in 2018 and is projected to grow at a CAGR of 13.3% between 2019 and 2029 on the back of increasing construction spending across the entire country. The optimism in the sector is backed by the easy availability of raw materials like cement and additives, which will, in turn, drive the demand for adhesives, sealants and admixtures, which carves out the biggest share of revenue in the construction chemical sector. Further, the increasing focus of Government on repair and maintenance is expected to drive the demand for repair and rehabilitation products in the construction chemicals sector in the foreseeable future. Furthermore, the housing sector has been receiving more traction over the past few years owing to the Government's affordable housing initiative and is expected to drive the construction chemical market even more.

Governmental regulations formulated for promoting the concept of eco-friendly construction, increase in foreign investments, urbanisation and growing preference for utilisation of ready-mix concrete are some of the prominent factors driving growth in the construction chemicals market in India.

(Source: Persistence Market Research, JM Financial)

Growth drivers

Demographics

- **Urbanisation:** India's urbanization rate was pegged at 34% in 2019 and is projected to reach 40% by 2030, creating an additional demand for 25 million affordable housing units, which will, in turn boost the demand for construction chemical industry in the country.
- **Growing nuclear families:** ~74% households have five or fewer members according to the 2011 Census. The fall in the average

household size with higher disposable incomes is expected to catalyse growth of the construction chemicals industry in the country.

- **Rising population:** India is the second-most populous country with a population of around 1.36 billion in 2019 and growing at >1% per year, the largest population increment anywhere. This population growth would drive the real estate and infrastructure industry, which will, in turn boost the growth of the construction chemical industry.

Financial

- **Increasing incomes:** The nominal per-capita net national income during 2019-20 is estimated at ₹1,34,226, a rise of 6.1% compared to ₹126,521 during 2018-19, in turn, driving consumption in the country.

Real estate Housing sector

- **Housing shortage:** The Ministry of Housing and Urban Affairs evaluated an affordable housing shortfall of approximately 10 million, and with the Government addressing this shortage, the demand of the construction chemicals sector is expected to grow exponentially.
- **Home extension and home improvement needs:** In 2011, 41% of households were living in less than one-room homes and only 53% households were in a good condition, implying a need for home repair and extension. This is also expected to drive the demand for construction chemicals across the country.

Commercial sector

- **Office space growth:** According to a Knight Frank India report, the country's office leasing volume rose by 27% y-o-y to an all-time high of 60.6 million square feet in 2019 on the back of a surge in leasing activity by information technology companies. This has helped boost the construction chemicals market in the country in the years to come.
- **Shopping malls growth:** India is set to embark on a journey

comprising >65 million sq ft of new mall spaces by the end of 2022, of which the top 7 cities could comprise a 72% share and the remaining 28% or 18.2 million sq ft is slated to come up in Tier 2 and 3 cities. This could further boost the demand of construction chemicals.

Policy

- **Pradhan Mantri Awas Yojana (PMAY-Urban):** Under this initiative, the Government aims to build 1 crore houses by 2022, driving the construction chemicals market.
- **Pradhan Mantri Awas Yojana (PMAY-Gramin):** In the second phase of PMAY-Gramin, the Government has assured to provide 1.95 crore houses to eligible beneficiaries between 2019-20 and 2021-22. This is further going to boost the demand for construction chemicals.
- **Bharatmala Pariyojana:** The Government of India had approved Bharatmala Pariyojana Phase-I back in October, 2017 with an aggregate length of about 34,800 km at an estimated outlay of ₹5,35,000 crores. A total of 255 road projects with an aggregate length of about 10,699 km had been approved till October 2019 under this project with a total cost of ₹2, 64,916 crores. This scheme is expected to drive the demand of construction chemicals in the near future.
- **Sagarmala Pariyojana:** Under Sagarmala, >574 projects with an estimated cost of ₹6.01 lakh crores were identified for implementation between 2015 and 2035, across the areas of port modernization and new port development, port connectivity enhancement, port-linked industrialisation and coastal community development. Till September 2019, 121 projects with a cost of ₹30,228 crores had been completed and 201 more projects were under implementation. This is also driving the demand for construction chemicals in the country.
- **UDAN scheme:** Under the UDAN scheme, the Government has planned on developing 100 more airports in India by 2021. Further, the Government has also allocated an amount of ₹480

SWOT analysis

Strengths: India has a state-of-the-art chemical manufacturing value-chain in place, aiding in producing innovated and quality products.

Weaknesses: The entire industry is marked by several small scale players and is largely unorganised, resulting in a highly-fragmented industry with a low awareness among the masses.

Opportunities: Repair and rehabilitation has gained traction of late and are expected to drive the construction chemicals market.

Threats: Threats from Chinese imports and the unorganised nature of the business makes the playing field uneven for organised players.

crores under the scheme for fiscal year 2020-21, compared to ₹441 crores in 2018-19. The government has another target of increasing the number of aircraft fleet from the present number of 600 to 1200 by 2024 under this scheme.

(Source: ICTAS, Hindu Business Line, Businesswire, CRISIL, Economic Times, PMAY, Business Standard, MoSPI, Marketwatch, PIB, Financial Express)

Risk management

Economy risk: The Company's performance could be adversely affected in the event of an economic slowdown.

Mitigation: India's economy slowed down to 4.2% in 2019-20, yet the Company reported a 0.6% revenue increase and 8.28% PAT increase, signifying robustness of the Company's business model.

Competition risk: Increased competition could dent profitability.

Mitigation: The Company focuses on expanding its footprint across newer geographies and roping in new B2B clients to work with. The Company also enjoys longstanding relationships, resulting in more than 60% its revenues being generated from these customers. The Company offers a wide range of products to address the growing needs of the clients. The result: B2B customers accounted for 96% of revenues in 2019-20.

Environment risk: The risk of causing harm to the environment and not being in compliance with the environmental norms.

Mitigation: The Company is a member of Indian Green Building Council, emphasising the manufacture of environment-friendly products.

Quality risk: A decline in product quality can affect the Company's long-term revenue generation prospects.

Mitigation: The Company continuously monitors regulatory changes to ensure compliance with all applicable regulations. The Company is accredited for ISO 9001:2015 and ISO 22716:2007, covering quality control and management processes.

Demand risk: The demand for construction chemicals is dependent on the pace of infrastructural development of the country and any fall in it can adversely affect the demand for construction chemicals.

Mitigation: The Company is coming up with innovative products that can be used in other sectors as well.

Portfolio risk: Any adverse impact on sales of Sodium silicate (the biggest revenue generator) would, in turn, affect operations and profitability of the Company.

Mitigation: The Company has diversified its product portfolio from sodium silicate to concrete and mortar admixtures, floorings, protective waterproofing coatings and adhesives. The Company also renders waterproofing and repair services, besides being engaged in retrofitting distressed structures.

Financial review

- **Revenues:** Revenues during the year under review stood at ₹45.25 crores, clocking a growth of 0.6% over ₹44.98 crores during FY2018-19.
- **Profit after tax:** The Company registered a profit after tax of ₹3.06 crores during FY 2019-20 compared to ₹2.79 crores during FY2018-19, which is 9.68% higher than the previous financial year.
- The Company is a debt-free company.

Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and the Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and supporting committees. The control and risk committee and the head of the audit department work under the supervision of the Board appointed Statutory Auditors.

Human resources

Hindcon believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive compensations, an amiable work environment and acknowledges employee performance through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas. As on 31st March, 2020 the employee strength of the Company stood at 98.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities, laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

Annexure – E

FORM NO. AOC-2*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

a. Name(s) of the related party and nature of relationship	Mr. Sanjay Goenka, Managing Director and Mrs. Nilima Goenka, Whole Time Director.
b. Nature of contracts/arrangements /transactions	Rent Agreement with the related parties.
c. Duration of the contracts / arrangements/transactions	36 Months w.e.f. 1st April, 2017.
d. Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the Rent Agreements between both parties. Total rent paid / payable ₹25,000/- pm to both the related parties.
e. Justification for entering into such contracts or arrangements or transactions	To maintain registered office of the Company.
f. Date(s) of approval by the Board	10th March, 2017.
g. Amount paid as advances, if any	N. A.
h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188	N. A.

2. Details of material contracts or arrangement or transactions at arm's length basis:

a. Name(s) of the related party and nature of relationship	Bengal Traders Private Limited – Mr. Sanjay Goenka is Director and also a shareholder holding 33% of the shares of the Company.
b. Nature of contracts/arrangements/ transactions	Sale of Goods.
c. Duration of the contracts / arrangements/transactions	No contract executed.
d. Salient terms of the contracts or arrangements or transactions including the value, if any	No contract executed & Goods are sold at the prevailing market price.
e. Date(s) of approval by the Board, if any	Not Applicable.
f. Amount paid as advances, if any	Nil.
a. Name(s) of the related party and nature of relationship	Chemico International Private Limited – Mr. Krishna Kumar Tantia is Director of the Company.
b. Nature of contracts/arrangements/ transactions	Sale & Purchase of Goods.
c. Duration of the contracts / arrangements/transactions	No contract executed.
d. Salient terms of the contracts or arrangements or transactions including the value, if any	No contract executed & Goods are transacted at the prevailing market price.
e. Date(s) of approval by the Board, if any	Not Applicable.
f. Amount paid as advances, if any	Nil.

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Registered Office:
62B, Braunfeld Row
Kolkata – 700 027
Dated: 25.06.2020

Sd/-
Sanjay Goenka
Chairman & Managing Director
DIN: 00848190

Sd/-
Nilima Goenka
Whole-time Director
DIN: 00848225

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Corporate Social Responsibility (CSR) is the contribution from the Corporate towards Social and Economic development of Society. CSR integrates Organization, Society and Planet. CSR policy should ensure activities which may include sustainable development by skill enhancement, sustainable environment, promotion to gender equality, prevention of health care and sanitation, care for senior citizens and differently able persons, promoting education etc.

The policy lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large along with the Company's philosophy for delineating its responsibility as a corporate citizen. The Company had proposed to undertake the activities relating to social welfare, which includes activities eradicating poverty and malnutrition, providing safe drinking water and other social welfare. Our Corporate Social Responsibility (CSR) initiatives insure we never lose sight of what we are and what our obligations are to the communities where we operate.

The CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms.

The Company on recommendation of its CSR Committee has laid down a "Corporate Social Responsibility (CSR) Policy", in concurrence with the provisions specified in the Companies Act, 2013 and Rules made thereunder and the same has been uploaded to the website of the Company at www.hindcon.com.

2. The Composition of the CSR Committee:

Names of the Director	Designation in Committee	Nature of Directorship
Mr. Sanjay Goenka	Chairman	Managing Director
Mr. Binay Kumar Agarwal	Member	Independent Director
Mrs. Nilima Goenka	Member	Whole Time Director

There is no change in the composition of the CSR Committee in the financial year 2019-20.

3. Average net profit of the Company for last three financial years : ₹401.49 Lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹8.03 Lacs

5. Details of CSR spent during the financial year.

(a) Total amount to be spent during the financial year : **₹8.03 Lacs**

(b) Amount unspent, if any : **₹2.23 Lacs**

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

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Health Care Facilities	Health Care	Local Area, Kolkata, West Bengal	5.00 Lacs	3.44 Lacs	3.44 Lacs	Through 1) Lions North Calcutta Hospital & Medical Centre 2) WB State Emergency Relief Fund 3) PM Cares Fund 4) Maharaja Agrasain Dham
2	Goshala (protection and welfare of Cows)	Animal Welfare	Local Area, Kolkata, West Bengal	0.50 Lacs	0.50 Lacs	0.50 Lacs	1) Akhil Bharat Goseva Sansthan
3	Women Empowerment & Educational Facilities	Reducing inequalities among socially & economically backward groups	Local Area, Kolkata, West Bengal	1.50 Lacs	1.16 Lacs	1.16 Lacs	Through 1) Friends of Tribal Society 2) ISKON
4	Environmental Sustainability	Making available safe drinking water and environmental sustainability	Local Area, Kolkata, West Bengal	0.50 Lacs	0.45 Lacs	0.45 Lacs	Through 1) Fun Pickle Foundation 2) Jan Jagaran Seva Trust 3) Shri Brij Sewa Samiti Tb Sanatorium
5	Promotion of Rural Sports and Olympic Sports	Promotion of Rural Sports and Olympic Sports	Local Area, Kolkata, West Bengal	0.53 Lacs	0.25 Lacs	0.25 Lacs	1) Kolkata Gives Foundation 2) Ariadaha Bandhab Sangha

The unspent amount of ₹2.23 Lacs is proposed to be spent in the Financial Year 2020-21.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount:

The Company has identified above mentioned CSR activities and projects during the year under review and accordingly budget has been prepared. The Committee has also assessed and quantified the amount to be contributed for CSR expenditure for the financial year 2019-20. However, the Company did not spend the entire amount during the financial year as management decided to diversify the area and operations of its CSR activities. And the same will be spent in the Financial Year 2020-21.

7. CSR committee Responsibility statement:

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For Hindcon Chemicals Limited

Sd/-
Sanjay Goenka
Chairman & Managing Director
DIN: 00848190

Sd/-
Niima Goenka
Whole-time Director
DIN: 00848225

Place: Kolkata
Date: 25.06.2020

Annexure – G

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

1. CIN	L24117WB1998PLC087800
2. Registration Date	25th August, 1998
3. Name of the Company	Hindcon Chemicals Limited
4. Category/Sub-category of the Company	Public Company Limited By Shares/Indian Non-Government Company
5. Address of the Registered office & contact details	62B, Braunfeld Row, 1st Floor, Kolkata- 700 027 e- mail ID – contactus@hindcon.com Phone No. –(033)-2449 0835 / 39 Fax – (033)-2449 0849
1. Whether listed company	Yes
1. Name, Address & contact details of the Registrar and Share Transfer Agent, if any.	Link Intime India Private Limited Room Nos. 502 & 503, 5th Floor, Vaishno Chamber, 6 Brabourne Road, Kolkata- 700 001. Tel: +91-33-4004 9728/ 4073 1698 Fax: +91- 33 - 4073 1698

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sodium Silicate, Cement Additive, etc	20299	96.30%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Padmalaya Vinimay Private Limited 62B, Braunfeld Row 1st Floor, Kolkata- 700027	U51109WB2008PTC131488	Subsidiary	97.52%	2(87)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/ HUF	39,76,000	-	39,76,000	38.84	40,64,000	-	40,64,000	39.70	0.86
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt. (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	25,66,100	-	25,66,100	25.06	25,66,100	-	25,66,100	25.06	-
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	65,42,100	-	65,42,100	63.90	66,30,100	-	66,30,100	64.76	0.86
(2) Foreign									
a. NRIs – Individuals	-	-	-	-	-	-	-	-	-
b. Other – Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks / FI	-	-	-	-	-	-	-	-	-
e. Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	65,42,100	-	65,42,100	63.90	66,30,100	-	66,30,100	64.76	0.86
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	-	-	-	-	-	-	-	-	-
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (Foreign Portfolio Investor)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a. Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	6,05,000	-	6,05,000	5.91	7,25,000	-	7,25,000	7.08	1.17
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	10,01,500	-	10,01,500	9.78	8,09,500	-	8,09,500	7.91	(1.87)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c. Others (specify)									
Hindu Undivided Family	3,29,500	-	3,29,500	3.22	2,41,500	-	2,41,500	2.36	(0.86)
Non Resident Indians (Re-pat)	8,000	-	8,000	0.08	8,000	-	8,000	0.08	-
Non Resident Indians (Non Re-pat)	-	-	-	-	-	-	-	-	-
Clearing Members	12,000	-	12,000	0.12	4000	-	4000	0.04	(0.08)
Body Corporate	17,40,025	-	17,40,025	17.00	1820025	-	1820025	17.78	0.78
Sub-total (B)(2)	36,96,025	-	36,96,025	36.10	36,08,025	-	36,08,025	35.24	(0.86)
Total Public Shareholding (B) = (B)(1) + (B)(2)	36,96,025	-	36,96,025	36.10	36,08,025	-	36,08,025	35.24	(0.86)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,02,38,125	-	1,02,38,125	100.00	1,02,38,125	-	1,02,38,125	100.00	0.00

ii. Shareholding of Promoters -

Sl. No.	Shareholder's Name	Share holding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	SANJAY GOENKA	15,94,500	15.57	-	16,62,500	16.24	-	0.67
2.	NILIMA GOENKA	13,56,500	13.25	-	13,72,500	13.41	-	0.16
3.	VANSH GOENKA	5,70,000	5.57	-	5,70,000	5.57	-	-
4.	SANJAY GOENKA & OTHERS (HUF)	4,55,000	4.45	-	4,59,000	4.48	-	0.03
5.	PADMALAYA VINIMAY PRIVATE LIMITED	25,66,100	25.06	-	25,66,100	25.06	-	-
	Total	65,42,100	63.90	-	66,30,100	64.76	-	0.86

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

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/19] end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SANJAY GOENKA				
	1st April, 2019	15,94,500	15.57	-	-
	Transfer-16.08.2019	32,000	0.32	16,26,500	15.89
	Transfer-31.03.2020	36,000	0.35	16,62,500	16.24
	31st March, 2020	16,62,500	16.24	16,62,500	16.24

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/19] end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	NILIMA GOENKA				
	1st April, 2019	13,56,500	13.25	–	–
	Transfer- 16.08.2019	16,000	0.16	13,72,500	13.41
	31st March, 2020	13,72,500	13.41	13,72,500	13.41
3.	VANSH GOENKA				
	1st April, 2019	5,70,000	5.57	–	–
	Changes during the year	–	–	–	–
	31st March, 2020	5,70,000	5.57	5,70,000	5.57
4.	SANJAY GOENKA & OTHERS (HUF)				
	1st April, 2019	4,55,000	4.45	–	–
	Transfer- 31.03.2020	4,000	0.03	4,59,000	4.48
	31st March, 2020	4,59,000	4.48	4,59,000	4.48
5.	PADMALAYA VINIMAY PRIVATE LIMITED				
	1st April, 2019	25,66,100	25.06	–	–
	Changes during the year	–	–	–	–
	31st March, 2020	25,66,100	25.06	25,66,100	25.06

iv. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Radhakrishna Advisors LLP				
	1st April, 2019	591525	5.78	-	-
	Transfer-31.05.2019	-20000	0.20	571525	5.58
	Transfer- 07.06.2019	-4000	0.04	567525	5.54
	Transfer- 14.06.2019	8000	0.08	575525	5.62
	Transfer- 21.06.2019	12000	0.12	587525	5.74
	31st March, 2020	587525	5.74	587525	5.74

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2	J.N.B. Sidhu Finance Pvt Ltd				
	1st April, 2019	320000	3.13	-	-
	Changes during the year		No Changes		
	31st March, 2020	320000	3.13	320000	3.13
3	Sri Salasar Suppliers Private Limited				
	1st April, 2019	240000	2.34	-	-
	Changes during the year		No Changes		
	31st March, 2020	240000	2.34	240000	2.34
4	Jajodia Finance Limited				
	1st April, 2019	216000	2.11	-	-
	Transfer-30.08.2019	12000	0.12	228000	2.23
	31st March, 2020	228000	2.23	228000	2.23
5	Hem Finlease Private Limited				
	1st April, 2019	88000	0.86	-	-
	Transfer- 05.04.2019	-4000	-0.04	84000	0.82
	Transfer- 10.05.2019	8000	0.08	92000	0.90
	Transfer- 31.05.2019	-4000	-0.04	88000	0.86
	Transfer- 07.06.2019	-4000	-0.04	84000	0.82
	Transfer- 14.06.2019	4000	0.04	88000	0.86
	Transfer- 21.06.2019	8000	0.08	96000	0.94
	Transfer- 05.07.2019	4000	0.04	100000	0.98
	Transfer- 26.07.2019	4000	0.04	104000	1.02
	Transfer- 30.08.2019	-4000	-0.04	100000	0.98
	Transfer- 27.09.2019	4000	0.04	104000	1.02
	Transfer- 25.10.2019	4000	0.04	108000	1.06
	Transfer- 29.11.2019	4000	0.04	112000	1.10
	Transfer- 06.12.2019	4000	0.04	116000	1.14
	Transfer- 17.01.2020	4000	0.04	120000	1.18
	Transfer- 28.02.2020	8000	0.08	128000	1.26
	Transfer- 13.03.2020	4000	0.04	132000	1.30
	Transfer- 20.03.2020	4000	0.04	136000	1.34
	Transfer- 27.03.2020	4000	0.04	140000	1.38
	31st March, 2020	140000	1.38	140000	1.38
6	Ramanuj Realty Projects LLP				
	1st April, 2019	124000	1.21	-	-
	Changes during the year		No Changes		
	31st March, 2020	124000	1.21	124000	1.21

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	Santosh Tibrewalla (HUF)				
	1st April, 2019	100000	0.98	-	-
	Changes during the year	No Changes			
	31st March, 2020	100000	0.98	100000	0.98
8	Sangita Tibrewalla				
	1st April, 2019	100000	0.98	-	-
	Changes during the year	No Changes			
	31st March, 2020	100000	0.98	100000	0.98
9	Mainland Finance Pvt. Ltd.				
	1st April, 2019	88000	0.86	-	-
	Transfer- 24.01.2020	(88000)	(0.86)	0	0
	Transfer- 28.02.2020	88000	0.86	88000	0.86
	31st March, 2020	88000	0.86	88000	0.86
10	Manoj Agarwal				
	1st April, 2019	100000	0.98	-	-
	Transfer- 31.05.2019	(4000)	(0.04)	96000	0.94
	Transfer- 21.12.2019	8000	0.08	104000	1.02
	Transfer- 07.02.2020	4000	0.04	108000	1.05
	Transfer- 27.03.2020	(36000)	(0.35)	72000	0.70
	31st March, 2020	72000	0.70	72000	0.70

v Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	SANJAY GOENKA				
	1st April, 2019	15,94,500	15.57	-	-
	Transfer-16.08.2019	32,000	0.32	16,26,500	15.89
	Transfer-31.03.2020	36,000	0.35	16,62,500	16.24
	31st March, 2020	16,62,500	16.24	16,62,500	16.24
2.	NILIMA GOENKA				
	1st April, 2019	13,56,500	13.25	-	-
	Transfer- 16.08.2019	16,000	0.16	13,72,500	13.41
	31st March, 2020	13,72,500	13.41	13,72,500	13.41

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17,94,281	-	-	17,94,281
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	17,94,281	-	-	17,94,281
Change in Indebtedness during the financial year				
* Addition	11,58,867	-	-	11,58,867
* Reduction	-	-	-	-
Total		-	-	
Indebtedness at the end of the financial year				
i) Principal Amount	29,53,148	-	-	29,53,148
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	29,53,148	-	-	29,53,148

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Sanjay Goenka Managing Director	Mrs. Nilima Goenka Whole Time Director	Mr. Ramsanatan Banerjee Whole Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,00,000	36,00,000	7,14,000	1,27,14,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify				
	-Gratuity	-	-	-	-
	Total (A)	84,00,000	36,00,000	7,14,000	1,27,14,000
	Ceiling as per the Act	10% of the Net Profit of the Company			

B. Remuneration to other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Binay Kumar Agarwal	Mr. Girdhari Lal Goenka	Mr. Krishna Kumar Tantia	
1	Fee for attending Board & Committee meetings	16,000	8,500	11,500	36,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	16,000	8,500	11,500	36,000
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	16,000	8,500	11,500	36,000
	Overall Ceiling as per the Act				
	- Fee for attending Board/Committee Meeting	₹1,00,000 per Board/Committee Meeting			
	-Commission	1% of the net profit of the Company			

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Kashi Nath Dey	Ms. Jaya Bajpai	
		Chief Executive Officer	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,24,687	2,16,000	6,40,687
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	4,24,687	2,16,000	6,40,687

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			-NIL-		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			-NIL-		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			-NIL-		
Punishment					
Compounding					

Registered Office:
62B, Braunfeld Row
Kolkata – 700 027
Dated: 25.06.2020

Sd/-
Sanjay Goenka
Chairman & Managing Director
DIN: 00848190

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Sd/-
Nilima Goenka
Whole-time Director
DIN: 00848225

Annexure – H

FORM AOC-1*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)***Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures****PART A: SUBSIDIARIES**

The Company has 1 (One) Subsidiary Company as on 31st March, 2020.

Sl. No.	Particulars	
1.	Name of Subsidiary Company	Padmalaya Vinimay Private Limited
2.	Latest audited Balance Sheet Date	31.03.2020
3.	The date since when subsidiary was acquired	31st March, 2011
4.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April 1, 2019 to March 31, 2020
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Rupees
6.	Share Capital	₹40,35,000
7.	Reserves and Surplus	₹4,26,47,790.09
8.	Total Assets	₹4,98,86,147.09
9.	Total Liabilities	₹4,98,86,147.09
10.	Investments	₹3,62,70,269.61
11.	Turnover	NIL
12.	Profit before Taxation	₹26,48,591.00
13.	Provision for Taxation	(₹31,47,570.00)
14.	Profit after Taxation	(₹498,979.00)
15.	Proposed Dividend	NIL
16.	Extent of shareholding (in percentage)	97.52%

Other information:

- Names of subsidiaries which are yet to commence operations - Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year - Not Applicable

PART B: ASSOCIATES AND JOINT VENTURES

The Company has no Associate Companies and Joint Ventures as on 31.03.2020.

Other Information:

- Names of associates or joint ventures which are yet to commence operations - Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year - Not Applicable

**On behalf of the Board of Directors
For Hindcon Chemicals Limited**

Sd/-
Sanjay Goenka
Chairman & Managing Director
DIN: 00848190

Sd/-
Nilima Goenka
Whole-time Director
DIN: 00848225

Registered Office:

62B, Braunfeld Row
Kolkata – 700 027
Dated: 25.06.2020

Sd/-
Kashi Nath Dey
Chief Financial Officer

Sd/-
Jaya Bajpai
Company Secretary

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
HINDCON CHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Hindcon Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2020**, the Statement of Profit and Loss and statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position, subject to note 31 of the Standalone financial statements.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R B ROY & CO.

Chartered Accountants
Firm Regn. No.322805E

Sd/-

(CA. N. Krishnan)

Partner

Kolkata

June 25, 2020.

Membership No.062381

ANNEXURE-'A' TO THE AUDITORS' REPORT

(Referred to in our report of even date to the members of **Hindcon Chemicals Limited** on the Accounts for the year ended March 31, 2020)

- (1) a. The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b. The Fixed Assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable having regard to the size of the company and the nature of its Fixed Assets. No material discrepancies have been noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- (2) Physical verification of the finished goods, stores, spare parts and raw materials have been conducted by the management at reasonable intervals, except in case of stocks lying with third parties for which certificates have been obtained. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company has maintained proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records, were not material and have been properly dealt with in the books of accounts.
- (3) The company has not granted loan to any party covered in the register maintained under section 189 of the Companies Act, 2013.
- (4) According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (5) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been maintained.
- (7) a) According to the books and records of the company produced to us, the Company is regular in depositing

with the appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales-tax, wealth tax, goods and services tax, custom duty, value added tax, excise duty, cess and other statutory dues as applicable.

- b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:-

Sl. No.	Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates (F. Y.)	Forum where Dispute is pending
1.	Income Tax Act, 1961	Tax and Interest	27,05,814/=	2013-14	CIT (A)
2.	Income Tax Act, 1961	Tax and Interest	37,030/=	2017-18	DCIT/CPC

- (8) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (9) a) According to the records of the company, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- b) On the basis of review or utilization of funds pertaining to term loans on overall basis and related information as made available to us, we are of the opinion that the Company has applied the term loans for the purpose for which they were obtained during the year.
- (10) Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no material fraud by the Company or no fraud on the company by its officers or employees has been noticed or reported during the year.
- (11) Based upon the audit procedures performed and information and explanations given by the management, we report that the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the companies Act, 2013.
- (12) In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a nidhi company. Hence, in our opinion, the requirements of clause 3(xii) of the Order is not applicable to the company.
- (13) According to the information and explanations given to us and on the basis of our examination of the records of the company, all transactions with the related parties during the year are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- (14) According to information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (15) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with them, during the year. Accordingly paragraph 3(xv) of the Order is not applicable to the Company.
- (16) According to information and explanations given to us , the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R B ROY & CO.

Chartered Accountants
Firm Regn. No.322805E

Sd/-
(CA. N. Krishnan)

Partner

Membership No.062381

Kolkata

June 25, 2020.

ANNEXURE-B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Hindcon Chemicals Limited** ("the Company") as at **31st March, 2020** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R B ROY & CO.

Chartered Accountants
Firm Regn. No.322805E

Sd/-

(CA. N. Krishnan)

Partner

Membership No.062381

Kolkata

June 25, 2020.

BALANCE SHEET as at 31st March, 2020

(Amount in ₹)

	Note	As at 31st March, 2020	As at 31st March, 2019
I). EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	3	10,23,81,250	10,23,81,250
b. Reserve & Surplus	4	20,60,38,914	18,28,65,977
		30,84,20,164	28,52,47,227
2. Non-Current Liabilities			
a. Long Term Borrowings	5	–	3,16,566
		–	3,16,566
3. Current Liabilities			
a. Short Term Borrowings	6	29,53,149	13,85,696
b. Trade Payables	7	4,47,73,814	3,66,23,725
c. Other Current Liabilities	8	80,22,096	1,02,02,933
d. Short Term Provisions	9	1,04,25,000	1,03,00,000
		6,61,74,059	5,85,12,354
	Total	37,45,94,223	34,40,76,147
II) ASSETS			
1. Non-Current Assets			
a. Property, Plant & Equipment	10	1,13,21,073	1,00,45,961
b. Non-Current Investments	11	3,77,70,531	4,07,50,862
c. Deferred Tax Asset	12	14,04,847	21,26,573
d. Long Term Loans and Advances	13	9,57,479	39,94,065
		5,14,53,930	5,69,17,461
2. Current Assets			
a. Inventories	14	2,10,88,517	2,71,03,140
b. Trade Receivables	15	19,83,19,494	19,40,79,944
c. Cash and Cash Equivalents	16	2,92,87,440	1,19,77,184
d. Short Term Loans and Advances	17	7,18,16,235	5,25,83,527
e. Other Current Assets	18	26,28,607	14,14,891
		32,31,40,293	28,71,58,686
	Total	37,45,94,223	34,40,76,147

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**For **R B ROY & CO.**

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/–

CA. N. Krishnan

Partner

Membership No.062381

Kolkata

June 25, 2020.

Sd/–

Sanjay Goenka

(Chairman and Managing Director)

(DIN : 00848190)

Sd/–

Kashinath Dey

(Chief Financial Officer)

Sd/–

Nilima Goenka

(Whole Time Director)

(DIN : 00848225)

Sd/–

Jaya Bajpai

(Company Secretary)

STATEMENT OF PROFIT AND LOSS for the Year ended 31st March, 2020

(Amount in ₹)

	Note	Current Year 2019-20	Previous Year 2018-2019
I) INCOME			
Revenue from Operations	19	44,45,90,409	44,52,41,771
Other Income	20	79,34,830	45,89,572
	Total	45,25,25,239	44,98,31,343
II). EXPENDITURE			
Cost of Materials Consumed	21	27,28,74,922	26,43,39,658
Purchase of Stock-in-Trade		6,13,03,141	7,80,60,740
Change in Inventories of Finished Goods, Stock in-Process and Stock-in-Trade	22	10,18,858	(5,85,560)
Employee Benefits Expense	23	3,32,79,651	3,44,03,576
Finance Costs	24	31,413	15,02,846
Depreciation and Amortisation Expense		14,01,385	13,46,955
Other Expenses	25	4,07,83,450	3,21,28,543
Total Expenses		41,06,92,820	41,11,96,758
Profit Before Tax		4,18,32,419	3,86,34,585
Tax Expenses			
Current Tax		(1,04,25,000)	(1,03,00,000)
Deferred tax		(7,21,726)	(4,88,636)
Short Provision for Tax Adjustments in respect of Earlier Years (Net)		(44,568)	41,751
Total Tax Expenses		(1,11,91,294)	(1,07,46,885)
Profit for the Year		3,06,41,125	2,78,87,700
Earnings per equity share of face value of ₹ 10 each			
– Basic & Diluted (in ₹)		2.99	2.72
The number of shares used in computing Earnings per share			
– Basic & Diluted	29	1,02,38,125	1,02,38,125

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements
As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

For **R B ROY & CO.**
Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-
CA. N. Krishnan
Partner
Membership No.062381

Sd/-
Sanjay Goenka
(Chairman and Managing Director)
(DIN : 00848190)

Sd/-
Nilima Goenka
(Whole Time Director)
(DIN : 00848225)

Kolkata
June 25, 2020.

Sd/-
Kashinath Dey
(Chief Financial Officer)

Sd/-
Jaya Bajpai
(Company Secretary)

CASH FLOW STATEMENT for the Year ended 31st March, 2020

(Amount in ₹)

	Current Year 2019-2020		Previous Year 2018-2019	
A. Cash flow from operating activities :				
Profit / (Loss) before tax		4,18,32,419		3,86,34,585
Adjustments for :				
Depreciation	14,01,385		13,46,955	
Interest Income	(68,15,209)		(39,70,849)	
Dividend Income	(2,15,377)		(1,08,650)	
Loss/(Profit) on Sale of Investments	10,24,217		(3,99,977)	
Profit on Sale of Fixed Assets	(4,25,320)		(99,638)	
Gratuity (Adjusted with reserves & Gratuity Premium paid)	(50,000)		2,31,878	
Financial Charges	31,413	(50,48,891)	15,02,846	(14,97,435)
Operating profit before working capital changes		3,67,83,528		3,71,37,150
Adjustments for changes in working capital :				
(Increase)/Decrease in Trade Receivables	(42,39,550)		(1,09,34,107)	
(Increase)/Decrease in Inventories	60,14,624		15,25,319	
(Increase)/Decrease in Long Term Loans & Advances	30,36,586		9,10,749	
(Increase)/Decrease in Short Term Loans & Advances	(1,88,01,186)		(2,89,35,910)	
(Increase)/Decrease in Other Current Assets	(12,13,717)		(9,61,020)	
Increase/(Decrease) in Trade Payables	81,50,090		2,50,491	
Increase/(Decrease) in Other Current Liabilities	(21,80,838)		(63,26,524)	
Net changes in working capital		(92,33,991)		(4,44,71,002)
Cash generated from operations		2,75,49,537		(73,33,852)
Taxes (Payment)/Refund	(1,07,39,238)	(1,07,39,238)	(1,14,09,929)	(1,14,09,929)
Net cash used (in)/from operating activities		1,68,10,299		(1,87,43,781)
B. Cash flow from Investing activities :				
Additions to fixed assets (Nett)	(22,51,177)		(4,85,680)	
(Increase)/Decrease in Non Current Investments	19,56,113		(79,18,256)	
Dividend Received	2,15,377		1,08,650	
Interest Received	67,78,358		39,70,849	
Net cash used in/from investing activities		66,98,671		(43,24,437)

CASH FLOW STATEMENT for the Year ended 31st March, 2020

(Amount in ₹)

	Current Year 2019-2020	Previous Year 2018-2019
C. Cash flow from Financing activities :		
Interest & Financial Charges	(31,413)	(15,02,846)
Dividend Paid to Shareholders (Including DDT)	(74,18,186)	-
Proceeds from Long Term Borrowings	(3,16,566)	(92,019)
Proceeds from Short Term Borrowings	15,67,451	(61,65,306)
Net cash used in/from financing activities	(61,98,714)	(77,60,171)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,73,10,256	(3,08,28,389)
Cash and Cash Equivalents at the beginning of the year	1,19,77,184	4,28,05,573
Cash and Cash Equivalents at the end of the year	2,92,87,440	1,19,77,184

Note : i) The above Cash Flow has been prepared under " Indirect Method " as set out in Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
ii) This is the Cash Flow Statement referred to, in our report of even date.

Significant Accounting Policies - Note 2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

For **R B ROY & CO.**

Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-

CA. N. Krishnan

Partner
Membership No.062381

Kolkata
June 25, 2020.

Sd/-

Sanjay Goenka

(Chairman and Managing Director)
(DIN : 00848190)

Sd/-

Kashinath Dey

(Chief Financial Officer)

Sd/-

Nilima Goenka

(Whole Time Director)
(DIN : 00848225)

Sd/-

Jaya Bajpai

(Company Secretary)

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note : 1 - Corporate Information

Hindcon Chemicals Limited (the "Company") is a public limited company incorporated in India on 25.08.1998 vide CIN No. L24117WB1998PLC087800. The shares of the Company has been listed on the SME Platform of the National Stock Exchange of India Ltd w.e.f. 9th March, 2018. The Company is primarily engaged in the business of manufacturing & sale of Sodium Silicate & construction chemicals. The Manufacturing unit of the Company is located in Howrah, West Bengal.

Note : 2 - Significant Accounting Policies

(A) Basis of preparation of Financial Statements

- (i) The financial statements have been prepared on accrual basis under the historical cost convention and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the applicable mandatory Accounting Standards as prescribed under section 133 of The Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rule, 2014.

(B) Use of Estimates

- (i) The preparation of financial statements in conformity with Indian GAAP requires judgement, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

(C) Property, Plant & Equipment

(i) Recognition and Measurement

Property, Plant & Equipment held for use in the production or/and supply of goods or services or for administrative purposes, are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

Cost of an item of Property, Plant & Equipment acquired comprises its purchase price, including import duties and non-refundable applicable taxes, after deducting any trade discounts and rebates, any directly attributable cost of bringing the assets to its working condition and location for its intended use and any estimated cost of dismantling and removing the item and restoring the site on which it is located.

In case of self constructed assets, cost includes the cost of all materials used in construction, direct labour, allocation

of directly attributable overheads and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self constructed asset.

If significant part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that the future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced.

Major inspection / repairs / overhauling expenses are recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortised part of the previously recognised expenses of similar nature is de-recognised.

(iii) Depreciation and Amortisation

Depreciation is provided on Written Down Value (WDV) Method at the rates determined based on the useful lives of respective assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions/disposals during the year is provided on pro-rata basis. Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

(iv) Disposal of Assets

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as a difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

(v) Capital work-in-progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

(E) Impairment of Assets

- (i) The carrying amounts of assets (tangible and intangible) are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the asset exceeds the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

(F) Investments

- (i) Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investments. All other investments are classified as Non-Current Investments.
- (ii) Non-Current Investments are stated at weighted average cost. The diminution, if any, in the value of investment, is recognised when such diminution is considered other than temporary in the opinion of the management.
- (iii) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(G) Inventories

- (i) Raw Materials (including packing materials) are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.
- (ii) Finished Goods are valued at lower of cost and net realizable value. Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition.
- (iii) Inter-divisional transfers are valued at works/factory costs of the transferor unit/division and other charges.
- (iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the

sale.

(H) Foreign Currency Transactions

- (i) Initial Recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency as at the date of the transaction.
- (ii) Conversion: Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.
- (iii) Exchange Differences: Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the period in which they arise.

(I) Revenue Recognition

- (i) Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.
- (ii) Revenue from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract. Sales are inclusive of delivery charges, if any, and net of Trade Discounts and GST. But incentive schemes, cash discounts and rebates are separately booked as expenditure.
- (iii) In contracts involving the rendering of services, revenue is measured using the completed service method.
- (iv) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- (v) Export Incentives are recognised when the right to receive such incentives as per the applicable terms is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate realisation/ utilisation of such incentives.
- (vi) Insurance and other claims due to uncertainty in realisation are accounted for on settlement/realization.
- (vii) Other income is accounted for on accrual basis as and when the right to receive arises.

(J) Employee Benefits

(i) Short Term Benefits

Short Term employee benefit obligations are measured on an undiscounted basis and are charged to statement

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

of Profit and Loss as and when the related services are provided. Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employee render the related services are recognised in respect of employee services upto the end of the reporting period.

(ii) Post Employment Benefits

The Company operates the following post employment schemes:

a) Defined Contribution Plans

Contributions are made to Provident Fund and Employees State Insurance as per the provisions of Provident Fund Act and ESI Act respectively and are charged to the Statement of Profit and Loss. The Company has no further obligations beyond its monthly contributions to the respective funds. Provision for Leave Encashments are not made and are recognised as and when incurred.

b) Defined Benefit Plans

The Liability or Asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the planned assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior period. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit method.

The Liability recognised for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustment for unrecognised actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the rate of interest of Government Securities at the end of the reporting period that have terms approximating to the terms of related obligation.

Re-measurement of the net defined benefit obligation, which comprise actuarial gains and losses, return on plan assets (excluding interest) and

the effect of the asset ceiling, are recognised in the Statement of Profit and Loss.

- c) Termination benefits are recognised as expenditure as and when incurred.

(K) Borrowing Costs

- (i) Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.
- (ii) Other Borrowing costs are recognised as expense in the period in which they are incurred.

(L) Taxation

- (i) Current Tax: Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period.
- (ii) Deferred Tax: The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised only if there is a virtual certainty of their realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to obtain reassurance as to realisation.

(M) Provisions, Contingent Liabilities and Contingent Assets

- (i) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are not discounted to their present value and are determined by the management based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (ii) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

date is considered not probable. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

(iii) A Contingent Asset is not recognized in the Accounts.

(N) Leases

(i) Determining whether an arrangement contains a Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(ii) Company as a Lessee

Finance Lease: Finance leases, which effectively transfer to the lessee substantially all the risks and rewards incidental to ownership of the leased item are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as lease assets. Lease payments under such leases are apportioned between the finance charges and reduction of the leased liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating Lease: Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified.

Lease rental are charged to the statement of Profit and Loss on straight line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary cost.

(O) Research & Development Expenses

Revenue expenditure on Research and Development is charged as an expense through the normal heads of account in the period in which the same is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalized and is depreciated according to the policy followed by the Company.

(P) Government Grants

- (i) Grants and subsidies from the government are recognized when there is reasonable assurance that the company will comply with the conditions attached to them, and the grant/subsidy will be received.
- (ii) When the grant or subsidy relates to revenue, it is recognized as income on systematic basis in the statement of profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

(Q) Segment Reporting

Based on the synergies, risks and returns associated with the business operations and in terms of Accounting Standard - 17, the company is predominantly engaged in a single segment of Manufacturing of Sodium Silicate & Construction Chemicals and allied activities during the period. The analysis of the geographical segments is based on the areas in which the company's customers are located.

(R) Earning Per Share

- (i) Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- (ii) For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(S) Corporate Social Responsibility

- (i) The Company has been an early adopter of CSR initiatives. The company works primarily through other Trusts/ Institutions which are primarily engaged in projects for supporting in eradication of hunger, poverty and malnutrition, promoting education, art and culture, healthcare including preventive healthcare and protection and welfare of animals.

- (T) Material Events occurring after Balance Sheet date are taken into consideration.

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 3 - Share Capital

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
3.1 Authorised Share Capital		
1,10,00,000 Equity Shares of ₹ 10/- each	11,00,00,000	11,00,00,000
Issued, Subscribed & Paid Up Share Capital		
1,02,38,125 Equity Shares of ₹ 10/- each	10,23,81,250	10,23,81,250

3.2 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Equity Shares at the beginning of the Year	1,02,38,125	10,23,81,250	1,02,38,125	10,23,81,250
Movement during the year	-	-	-	-
Equity Shares at the end of the Year	1,02,38,125	10,23,81,250	1,02,38,125	10,23,81,250

3.3 Terms/Rights, Preferences and Restrictions attached to the Equity Shares

The company has only one class of equity shares having a par value of ₹ 10/- per share which does not enjoy any preferential right or bear any restriction with regard to distribution of dividend or repayment of capital. Each holder of equity shares is entitled to one vote per share.

3.4 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
Equity Shares allotted as fully paid bonus shares **	59,82,500	59,82,500
Equity Shares allotted as fully paid for consideration other than cash	-	-
Equity Shares bought back	-	-

** The Company has issued 5982500 Bonus Shares on 08/08/2017 in the ratio 4:1.

3.5 Details of shareholders holding more than 5% shares of the Company

	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% Held	No. of Shares	% Held
Padmalaya Vinimay Pvt Ltd	25,66,100	25.06	25,66,100	25.06
Sanjay Goenka	16,62,500	16.24	15,94,500	15.57
Nilima Goenka	13,72,500	13.41	13,56,500	13.25
Radhakrishna Advisors LLP	5,87,525	5.74	5,91,525	5.78
Vansh Goenka	5,70,000	5.57	5,70,000	5.57

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of share.

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 4 - Reserve & Surplus

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
4.1 Securities Premium Account		
Balance as at the beginning of the year	6,35,02,374	6,35,02,374
Balance at the end of the year	6,35,02,374	6,35,02,374
4.2 Surplus i.e. Balance in the Statement of Profit and Loss		
Balance as per last Balance Sheet	11,93,63,603	9,12,44,026
Add: Profit during the year	3,06,41,125	2,78,87,700
Less: Appropriations		
Adjustment relating to Gratuity	(50,000)	2,31,878
Adjustment relating to Dividend Payment	(61,42,875)	-
Adjustment relating to Dividend Distribution Tax	(12,75,313)	-
Adjustment relating to Property, Plant & Equipment	-	(1)
	14,25,36,540	11,93,63,603
Total	20,60,38,914	18,28,65,977

Note: 5 - Long-term borrowings

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
5.1 Secured		
Car Loan from Bank	-	3,16,566
Total	-	3,16,566

5.2 Security

Car Loans from Bank for purchase of Vehicle is secured against the Vehicle purchased out of the said loan.

5.3 Repayment Terms and the applicable rate of interest on the above car loans during the year

ICICI Bank Limited

Loan from Bank was repayable in 60 equated monthly installments of ₹ 10,222/- starting from 01.03.2018 and the last installment was falling due on 01.02.2023. The loan was settled in full by the Company on 24.02.2020 by prepaying all the installments due as on that day.

Note: 6 - Short Term Borrowings

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
6.1 Secured		
Cash Credit From Bank	29,53,148	13,85,696
Total	29,53,148	13,85,696

6.2 Security

Cash Credit facility from bank is secured by way of hypothecation of stock of raw materials, finished goods and book debts (both present & future) and also by the personal guarantee of the directors of the Company.

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 7 - Trade Payables

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
Trade Payables (Including Acceptances)		
– Micro, Small & Medium Enterprises	28,03,452	-
– Other Enterprises	4,19,70,362	3,66,23,725
Total	4,47,73,814	3,66,23,725

Note: 8 - Other Current Liabilities

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
Current Maturities of Long Term Debts (Above amount is repayable within a year)	-	92,018
Statutory Dues	8,24,557	9,76,097
Expenses Payable	57,11,510	89,38,224
Security Deposits	3,83,819	1,96,594
Advance From Customers	4,57,007	-
Bank Balances (Cheques Overdrawn)	6,45,203	-
Total	80,22,096	1,02,02,933

Note: 9 - Short Term Provisions

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
Provision for Income Tax	1,04,25,000	1,03,00,000
Total	1,04,25,000	1,03,00,000

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 10 - Property, Plant & Equipment

(Amount in ₹)

SI No.	Description	Gross Block			Depreciation			Net Block			
		As at 01/04/2019	Addition	Deductions/ Adjustments	As at 31/03/2020	As at 01/04/2019	For the Year	Deductions/ Adjustments	Upto 31/03/2020	As at 31/03/2020	As at 31/03/2019
	Tangible Assets :										
1.	Freehold Land	44,52,661	-	-	44,52,661	-	-	-	-	44,52,661	44,52,661
2.	Building	9,21,854	-	-	9,21,854	7,87,826	12,299	-	8,00,125	1,21,729	1,34,028
3.	Factory Shed	13,52,583	1,51,292	-	15,03,875	8,01,506	55,516	-	8,57,022	6,46,853	5,51,077
4.	Office	18,17,683	-	-	18,17,683	11,21,349	64,554	-	11,85,903	6,31,780	6,96,334
5.	Furniture & Fixtures	1,80,744	-	-	1,80,744	1,57,434	6,776	-	1,64,210	16,534	23,310
6.	Plant & Machinery	61,80,654	4,58,777	-	66,39,431	36,72,564	4,75,993	-	41,48,557	24,90,874	25,08,090
7.	Motor Car	49,61,353	22,64,636	(29,58,571)	42,67,418	38,62,725	6,18,573	(27,30,605)	17,50,693	25,16,725	10,98,628
8.	Motor Cycle	1,48,088	-	(27,692)	1,20,396	1,37,172	2,722	(26,288)	1,13,606	6,790	10,916
9.	Electrical Installations	6,05,494	-	-	6,05,494	5,21,119	20,079	-	5,41,198	64,296	84,375
10.	Laboratory Equipments	1,53,901	8,028	-	1,61,929	1,28,286	8,604	-	1,36,890	25,039	25,615
11.	Office Equipments	14,03,589	15,934	-	14,19,523	10,09,654	1,06,777	-	11,16,431	3,03,092	3,93,935
12.	Computer & Accessories	3,24,566	-	-	3,24,566	2,70,662	27,084	-	2,97,746	26,820	53,904
13.	Fire Safety Equipments	31,430	7,200	-	38,630	18,342	2,408	-	20,750	17,880	13,088
	Total	2,25,34,600	29,05,867	(29,86,263)	2,24,54,204	1,24,88,639	14,01,385	(27,56,893)	1,11,33,131	1,13,21,073	1,00,45,961
	Previous Year	2,24,75,834	6,13,180	(5,54,413)	2,25,34,600	1,16,68,234	13,46,955	(5,26,550)	1,24,88,639	1,00,45,961	1,08,07,600

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 11 - Non-Current Investments

(Amount in ₹)

	Face Value	As at 31st March, 2020 (No.)*	As at 31st March, 2019 (No.)*	As at 31st March, 2020 Amount	As at 31st March, 2019 Amount
Other Investments (Valued at Cost unless stated Otherwise)					
Investment in Equity Instruments					
Quoted :					
Aditya Birla Capital Ltd	10	4,500	4,500	6,59,445	7,85,122
Ashapura Minechem Ltd	2	4,000	6,000	2,75,559	4,13,339
Automotive Axles Ltd	10	–	50	–	31,859
Dollar Industries Ltd	2	40,000	40,000	1,51,56,380	1,52,68,270
Ejecta Marketing Ltd	10	25,000	25,000	2,50,000	2,50,000
Emami Infrastructure Ltd	2	7,000	7,000	11,19,140	11,19,140
Emami Ltd	1	2,000	3,200	6,63,794	17,88,133
Gati Ltd	2	1,000	1,000	1,07,410	1,92,985
Granules India Ltd	2	–	5,000	–	5,76,100
Himadri Speciality Chemicals Ltd	1	2,000	2,000	1,69,456	1,69,456
Hindustan Construction Company Ltd	1	14,000	3,000	1,53,777	82,767
ICICI Bank Ltd	2	–	1,500	–	5,26,873
Jain Irrigation Systems Ltd	2	4,000	4,000	4,55,603	4,55,603
Jaiprakash Associates Ltd	2	2,00,000	1,00,000	20,82,550	24,61,250
Jaiprakash Power Ventures Ltd	10	25,000	25,000	1,54,050	2,35,250
Jindal Saw Ltd	2	10,000	13,000	8,66,439	11,81,165
JK Paper Ltd	10	4,000	3,000	5,63,800	4,29,670
JSW Energy Ltd	10	–	5,000	–	3,55,100
Lanco Infratech Ltd	1	1,35,000	1,35,000	13,55,200	13,55,200
Mawana Sugars Ltd	1	2,000	–	87,721	–
Mcnally Bharat Engineering Ltd	10	74,410	74,410	51,76,803	51,76,803
Motherson Sumi Systems Ltd	1	1,350	1,350	2,05,104	2,05,104
NOCIL Ltd	10	9,000	5,000	11,25,102	7,06,700
Rupa & Co. Ltd	1	2,200	1,200	7,44,819	5,60,990
Sasta Sundar Ventures Ltd	10	6,025	6,025	7,33,467	7,33,467
Shree Cements Ltd	10	–	10	–	1,15,329
Welspun India Ltd	1	5,000	3,000	2,85,687	1,90,187
Investment in Equity Instruments of Subsidiary Company					
Unquoted :					
Padmalaya Vinimay Pvt Ltd	10	3,93,500	3,93,500	39,35,000	39,35,000
Investment in Mutual Funds					
Quoted :					
Kotak FMP Series 183 Regular Plan		–	20,000.00	–	2,00,000
Nippon India Tax Saver (ELSS) - Growth		5,709.42	24,931.16	3,00,000	12,50,000
Nippon India Large Cap Fund - Growth		32,229.52	–	11,44,225	–
Total				3,77,70,531	4,07,50,862
Aggregate Carrying Value of Quoted Investments				3,38,35,531	3,68,15,862
Aggregate Carrying Value of Unquoted Investments				39,35,000	39,35,000
Aggregate Market Value of Quoted Investments				95,19,192	2,47,16,314

* Quantity is after adjusting for Bonus Shares, Merger, Demerger and split of face value.

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 12 - Deferred Tax Asset

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Asset		
Fixed Assets: Impact of difference between depreciation as per Income Tax and depreciation charged for the financial reporting	5,19,775	7,50,088
Impact of Deferred Preliminary Expenses	8,30,179	13,76,485
Investments: Impact of difference between value of Investments as per Income Tax and value of Investments as per Books of Accounts	54,893	–
Total	14,04,847	21,26,573

Note: 13 - Long Term Loans & Advances

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
To Other than Related Parties		
Deposits	9,57,479	9,94,065
Loans & Advances	–	30,00,000
Total	9,57,479	39,94,065

Note: 14 - Inventories

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
As taken, valued and certified by the Management		
Raw Materials	2,09,46,857	2,59,42,622
Work In Progress	1,41,660	11,33,277
Stock-in-Trade (Traded Goods)	–	27,241
Total	2,10,88,517	2,71,03,140

Note: 15 - Trade Receivables

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months from the date they became due for payment	7,10,80,707	7,58,14,300
Other debts	12,72,38,787	11,82,65,644
Total	19,83,19,494	19,40,79,944

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 16 - Cash and Cash Equivalents

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
a) Cash and Cash Equivalents		
Cash on hand	48,195	2,35,011
Balances with Banks		
– Current Accounts	6,49,000	1,57,979
	6,97,195	3,92,990
b) Other Bank Balances		
– Term Deposits having remaining maturity of more than 3 months but not more than 12 months	2,13,60,000	49,20,000
– Term Deposits having remaining maturity of less than 3 months	72,30,245	66,64,194
Total	2,92,87,440	1,19,77,184

Note: 17 - Short Term Loans and Advances

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
To Other than Related Parties		
Loan and Advances	5,25,00,000	3,10,00,000
Advances (Recoverable in cash or in kind or for value to be received) :		
Income Tax	1,24,42,774	1,20,11,253
Custom Duty (Advance)	4,85,551	-
Excise Duty/Cenvat & Service Tax Credit	-	1,11,859
Goods & Service Tax Credit	4,19,639	59,53,159
Goods & Service Tax (Refundable)	17,05,136	10,35,943
Compensation Cess Credit	-	33,840
Professional Tax (Excess Paid)	5,710	-
Advance to Employees	47,000	1,27,482
Advance to Suppliers	38,97,797	17,54,193
Excess Payment to Gratuity Fund	2,11,680	3,69,104
Pre-paid Expenses	99,739	1,79,833
Provident Fund Subsidy Receivable	1,209	6,861
Total	7,18,16,235	5,25,83,527

Note: 18 - Other Current Assets

(Amount in ₹)

	As at 31st March, 2020	As at 31st March, 2019
Interest Accrued and due		
– On Loans	18,88,341	10,35,740
– On Bank's F. D.	7,40,267	3,79,151
Total	26,28,608	14,14,891

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 19 - Revenue From Operations

(Amount in ₹)

	Current Year 2019 - 2020	Previous Year 2018 - 2019
Sale of Products	42,81,47,557	42,78,74,852
Sale of Services	95,97,863	41,50,170
<u>Other Operating Revenue</u>		
Freight Received	50,42,563	84,52,752
Insurance Received	1,41,580	–
Duty Drawback	–	5,646
Bad Debts/Sundry Balances Recovery	16,60,846	46,70,543
Subsidy On Provident Fund	–	87,808
Total	44,45,90,409	44,52,41,771

Note: 20 - Other Income

(Amount in ₹)

	Current Year 2019 - 2020	Previous Year 2018 - 2019
Interest On Loans	55,34,035	26,58,002
Interest On Banks' F. D.	12,44,323	13,12,847
Interest On I. T. Refund	36,851	–
Profit On Sale of Fixed Assets	4,25,320	99,638
Profit On Sale of Long Term Investments (Shares)	–	3,99,977
Profit On Sale of Long Term Investments (Mutual Funds)	2,43,186	–
Dividend On Long Term Investments	2,15,377	1,08,650
Other Income	9,248	10,458
Applicable Net Gain/Loss on Foreign		
Currency Transactions and Translations	2,26,490	–
Total	79,34,830	45,89,572

Note: 21 - Cost of Materials Consumed

(Amount in ₹)

	Current Year 2019 - 2020	Previous Year 2018 - 2019
Inventory at the beginning of the year	2,59,42,622	2,80,53,500
<u>Add: Purchases (Net of Returns)</u>	<u>26,78,79,157</u>	<u>26,22,28,780</u>
<u>Less: Inventory at the end of the year</u>	<u>2,09,46,857</u>	<u>2,59,42,622</u>
Total	27,28,74,922	26,43,39,658

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 22 - Changes in Inventory of Finished Goods, Stock-in-Process and Stock-in-Trade

(Amount in ₹)

	Current Year 2019 - 2020	Previous Year 2018 - 2019
Inventories at the beginning of the year		
Work-in-Progress	11,33,277	5,66,638
Stock-in-Trade (Traded Goods)	27,241	8,320
Total (A)	11,60,518	5,74,958
Inventories at the end of the year		
Work-in-Progress	1,41,660	11,33,277
Stock-in-Trade (Traded Goods)	–	27,241
Total (B)	1,41,660	11,60,518
Total (A-B)	10,18,858	(5,85,560)

Note: 23 - Employee Benefits Expense

(Amount in ₹)

	Current Year 2019 - 2020	Previous Year 2018 - 2019
Salary, Wages & Bonus	1,96,27,140	2,10,51,034
Managerial Remuneration	1,31,38,687	1,30,46,800
Staff Welfare Expenses	38,457	68,405
Gratuity Insurance Premium	4,75,367	2,37,337
Total	3,32,79,651	3,44,03,576

Note: 24 - Finance Costs

(Amount in ₹)

	Current Year 2019 - 2020	Previous Year 2018 - 2019
Interest Expense		
– On Bank Borrowings	1,294	4,97,983
– On Car Loans	30,119	45,140
– On Unsecured Loans	–	1,47,609
– On Statutory Dues	–	1,15,123
Applicable Net Gain/Loss on Foreign		
Currency Transactions and Translations	–	6,96,991
Total	31,413	15,02,846

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 25 - Other Expenses

(Amount in ₹)

	Current Year 2019 - 2020	Previous Year 2018 - 2019
25.1 Manufacturing Expenses		
Calibration Charges	29,535	29,025
Consumable Stores	69,012	35,234
Clearing & Forwarding Charges	20,61,130	20,13,253
Works Contract Charges	65,01,405	22,20,930
Selling & Distribution Expenses		
Advertisement Expenses	65,700	1,40,650
Carriage Outward	1,20,91,201	1,59,08,184
Sales Promotion Expenses	4,75,486	13,23,000
Rebates & Discounts	21,37,594	11,56,111
Seminar Expenses	25,000	1,27,540
Commission	2,73,095	1,26,789
Establishment Expenses		
Telephone Expenses	1,59,398	1,70,365
Printing & Stationery	3,46,726	2,82,079
Electricity Charges	4,90,327	4,46,011
Tender Expenses	-	19,700
Membership & Subscription	89,443	1,52,078
Donation & Corporate Social Responsibility	5,80,112	6,93,151
Director Sitting Fees	36,000	47,500
Postage & Telegram	32,780	52,722
Travelling & Conveyance	9,79,945	7,00,013
Computer Consumables	20,350	53,502
Motor Car Expenses	1,99,261	2,80,791
Motor Cycle Expenses	14,874	9,370
Generator Expenses	52,219	31,760
Repairs & Maintenance	1,60,596	4,90,947
Office Maintenance Charges	59,545	51,219
Website Expenses	11,520	11,850
Office Rent	3,00,000	3,00,000
Bank Charges	8,61,539	8,14,112
Security Charges	3,44,709	3,15,083
Insurance Charges	1,58,067	1,06,575
Testing Charges	1,88,100	1,00,156
General Expenses	7,49,107	4,71,812
Registration Charges	2,91,994	1,84,337
Rates & Taxes	9,14,724	13,33,479
Filing Fees	19,490	7,800
Professional Fees	14,38,393	13,75,711
Listing/Registrar Fees	95,956	55,704
Loss On Sale of Long Term Investments (Shares)	12,67,404	-
Bad Debts	68,31,713	-
Internal Audit Fees	1,60,000	2,40,000
Auditors' Remuneration	2,00,000	2,50,000
Total	4,07,83,450	3,21,28,543

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 25 - Other Expenses

		(Amount in ₹)	
		Current Year 2019 - 2020	Previous Year 2018 - 2019
25.2 Auditors' Remuneration includes :			
a) Audit Fees			
– Statutory & Tax Audit Fees		2,00,000	2,00,000
b) Others			
– Other Matters		–	50,000
	Total	2,00,000	2,50,000

26. Details of Transactions entered into with related parties during the year as required by Accounting Standard (AS) - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as under:

a) Subsidiary Companies

Name of the Entity	Place of Incorporation	Current Year 2019 - 2020	Previous Year 2018 - 2019
M/s Padmalaya Vinimay Pvt Ltd	India	97.52%	97.52%

b) Key Management Personnel

Mr Sanjay Goenka, Managing Director
 Mrs Nilima Goenka, Whole-Time Director
 Mr Ramsanatan Banerjee, Whole-Time Director
 Mr Krishna Kumar Tantia, Independent Director
 Mr Kashinath Dey, Chief Financial Officer
 Ms Jaya Bajpai, Company Secretary

c) Relatives of Key Management Personnel

Miss Vidisha Goenka

d) Enterprises owned or significantly influenced by the Key Management Personnel or their relatives

M/s Padmalaya Vinimay Pvt Ltd
 M/s Bengal Traders Pvt Ltd
 M/s Chemico International Pvt Ltd

e) Details of transactions with related parties during the year/previous year :

Nature of Transaction	(Amount in ₹)					
	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/ Relatives of Directors have control/significant influence	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Income						
Sales	–	–	–	–	12,98,80,387	12,10,04,910
Purchases	–	–	–	–	21,88,946	15,74,888
Expenditure						
Managerial Remuneration	1,31,38,687	1,30,46,800	–	–	–	–
Salary	2,16,000	1,82,000	16,77,774	37,11,634	–	–
Rent	3,00,000	3,00,000	–	–	–	–

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

e) Details of closing balances with related parties during the year/previous year :

(Amount in ₹)

Nature of Transaction	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/Relatives of Directors have control/significant influence	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Others						
Investment in Shares	-	-	-	-	39,35,000	39,35,000
Debtors	-	-	-	-	2,20,41,852	1,85,01,132
Director Remuneration/Salary Payable	16,655	86,016	-	-	-	-

Notes:

- The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by/to related parties. This assessment is undertaken each financial year through examining the financial position of the Related Parties and the market in which the Related Party operates.
- Transactions with related parties have been disclosed for the period of existence of relationship. Previous year transactions with parties that have ceased to be related parties in the current year have been excluded in above details as the relationship did not exist.

27. Provision is made for Income tax liability estimated to arise on the financial results for the year at the current rate of tax in accordance with the provisions of Income Tax Act, 1961.

28. Balances and transactions of parties appearing under the head Debtors, Creditors and Advances are subject to confirmations. In opinion of the Management, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet if realised in the ordinary course of business. The provision for depreciation and other known liabilities are adequate and not in excess of the amount reasonably necessary.

29 Earnings Per Share (EPS)

(Amount in ₹)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Profit after tax as per Statement of Profit and Loss attributable to equity shareholders	3,06,41,125	2,78,87,700
Weighted average number of Equity Shares of ₹ 10 each outstanding during the year:		
- Basic & Diluted	1,02,38,125	1,02,38,125
Earnings Per Share (Basic & Diluted)		
- Basic & Diluted	2.99	2.72
Face Value per equity shares	10	10

30. The Company has received memorandum as required to be filed by the suppliers with the notified authority and Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro small or medium enterprises. Consequently, the amounts paid/payable to such parties as at the year end together with interest paid/payable (if any) as required under the said Act is ₹ 28,03,452/-

31. Demands/Claims by various government authorities and others not acknowledged as debts by the Company:

- (i) Income Tax Matters ₹ 27.43 Lacs (Previous Year: ₹ 28.94 Lacs)

32. Deferred Tax Balance (Asset) As on 31st March, 2020 is taken as ₹ 14,04,847/- in respect of the following matters :

- (i) Impact of difference between depreciation as per Income Tax and depreciation charged for the financial reporting ₹ 5,19,775/-
(ii) Impact of Deferred Preliminary Expenses ₹ 8,30,179/-
(iii) Impact of difference between value of Investments as per Income Tax and value of Investments as per Books of Accounts ₹ 54,893/-

₹ 14,04,847/-

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

33. In accordance with the revised Accounting Standard-15 for Employee Benefits, the requisite disclosure are as follows:

(i) **Defined Contribution Plan**

The Company contributes to the Provident fund maintained by the Regional Provident Fund Commissioner. Contributions are made by the company to the Fund based on the current salaries. Employees' contribution are deducted from their remuneration on a monthly basis and deposited by the Company to the Regional Provident Fund. Apart from making monthly contribution to the scheme, the Company has no other obligation. The amount recognised as expense for the Defined Contribution Plans and charged to the Statement of Profit & Loss are as under:

	(Amount in ₹)	
	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Contribution to Provident Fund	2,85,656	2,74,737

(ii) **Post Employment Defined Benefit Plan - Gratuity**

The Company has a defined benefit employee retirement plan in the form of gratuity. Every employee, who has completed five years or more of service gets a gratuity on departure equivalent to 15 days salary (last drawn salary) for each completed year of service.

The following tables summarize the components of employee benefit expenses recognised in the Statement of Profit and Loss and Balance Sheet for the Gratuity plans:

Statement of Profit and Loss

(Amount in ₹)		
Net employee benefit expense recognised in the employee cost		
	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Current service cost	3,37,194	3,60,987
Interest cost	1,64,614	1,63,857
Expected Return on plan asset	(1,90,451)	-
Net Actuarial Loss/(Gain) recognised in the year	1,64,010	(2,87,507)
Net Benefit Expense	4,75,367	2,37,337

Balance Sheet

(Amount in ₹)		
Benefit Asset / Liability		
	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Present Value of the obligation at the end of the period	27,04,954	23,51,624
Fair Value of Plan assets at the end of the period	(29,16,634)	(27,20,728)
Net (Asset)/Liability recognised in the Balance Sheet	(2,11,680)	(3,69,104)

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

The Principal Assumptions used in determining Gratuity for the Company's plans is tabled as below: (Amount in ₹)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Discount Rate (based on macroeconomic trend)	7.00% p.a	7.75% p.a
Salary Growth Rate	6.00% p.a	6.00% p.a
Mortality Rates	IALM 2012-2014	IALM 2006-2008
	–	ULTIMATE
Expected rate of return	–	–
Withdrawal rate (Per Annum)	5.00% p.a	5.00% p.a
Normal Retirement Age	58	58
Salary	Last drawn qualifying salary	
Vesting Period	5 Years of Service	
Benefits of Normal Retirement	15/26 * Salary * Past Service (Yrs)	
Benefit on early exit due to death & disability	As above except no vesting condition apply	
Limit	20,00,000.00	20,00,000.00

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations.

- (iii) The Company is making annual contribution to LIC's Group Gratuity scheme towards gratuity and other retirement/termination benefits for the company's employees. The Company has provided for gratuity covering eligible employees. Company's gratuity policy provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

34. The amount of borrowing cost capitalized during the Year is ₹ Nil (Previous Year: Nil)

35. The Company's business activities fall within single primary business segment viz. "Construction Chemicals", the disclosure requirement of Accounting Standard - 17, "Segment Reporting" issued by The Institute of Chartered Accountants of India are not applicable in respect of primary business segment. However, the geographical segments considered for disclosures on the basis of sales are as under :

(i) Segment Revenue (Amount in ₹)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Sales Within India	32,14,67,205	38,60,11,357
South East Asia (Sales Outside India) ***	10,66,80,352	4,18,63,495
Total	42,81,47,557	42,78,74,852

*** Sales outside India includes sales to Nepal and Bhutan, which are transacted in Indian Currency and not in Foreign Currency.

(ii) Total Carrying amount of segment assets (Amount in ₹)

	As on 31-Mar-2020	As on 31-Mar-2019
Carrying value of assets Within India	1,13,21,073	1,00,45,961
Carrying value of assets in South East Asia (Outside India)	–	–

(iii) Total cost incurred during the period to acquire segment assets (Amount in ₹)

	As on 31-Mar-2020	As on 31-Mar-2019
Carrying cost incurred to acquire assets Within India	29,05,867	6,13,180
Carrying cost incurred to acquire assets in South East Asia (Outside India)	–	–

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

36. (i) Foreign Exchange Earnings and Outgo :

(Amount in ₹)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Earnings in Foreign Currency ***	3,61,380	50,22,525
Expenditure in Foreign Currency	10,13,98,328	3,44,85,631

*** Earnings in Foreign Currency denotes sales made to Bangladesh which has been done in US Dollar Currency.

- (ii) Value of imported and indigenous raw materials and components, stores and spare parts consumed and percentage of each to the total consumption :-

	Amount (in ₹)		Percentage	
	Year ended 2019-2020	Year ended 2018-2019	Year ended 2019-2020	Year ended 2018-2019
Raw Materials:				
Indigenous	18,26,18,942	22,98,54,027	67	87
Imported	9,02,55,980	3,44,85,631	33	13
	27,28,74,922	26,43,39,658	100	100

37. In accordance with the Accounting Standard-19 for Leases, the requisite disclosure are as follows:

(Amount in ₹)

	2019-20		2018-19	
	As on 31-Mar-2020	Present Value	As on 31-Mar-2019	Present Value
Minimum Lease payments				
Not later than 1 year	-	-	1,22,664	92,019
Later than 1 year and not later than 5 years	-	-	4,80,434	3,16,566
Later than 5 years	-	-	-	-

38. As per Section 135 of the Companies Act, 2013, a company meeting the applicable threshold limit, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. A CSR committee has been formed by the company as per the Act. In accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility, the requisite disclosure are as follows:

- (a) Gross amount required to be spent by the company during the year : ₹ 8.03 Lacs (Previous Year: ₹ 6.32 Lacs)
 (b) Amount spent during the year on :

Particulars	Amount Paid	Amount yet to be paid**	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On Purposes other than (i) above	5,80,112	2,22,961	8,03,073

- (c) Details of related party transactions as per AS - 18 in relation to CSR Expenditure : ₹ Nil (Previous Year: NIL)
 (d) Provisions made in relation to CSR expenditure, if any : Nil

NOTES ON FINANCIAL STATEMENTS for the Year ended 31st March, 2020

** The unspent amount have been temporarily deployed in fixed deposit with banks. As per the management, the same shall be spent by 31st March, 2021 by liquidating the said fixed deposit with banks.

39. Comparative Financial information (i.e. the amounts and other disclosure for the preceding year) presented above, is included as an integral part of the current year financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

For **R B ROY & CO.**

Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-

CA. N. Krishnan

Partner
Membership No.062381

Kolkata
June 25, 2020.

Sd/-

Sanjay Goenka

(Chairman and Managing Director)
(DIN : 00848190)

Sd/-

Kashinath Dey

(Chief Financial Officer)

Sd/-

Nilima Goenka

(Whole Time Director)
(DIN : 00848225)

Sd/-

Jaya Bajpai

(Company Secretary)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
HINDCON CHEMICALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Hindcon Chemicals Limited** (herein after referred to as "the Holding Company") and its subsidiary (Holding company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at **March 31, 2020**, the Consolidated Statement of Profit and Loss and Consolidated statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirement of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal

financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related

disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We

describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated on our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Financial Statements also include the Group's share of Net Loss of ₹ 1,74,253.91 in respect of 1 (one) subsidiary for the year ended 31st March, 2020, as considered in the Consolidated Financial Statements, whose Financial Statements have not been audited by us. The Financial Statements of other subsidiary is audited by other auditors whose reports have been furnished to us by the Management. In our opinion and according to the information and explanations given to us by the Management, these financial statements are material to the group.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the Financial Statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report to the extent applicable, that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.
 - In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020, taken on record by the Board of Directors of the Holding Company, none of the directors of the Group Companies are disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There were no pending litigations which would impact the consolidated financial position of the Group, subject to note 32 of the Consolidated Financial Statements.
 - (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For R B ROY & CO.

Chartered Accountants
Firm Regn. No.322805E

Sd/-
(CA. N. Krishnan)

Partner
Membership No.062381

Kolkata
June 25, 2020.

ANNEXURE-B TO THE AUDITORS' REPORT

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

Opinion

In conjunction with our audit of the consolidated financial statements of **Hindcon Chemicals Limited** ("herein after referred to as "the Holding Company") as of and for the year ended **31st March, 2020**, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of date.

In our opinion, the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March, 2020, based on the internal controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statement. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statement and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statement included obtaining

an understanding of internal financial controls with reference to consolidated financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statement.

Meaning of Internal Financial Controls with reference to consolidated financial statement

A Company's internal financial control with reference to consolidated financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statement

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

For R B ROY & CO.

Chartered Accountants
Firm Regn. No.322805E

Sd/-

(CA. N. Krishnan)

Partner

Membership No.062381

Kolkata

June 25, 2020.

CONSOLIDATED BALANCE SHEET as at 31st March, 2020

(Amount in ₹)

	Note	As at 31st March, 2020	As at 31st March, 2019
I) EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	3	7,67,20,250	7,67,20,250
b. Reserve & Surplus	4	24,66,81,852	22,41,82,146
		32,34,02,102	30,09,02,396
2. Minority Interest			
		23,88,255	22,14,001
3. Non-Current Liabilities			
a. Long Term Borrowings	5	–	3,16,566
b. Deferred Tax Liabilities	6	28,97,897	–
		28,97,897	3,16,566
4. Current Liabilities			
a. Short Term Borrowings	7	29,53,148	13,85,696
b. Trade Payables	8	4,47,73,814	3,66,23,724
c. Other Current Liabilities	9	80,77,556	1,02,54,264
d. Short Term Provisions	10	1,06,75,000	1,04,67,000
		6,64,79,518	5,87,30,684
	Total	39,51,67,772	36,21,63,647
II) ASSETS			
1. Non-Current Assets			
a. Property, Plant & Equipment	11	1,13,21,073	1,00,45,961
b. Non-Current Investments	12	4,47,28,202	4,31,59,382
c. Deferred Tax Asset	13	14,04,847	21,26,573
d. Long Term Loans and Advances	14	9,57,479	39,94,065
		5,84,11,601	5,93,25,981
2. Current Assets			
a. Inventories	15	2,10,88,517	2,71,03,140
b. Trade Receivables	16	19,83,19,494	19,40,79,944
c. Cash and Cash Equivalents	17	3,14,27,118	1,30,84,522
d. Short Term Loans and Advances	18	8,30,44,513	6,67,63,421
e. Other Current Assets	19	28,76,529	18,06,639
		33,67,56,171	30,28,37,666
	Total	39,51,67,772	36,21,63,647

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

For **R B ROY & CO.**

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/–

CA. N. Krishnan

Partner

Membership No.062381

Sd/–

Sanjay Goenka

(Chairman and Managing Director)

(DIN : 00848190)

Sd/–

Nilima Goenka

(Whole Time Director)

(DIN : 00848225)

Kolkata

June 25, 2020.

92 | Hindcon Chemicals Limited

Sd/–

Kashinath Dey

(Chief Financial Officer)

Sd/–

Jaya Bajpai

(Company Secretary)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the Year ended 31st March, 2020

(Amount in ₹)

	Note	Current Year 2019-2020	Previous Year 2018-2019
I) INCOME			
Revenue from Operations	20	44,45,90,409	44,52,41,771
Other Income	21	94,50,405	58,40,416
Total Revenue	Total	45,40,40,814	45,10,82,187
II). EXPENDITURE			
Cost of Materials Consumed	22	27,28,74,922	26,43,39,658
Purchase of Stock-in-Trade		6,13,03,141	7,80,60,740
Change in Inventories of Finished Goods, Stock in-Process and Stock-in-Trade	23	10,18,858	(5,85,560)
Employee Benefits Expense	24	3,34,64,651	3,45,43,576
Finance Costs	25	31,413	15,02,846
Depreciation and Amortisation Expense		14,01,385	13,46,955
Other Expenses	26	4,10,05,093	3,23,50,907
Total Expenses		41,10,99,463	41,15,59,122
Profit Before Tax		4,29,41,351	3,95,23,065
Tax Expenses			
Current Tax		(1,06,75,000)	(1,04,67,000)
MAT Credit		–	(1,61,088)
Deferred tax		(36,19,623)	(4,88,636)
Short Provision for Tax Adjustments in respect of Earlier Years (Net)		(44,241)	44,125
Total Tax Expenses		(1,43,38,864)	(1,10,72,599)
Profit After Tax		2,86,02,487	2,84,50,466
Share of (Profit)/Loss of Minority Interest		(1,74,254)	(2,49,795)
Profit for the year		2,84,28,233	2,82,00,671
Earnings per equity share of face value of ₹ 10 each			
– Basic & Diluted (in ₹)		3.71	3.68
The number of shares used in computing Earnings per share			
– Basic & Diluted (in ₹)	29	76,72,025	76,72,025
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**For **R B ROY & CO.**Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-

CA. N. KrishnanPartner
Membership No.062381Kolkata
June 25, 2020.

Sd/-

Sanjay Goenka(Chairman and Managing Director)
(DIN : 00848190)

Sd/-

Kashinath Dey

(Chief Financial Officer)

Sd/-

Nilima Goenka(Whole Time Director)
(DIN : 00848225)

Sd/-

Jaya Bajpai

(Company Secretary)

CONSOLIDATED CASH FLOW STATEMENT for the Year ended 31st March, 2020

(Amount in ₹)

	Current Year 2019-2020		Previous Year 2018-2019	
A. Cash flow from operating activities :				
Profit / (Loss) before tax		4,29,41,351		3,95,23,065
Adjustments for :				
Depreciation	14,01,385		13,46,955	
Interest Income	(81,73,145)		(55,98,158)	
Dividend Income	(2,67,711)		(1,08,650)	
Profit on Sale of Investments	9,18,912		(4,40,391)	
Profit on Sale of Fixed Assets	(4,25,320)		(99,638)	
Gratuity (Adjusted with reserves & Gratuity Premium paid)	(50,000)		2,31,878	
Financial Charges	31,413	(65,64,466)	15,02,846	(31,65,158)
Operating profit before working capital changes		3,63,76,885		3,63,57,907
Adjustments for changes in working capital :				
(Increase)/Decrease in Trade Receivables	(42,39,550)		(1,09,34,107)	
(Increase)/Decrease in Inventories	60,14,624		15,25,319	
(Increase)/Decrease in Long Term Loans & Advances	30,36,586		9,10,749	
(Increase)/Decrease in Short Term Loans & Advances	(1,58,01,186)		(2,74,26,710)	
(Increase)/Decrease in Other Current Assets	(10,69,890)		(11,81,592)	
Increase/(Decrease) in Trade Payables	81,50,090		2,50,491	
Increase/(Decrease) in Other Current Liabilities	(21,76,708)		(63,62,471)	
Net changes in working capital		(60,86,034)		(4,32,18,321)
Cash generated from operations		3,02,90,851		(68,60,414)
Taxes (Payment)/Refund	(1,09,54,296)	(1,09,54,296)	(1,29,47,855)	(1,29,47,855)
Net cash used (in)/from operating activities		1,93,36,555		(1,98,08,269)
B. Cash flow from Investing activities :				
Additions to fixed assets (Nett)	(22,51,177)		(4,85,680)	
(Increase)/Decrease in Non Current Investments	(24,87,732)		(79,10,253)	
Dividend Received	2,67,711		1,08,650	
Interest Received	81,36,294		55,98,158	
Net cash used in/from investing activities		36,65,096		(26,89,126)

CASH FLOW STATEMENT for the Year ended 31st March, 2020

(Amount in ₹)

	Current Year 2019-2020	Previous Year 2018-2019
C. Cash flow from Financing activities :		
Interest & Financial Charges	(31,413)	(15,02,846)
Dividend Paid to Shareholders (including DDT)	(58,78,528)	-
Proceeds from Long Term Borrowings	(3,16,566)	(92,019)
Proceeds from Short Term Borrowings	15,67,452	(61,65,307)
Net cash used in/from financing activities	(46,59,055)	(77,60,172)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,83,42,596	(3,02,57,567)
Cash and Cash Equivalents at the beginning of the year	1,30,84,522	4,33,42,089
Cash and Cash Equivalents at the end of the year	3,14,27,118	1,30,84,522

Note : i) The above Cash Flow has been prepared under " Indirect Method " as set out in Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
ii) This is the Cash Flow Statement referred to, in our report of even date.

Significant Accounting Policies - Note 2

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
of **Hindcon Chemicals Limited**

For **R B ROY & CO.**

Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-

CA. N. Krishnan

Partner
Membership No.062381

Kolkata
June 25, 2020.

Sd/-

Sanjay Goenka

(Chairman and Managing Director)
(DIN : 00848190)

Sd/-

Kashinath Dey

(Chief Financial Officer)

Sd/-

Nilima Goenka

(Whole Time Director)
(DIN : 00848225)

Sd/-

Jaya Bajpai

(Company Secretary)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 1 - Corporate Information

The consolidated financial statements comprise financial statements of Hindcon Chemicals Limited (the Company) and its subsidiary company M/s Padmalaya Vinimay Private Limited (collectively, "the Group") for the year ended 31st March, 2020. The Group is primarily engaged in the business of manufacturing & sale of Sodium Silicate & construction chemicals.

Hindcon Chemicals Limited is a public company incorporated in India on 25.08.1998. The shares of the Company has been listed on the SME Platform of the National Stock Exchange of India Ltd w.e.f. 9th March, 2018. The registered office of the Company is located at 62B, Braunfeld Row, 1st Floor, Kolkata - 700 027.

The particulars of subsidiary company, which is included in consolidation and the parent company's holding therein are:

Name of the Company	Country of Incorporation	Percentage of holding As at 31.03.2020	Percentage of holding As at 31.03.2019
Padmalaya Vinimay Private Limited	India	97.52%	97.52%

Note: 2 - Significant Accounting Policies

(A) Basis of preparation of Consolidated Financial Statements

The financial statements have been prepared on accrual basis under the historical cost convention and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the applicable mandatory Accounting Standards as prescribed under section 133 of The Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rule, 2014.

The preparation of Consolidated financial statements in conformity with Indian GAAP requires judgement, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

(B) Principles of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31st March, 2020. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary company are combined on a line by line basis by adding together the book values of like items of assets, liabilities, equity, incomes, expenses and cash flows after fully eliminating intra-group balances and intra-group transactions.
- (ii) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- (iii) Offset (eliminate) the carrying amount of parent's investment in subsidiary and the parent's portion of equity of the subsidiary.
- (iv) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit and loss on disposal of investment in subsidiary.
- (v) The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- (vi) Non-Controlling Interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Group.
- (vii) Non-Controlling Interest's share of assets of the consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- (viii) There is no Associate Company during the financial year ended 31.03.2020.
- (ix) There is no Joint Venture during the financial year ended 31.03.2020.
- (x) There is no foreign subsidiary during the financial year ended 31.03.2020.

(C) Other Significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 3 - Share Capital

(Amount in ₹)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
3.1 Authorised Share Capital		
1,10,00,000 Equity Shares of ₹10/- each	11,00,00,000	11,00,00,000
Issued, Subscribed & Paid Up Share Capital		
76,72,025 Equity Shares of ₹10/- each	7,67,20,250	7,67,20,250

3.2 Reconciliation of number of shares outstanding at the beginning and at the end of the year

(Amount in ₹)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the Year	76,72,025	7,67,20,250	76,72,025	7,67,20,250
Movement during the year				
Equity Shares at the end of the Year	76,72,025	7,67,20,250	76,72,025	7,67,20,250

3.3 Terms/Rights, Preferences and Restrictions attached to the Equity Shares

The company has only one class of equity shares having a par value of ₹ 10/= per share which does not enjoy any preferential right or bear any restriction with regard to distribution of dividend or repayment of capital. Each holder of equity shares is entitled to one vote per share.

3.4 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
	No of Shares	No of Shares
Equity Shares allotted as fully paid bonus shares **	34,16,400	34,16,400
Equity Shares allotted as fully paid for consideration other than cash	-	-
Equity Shares bought back	-	-

** The Company has issued 5982500 Bonus Shares on 08/08/2017 in the ratio 4:1.

Note: 4 - Reserve & Surplus

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
4.1 Securities Premium		
Balance as at the beginning of the year	6,35,02,374	6,35,02,374
Balance at the end of the year	6,35,02,374	6,35,02,374
4.2 Capital Reserve On Consolidation	3,80,64,058	3,80,64,058
4.3 General Reserve	66,98,722	66,98,722
4.4 Surplus i.e. Balance in the Statement of Profit and Loss		
Balance as per last Balance Sheet	11,59,16,992	8,74,84,444
Add: Profit during the year	2,84,28,233	2,82,00,671
Less: Appropriations		
Adjustment relating to Gratuity	(50,000)	2,31,878
Adjustment relating to Dividend Payment	(46,03,215)	-
Adjustment relating to Dividend Distribution Tax	(12,75,312)	-
Adjustment relating to Property, Plant & Equipment	-	(1)
Total	24,66,81,852	22,41,82,146

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 5 - Long Term Borrowings

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
5.1 Secured		
Car Loans from Bank	–	3,16,566
Total	–	3,16,566

5.2 Security

Car Loans from Bank for purchase of Vehicle is secured against the Vehicle purchased out of the said loan.

5.3 Repayment Terms and the applicable rate of interest on the above car loans during the year

ICICI Bank Limited

Loan from Bank was repayable in 60 equated monthly installments of ₹ 10,222/- starting from 01.03.2018 and the last installment was falling due on 01.02.2023. The loan was settled in full by the Company on 24.02.2020 by prepaying all the installments due as on that day.

Note: 6 - Deferred Tax Liabilities

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
Deferred Tax Liabilities		
Investments: Impact of difference between value of Investments as per Income Tax and value of Investments as per Books of Accounts	28,97,897	–
Total	28,97,897	–

Note: 7 - Short Term Borrowings

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
7.1 Secured		
Cash Credit From Bank	29,53,148	13,85,696
Total	29,53,148	13,85,696

7.2 Security

Cash Credit facility from bank is secured by way of hypothecation of stock of raw materials, finished goods and book debts (both present & future) and also by the personal guarantee of the directors of the Company.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 8 - Trade Payables

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
Trade Payables (Including Acceptances)		
– Micro, Small & Medium Enterprises	28,03,452	-
– Other Enterprises	4,19,70,362	3,66,23,724
Total	4,47,73,814	3,66,23,724

Note: 9 - Other Current Liabilities

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
Current Maturities of Long Term Debts (Above amount is repayable within a year)	-	92,019
Statutory Dues	8,29,257	9,80,447
Expenses Payable	57,62,270	89,85,204
Security Deposits	3,83,819	1,96,594
Advance From Customers	4,57,007	-
Bank Balance in Current Account (Cheques Overdrawn)	6,45,203	-
Total	80,77,556	1,02,54,264

Note: 10 - Short Term Provisions

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
Provision for Income Tax	1,06,75,000	1,04,67,000
Total	1,06,75,000	1,04,67,000

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 11 - Property, Plant & Equipment

Sl No.	Description	Gross Block		Depreciation			Net Block			
		As at 01/04/2019	Addition	Deductions/ Adjustments	As at 31/03/2020	For the Year 01/04/2019	Deductions/ Adjustments	Upto 31/03/2020	As at 31/03/2020	As at 31/03/2019
	Tangible Assets :									
1.	Freehold Land	44,52,661	-	-	44,52,661	-	-	-	44,52,661	44,52,661
2.	Building	9,21,854	-	-	9,21,854	7,87,826	12,299	8,00,125	1,21,729	1,34,028
3.	Factory Shed	13,52,583	1,51,292	-	15,03,875	8,01,506	55,516	8,57,022	6,46,853	5,51,077
4.	Office	18,17,683	-	-	18,17,683	11,21,349	64,554	11,85,903	6,31,780	6,96,334
5.	Furniture & Fixtures	1,80,744	-	-	1,80,744	1,57,434	6,776	1,64,210	16,534	23,310
6.	Plant & Machinery	61,80,654	4,58,777	-	66,39,431	36,72,564	4,75,993	41,48,557	24,90,874	25,08,090
7.	Motor Car	49,61,353	22,64,636	(29,58,571)	42,67,418	38,62,725	6,18,573	17,50,693	25,16,725	10,98,628
8.	Motor Cycle	1,48,088	-	(27,692)	1,20,396	1,37,172	2,722	1,13,606	6,790	10,916
9.	Electrical Installations	6,05,494	-	-	6,05,494	5,21,119	20,079	5,41,198	64,296	84,375
10.	Laboratory Equipments	1,53,901	8,028	-	1,61,929	1,28,286	8,604	1,36,890	25,039	25,615
11.	Office Equipments	14,03,589	15,934	-	14,19,523	10,09,654	1,06,777	11,16,431	3,03,092	3,93,935
12.	Computer & Accessories	3,24,566	-	-	3,24,566	2,70,662	27,084	2,97,746	26,820	53,904
13.	Fire Safety Equipments	31,430	7,200	-	38,630	18,342	2,408	20,750	17,880	13,088
	Total	2,25,34,601	29,05,867	(29,86,263)	2,24,54,204	1,24,88,639	14,01,385	(27,56,893)	1,11,33,131	1,13,21,073
	Previous Year	2,24,75,833	6,13,180	(5,54,413)	2,25,34,600	1,16,68,234	13,46,955	(5,26,550)	1,24,88,639	1,00,45,961
										1,08,07,599

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 12 - Non-Current Investments

(Amount in ₹)

	Face Value	As at 31st March, 2020 (No.)*	As at 31st March, 2019 (No.)*	As at 31st March, 2020 Amount	As at 31st March, 2019 Amount
Other Investments (Valued at Cost unless stated Otherwise)					
Investment in Equity Instruments					
Quoted :					
Aditya Birla Capital Ltd	10	13,500	8,500	17,71,854	14,31,203
Apar Industries Ltd	10	2,772	-	11,51,226	-
Ashapura Minechem Ltd	2	12,000	14,000	8,02,327	9,40,107
Automotive Axles Ltd	10	-	50	-	31,859
Deepak Fertilisers & Petrochemical Corp Ltd	10	2,000	-	1,99,990	-
Dollar Industries Ltd	2	40,000	40,000	1,51,56,380	1,52,68,270
Ejecta Marketing Ltd	10	25,000	25,000	2,50,000	2,50,000
Emami Infrastructure Ltd	2	10,700	8,700	16,09,761	15,21,215
Emami Ltd	1	2,000	3,200	6,63,794	17,88,133
Gati Ltd	2	1,000	1,000	1,07,410	1,92,985
Granules India Ltd	2	-	5,000	-	5,76,100
GTL Infrastructure Ltd	10	1,00,000	1,00,000	7,06,000	7,06,000
HDFC Bank Ltd	2	150	50	1,33,886	93,233
Himadri Speciality Chemicals Ltd	1	3,000	3,000	2,85,895	2,85,895
Hindustan Construction Company Ltd	1	14,000	3,000	1,53,777	82,767
ICICI Bank Ltd	2	-	1,500	-	5,26,873
Isgec Heavy Engineering Ltd	10	1,000	-	3,99,520	-
Jain Irrigation Systems Ltd	2	4,000	4,000	4,55,603	4,55,603
Jaiprakash Associates Ltd	2	2,00,000	1,00,000	20,82,550	24,61,250
Jaiprakash Power Ventures Ltd	10	25,000	25,000	1,54,050	2,35,250
Jindal Saw Ltd	2	10,000	13,000	8,66,439	11,81,165
JK Paper Ltd	10	4,000	3,000	5,63,800	4,29,670
JSW Energy Ltd	2	5,000	5,000	3,41,515	3,55,100
Lanco Infratech Ltd	1	1,35,000	1,35,000	13,55,200	13,55,200
Mawana Sugars Ltd	1	2,000	-	87,721	-
Mcnally Bharat Engineering Ltd	10	74,410	74,410	51,76,803	51,76,803
Minda Corporation Ltd	2	6,500	4,500	9,81,206	8,58,490
Motherson Sumi Systems Ltd	1	1,350	1,350	2,05,104	2,05,104
NOCIL Ltd	10	9,000	5,000	11,25,102	7,06,700
Power Finance Corporation Ltd	10	-	2,000	-	2,17,435
Rain Industries Ltd	10	4,000	-	4,29,082	-
Rupa & Co. Ltd	1	2,200	1,200	7,44,819	5,60,990
Sasta Sundar Ventures Ltd	10	6,025	6,025	7,33,467	7,33,467
Shree Cements Ltd	10	-	10	-	1,15,329
Sintex Plastics Technology Ltd	1	5,000	5,000	2,52,450	2,52,450
Star Cements Ltd	1	2,000	1,000	2,05,754	1,11,664
The Indian Hume Pipe Company Ltd	2	9,000	4,500	31,39,735	20,65,451
U. Y. Fincorp Ltd	5	60,000	50,000	3,75,663	3,47,435
Universal Cables Ltd	2	2,000	-	3,30,407	-
Welspun India Ltd	1	5,000	3,000	2,85,687	1,90,187

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

	Face Value	As at 31st March, 2020 (No.)*	As at 31st March, 2019 (No.)*	As at 31st March, 2020 Amount	As at 31st March, 2019 Amount
Investment in Mutual Funds					
Quoted					
Kotak FMP Series 183 Regular Plan	10	-	20,000.000	-	2,00,000
Nippon India Tax Saver (ELSS) - Growth	10	5,709.423	24,931.159	3,00,000	12,50,000
Nippon India Large Cap Fund - Growth	10	32,229.516	-	11,44,225	-
Total				4,47,28,202	4,31,59,382
Aggregate Carrying Value of Quoted Investments				4,47,28,202	4,31,59,382
Aggregate Market Value of Quoted Investments				1,38,23,060	8,54,01,609

* Quantity is after adjusting for Bonus Shares, Merger, Demerger and split of face value.

Note: 13 - Deferred Tax Asset

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
Deferred Tax Asset		
<u>Fixed Assets:</u> Impact of difference between depreciation as per Income Tax and depreciation charged for the financial reporting	5,19,775	7,50,088
Impact of Deferred Preliminary Expenses	8,30,179	13,76,485
<u>Investments:</u> Impact of difference between value of Investments as per Income Tax and value of Investments as per Books of Accounts	54,893	-
Total	14,04,847	21,26,573

Note: 14 - Long Term Loans & Advances

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
(Unsecured, considered good)		
<u>To Other than Related Parties</u>		
Deposits	9,57,479	9,94,065
Other Loans & Advances	-	30,00,000
Total	9,57,479	39,94,065

Note: 15 - Inventories

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
As taken, valued and certified by the Management		
Raw Materials	2,09,46,857	2,59,42,622
Work In Progress	1,41,660	11,33,277
Stock-in-Trade (Traded Goods)	-	27,241
Total	2,10,88,517	2,71,03,140

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 16- Trade Receivables

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
(Unsecured, considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months from the date they became due for payment	7,10,80,707	7,58,14,300
Other debts	12,72,38,787	11,82,65,644
Total	19,83,19,494	19,40,79,944

Note: 17 - Cash and Cash Equivalents

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
Cash on hand	2,10,935	3,88,335
Balances with Banks		
– Current Accounts	8,55,938	3,61,993
	10,66,873	7,50,328
Other Bank Balances		
– Term Deposits having remaining maturity of more than 3 months but not more than 12 months	2,21,60,000	56,70,000
– Term Deposits having remaining maturity of less than 3 months	82,00,245	66,64,194
Total	3,14,27,118	1,30,84,522

Note: 18 - Short Term Loans and Advances

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
(Unsecured, considered good)		
To Other than Related Parties		
Loan and Advances	6,23,00,000	4,38,00,000
Advances (Recoverable in cash or in kind or for value to be received) :		
Income Tax	1,27,03,383	1,22,23,477
MAT Credit Entitlement	11,67,670	11,67,670
Custom Duty (Advance)	4,85,551	-
Excise Duty/Cenvat & Service Tax Credit	-	1,11,859
Goods & Service Tax Credit	4,19,639	59,53,159
Goods & Service Tax (Refundable)	17,05,136	10,35,943
Compensation Cess Refundable	-	33,840
Professional Tax (Excess Paid)	5,710	-
Advance to Employees	47,000	1,27,482
Advance to Suppliers	38,97,796	17,54,193
Excess Payment to Gratuity Fund	2,11,680	3,69,104
Pre-paid Expenses	99,739	1,79,833
Provident Fund Subsidy Receivable	1,209	6,861
Total	8,30,44,513	6,67,63,421

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 19 - Other Current Assets

(Amount in ₹)

	As at 31-Mar-2020	As at 31-Mar-2019
Interest Accrued and due		
- On Loans	21,18,263	14,22,698
- On Bank's F. D.	7,58,266	3,83,941
Total	28,76,529	18,06,639

Note: 20 - Revenue From Operations

(Amount in ₹)

	Current Year 2019-2020	Previous Year 2018-2019
Sale of Products	42,81,47,557	42,78,74,852
Sale of Services	95,97,863	41,50,170
Other Operating Revenue		
Freight Received	50,42,563	84,52,752
Insurance Received	1,41,580	-
Duty Drawback	-	5,646
Bad Debts/Sundry Balances Recovery (Written Off in Earlier Years)	16,60,846	46,70,543
Subsidy On Provident Fund	-	87,808
Total	44,45,90,409	44,52,41,771

Note: 21 - Other Income

(Amount in ₹)

	Current Year 2019-2020	Previous Year 2018-2019
Interest On Loans	68,32,243	42,69,703
Interest On Banks' F. D.	13,02,207	13,28,455
Interest On I.T. Refund	38,695	-
Profit On Sale of Fixed Assets	4,25,320	99,638
Profit On Sale of Long Term Investments (Shares)	1,05,305	-
Profit On Sale of Long Term Investments (Mutual Funds)	2,43,186	-
Dividend On Long Term Investments	2,67,711	1,30,900
Other Non-Operating Income	9,248	11,720
Applicable Net Gain/Loss on Foreign		
Currency Transactions and Translations	2,26,490	-
Total	94,50,405	58,40,416

Note: 22 - Cost of Materials Consumed

(Amount in ₹)

	Current Year 2019-2020	Previous Year 2018-2019
Inventory at the beginning of the year	2,59,42,622	2,80,53,500
Add: Purchases (Net of Returns)	26,78,79,157	26,22,28,780
Less: Inventory at the end of the year	2,09,46,857	2,59,42,622
Total	27,28,74,922	26,43,39,658

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 23 - Changes in Inventory of Finished Goods, Stock-in-Process and Stock-in-Trade

(Amount in ₹)

	Current Year 2019-2020	Previous Year 2018-2019
Inventories at the beginning of the year		
Work-in-Progress	11,33,277	5,66,638
Stock-in-Trade (Traded Goods)	27,241	8,320
Total (A)	11,60,518	5,74,958
Inventories at the end of the year		
Work-in-Progress	1,41,660	11,33,277
Stock-in-Trade (Traded Goods)	–	27,241
Total (B)	1,41,660	11,60,518
Total (A-B)	10,18,858	(5,85,560)

Note: 24 - Employee Benefits Expense

(Amount in ₹)

	Current Year 2019-2020	Previous Year 2018-2019
Salary, Wages & Bonus	1,97,67,140	2,11,91,034
Managerial Remuneration	1,31,83,687	1,30,46,800
Staff Welfare Expenses	38,457	68,405
Gratuity Insurance Premium	4,75,367	2,37,337
Total	3,34,64,651	3,45,43,576

Note: 25 - Employee Benefits Expense

(Amount in ₹)

	Current Year 2019-2020	Previous Year 2018-2019
Interest Expense		
– On Bank Borrowings	1,294	4,97,983
– On Car Loans	30,119	45,140
– On Unsecured Loans	–	1,47,609
– On Statutory Payments	–	1,15,123
Applicable Net Gain/Loss on Foreign		
Currency Transactions and Translations	–	6,96,991
Total	31,413	15,02,846

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

Note: 26 - Other Expenses

(Amount in ₹)

	Current Year 2019 - 2020	Previous Year 2018 - 2019
26.1 Manufacturing Expenses		
Calibration Charges	29,535	29,025
Consumable Stores	69,012	35,234
Clearing & Forwarding Charges	20,61,130	20,13,253
Works Contract Charges	65,01,405	22,20,930
Selling & Distribution Expenses		
Advertisement Expenses	65,700	1,40,650
Carriage Outward	1,20,91,201	1,59,08,184
Sales Promotion Expenses	4,75,486	13,23,000
Rebates & Discounts	21,37,594	11,56,111
Seminar Expenses	25,000	1,27,540
Establishment Expenses		
Telephone Expenses	1,59,398	1,70,365
Printing & Stationery	3,46,726	2,82,079
Electricity Charges	4,90,327	4,46,011
Tender Expenses	–	19,700
Membership & Subscription	89,443	1,52,078
Donation & Corporate Social Responsibility	5,80,112	6,93,151
Director Sitting Fees	36,000	47,500
Postage & Telegram	32,780	52,722
Travelling & Conveyance	9,89,905	7,09,553
Computer Consumables	20,350	53,502
Motor Car Expenses	1,99,261	2,80,791
Motor Cycle Expenses	14,874	9,370
Generator Expenses	52,219	31,760
Repairs & Maintenance	1,56,456	4,90,947
Office Maintenance Charges	59,545	51,219
Website Expenses	11,520	11,850
Office Rent	3,00,000	3,00,000
Commission	2,73,095	1,26,789
Bank Charges	8,61,539	8,14,112
Security Charges	3,44,709	3,15,083
Insurance Charges	1,58,067	1,06,575
Testing Charges	1,88,100	1,00,156
General Expenses	7,65,581	4,83,367
Registration Charges	2,91,994	1,84,337
Rates & Taxes	9,66,806	13,38,129
Filing Fees	22,690	20,800
Professional Fees	15,63,393	13,75,711
Listing/Registrar Fees	95,956	55,704
Loss On Sale of Long Term Investments (Shares)	12,67,404	1,19,219
Bad Debts	68,21,717	–
Internal Audit Fees	1,60,000	2,40,000
Auditors Remuneration	2,61,360	3,14,400
Total	4,10,37,390	3,23,50,907

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

26.2 Payment to Auditors includes :

(Amount in ₹)

	Current Year 2019 - 2020	Previous Year 2018 - 2019
a) Audit Fees		
– Statutory & Tax Audit Fees	2,35,400	2,35,400
b) Others		
– Other Matters	25,960	79,000
Total	2,61,360	3,14,400

27. Details of Transactions entered into with related parties during the year as required by Accounting Standard (AS) - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as under:

a) Key Management Personnel

Mr Sanjay Goenka, Managing Director
 Mrs Nilima Goenka, Whole-Time Director
 Mr Ramsanatan Banerjee, Whole-Time Director
 Mr Krishna Kumar Tantia, Independent Director
 Mr Kashinath Dey, Chief Financial Officer
 Ms Jaya Bajpai, Company Secretary

b) Relatives of Key Management Personnel

Ms. Vidisha Goenka

c) Enterprises owned or significantly influenced by the Key Management Personnel or their relatives

M/s Bengal Traders Pvt Ltd
 M/s Chemico International Pvt Ltd

d) Details of transactions with related parties during the year/previous year :

(Amount in ₹)

Nature of Transaction	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/Relatives of Directors have control/significant influence	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Income						
Sales	–	–	–	–	12,98,80,387	12,10,04,910
Purchases	–	–	–	–	21,88,946	15,74,888
Expenditure						
Managerial Remuneration	1,31,38,687	1,30,46,800	–	–	–	–
Salary	2,16,000	1,82,000	16,77,774	37,11,634	–	–
Rent	3,00,000	3,00,000	–	–	–	–

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

e) Details of closing balances with related parties during the year/previous year :

(Amount in ₹)

Nature of Transaction	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/Relatives of Directors have control/significant influence	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Others						
Debtors	–	–	–	–	2,20,41,852	1,85,01,132
Salary/ Director Remuneration Payable	16,655	86,016	–	–	–	–

Notes:

- The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by/to related parties. This assessment is undertaken each financial year through examining the financial position of the Related Parties and the market in which the Related Party operates.
- Transactions with related parties have been disclosed for the period of existence of relationship. Previous year transactions with parties that have ceased to be related parties in the current year have been excluded in above details as the relationship did not exist.

28. Provision is made for Income tax liability estimated to arise on the financial results for the year at the current rate of tax in accordance with the provisions of Income Tax Act, 1961.

29. Balances and transactions of parties appearing under the head Debtors, Creditors and Advances are subject to confirmations. In opinion of the Management, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet if realised in the ordinary course of business. The provision for depreciation and other known liabilities are adequate and not in excess of the amount reasonably necessary.

30. Earnings Per Share (EPS)

(Amount in ₹)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Profit after tax as per Statement of Profit and Loss attributable to equity shareholders	2,84,28,233	2,82,00,671
Weighted average number of Equity Shares of ₹ 10 each outstanding during the year:		
– Basic & Diluted	76,72,025	76,72,025
Earnings Per Share (Basic & Diluted)		
– Basic & Diluted	3.71	3.68
Face Value per equity shares	10	10

31. The Company has received memorandum as required to be filed by the suppliers with the notified authority and Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro small or medium enterprises. Consequently, the amounts paid/payable to such parties as at the year end together with interest paid/payable (if any) as required under the said Act is ₹28,03,452/-

32. Demands/Claims by various government authorities and others not acknowledged as debts by the Company:

- Income Tax Matters ₹ 27.43 Lacs (Previous Year: ₹ 28.94 Lacs)

33. In accordance with the revised Accounting Standard-15 for Employee Benefits, the requisite disclosure are as follows:

(i) Defined Contribution Plan

The Company contributes to the Provident fund maintained by the Regional Provident Fund Commissioner. Contributions are made by the company to the Fund based on the current salaries. Employees' contribution are deducted from their remuneration on a monthly basis and deposited by the Company to the Regional Provident Fund. Apart from making monthly contribution to

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

to the scheme, the Company has no other obligation. The amount recognised as expense for the Defined Contribution Plans and charged to the Statement of Profit & Loss are as under:

	(Amount in ₹)	
	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Contribution to Provident Fund	2,85,656	2,74,737

(ii) Post Employment Defined Benefit Plan - Gratuity

The Company has a defined benefit employee retirement plan in the form of gratuity. Every employee, who has completed five years or more of service gets a gratuity on departure equivalent to 15 days salary (last drawn salary) for each completed year of service.

The following tables summarize the components of employee benefit expenses recognised in the Statement of Profit and Loss and Balance Sheet for the Gratuity plans:

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(Amount in ₹)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Current service cost	3,37,194	3,60,987
Interest cost	1,64,614	1,63,857
Expected Return on plan asset	(1,90,451)	-
Net Actuarial Loss/(Gain) recognised in the year	1,64,010	(2,87,507)
Net Benefit Expense	4,75,367	2,37,337

Balance Sheet

Benefit Asset / Liability

(Amount in ₹)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Present Value of the obligation at the end of the period	27,04,954	23,51,624
Fair Value of Plan assets at the end of the period	(29,16,634)	(27,20,728)
Net (Asset)/Liability recognised in the Balance Sheet	(2,11,680)	(3,69,104)

The Principal Assumptions used in determining Gratuity for the Company's plans is tabled as below:

(Amount in ₹)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Discount Rate (based on macroeconomic trend)	7.00% p.a	7.75% p.a
Salary Growth Rate	6.00% p.a	6.00% p.a
Mortality Rates	IALM 2012-2014	IALM 2006-2008
Expected rate of return	-	ULTIMATE
Withdrawal rate (Per Annum)	5.00% p.a	5.00% p.a
Normal Retirement Age	58	58
Salary	Last drawn qualifying salary	
Vesting Period	5 Years of Service	
Benefits of Normal Retirement	15/26 * Salary * Past Service (Yrs)	
Benefit on early exit due to death & disability	As above except no vesting condition apply	
Limit	20,00,000.00	20,00,000.00

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations.

- (iii) The Company is making annual contribution to LIC's Group Gratuity scheme towards gratuity and other retirement/termination benefits for the company's employees. The Company has provided for gratuity covering eligible employees. Company's gratuity policy provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

34. The amount of borrowing cost capitalized during the Year is ₹ Nil (Previous Year: Nil)

35. The Company's business activities fall within single primary business segment viz. "Construction Chemicals", the disclosure requirement of Accounting Standard - 17, "Segment Reporting" issued by The Institute of Chartered Accountants of India are not applicable in respect of primary business segment. However, the geographical segments considered for disclosures on the basis of sales are as under :

(i) **Segment Revenue** (Amount in ₹)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Sales Within India	32,14,67,205	38,60,11,357
South East Asia (Sales Outside India) ***	10,66,80,352	4,18,63,495
Total	42,81,47,557	42,78,74,852

*** Sales outside India includes sales to Nepal and Bhutan, which are transacted in Indian Currency and not in Foreign Currency.

(ii) **Total Carrying amount of segment assets** (Amount in ₹)

	As on 31-Mar-2020	As on 31-Mar-2019
Carrying value of assets Within India	1,13,21,073	1,00,45,962
Carrying value of assets in South East Asia (Outside India)	-	-

(iii) **Total cost incurred during the period to acquire segment assets** (Amount in ₹)

	As on 31-Mar-2020	As on 31-Mar-2019
Carrying cost incurred to acquire assets Within India	29,05,867	6,13,180
Carrying cost incurred to acquire assets in South East Asia (Outside India)	-	-

36. (i) **Foreign Exchange Earnings and Outgo :** (Amount in ₹)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Earnings in Foreign Currency ***	3,61,380	50,22,525
Expenditure in Foreign Currency	10,13,98,328	3,44,85,631

*** Earnings in Foreign Currency denotes sales made to Bangladesh which has been done in US Dollar Currency.

- (ii) Value of imported and indigenous raw materials and components, stores and spare parts consumed and percentage of each to the total consumption :-

	Amount (in ₹)		Percentage	
	Year ended 2019-2020	Year ended 2018-2019	Year ended 2019-2020	Year ended 2018-2019
Raw Materials:				
Indigenous	18,26,18,943	22,98,54,027	67	87
Imported	9,02,55,980	3,44,85,631	33	13
	27,28,74,923	26,43,39,658	100	100

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the Year ended 31st March, 2020

37. In accordance with the Accounting Standard-19 for Leases, the requisite disclosure are as follows: (Amount in ₹)

	2019-20		2018-19	
	As on 2019-2020	Present Value	As on 2019-2020	Present Value
Minimum Lease payments				
Not later than 1 year	–	–	1,22,664	92,019
Later than 1 year and not later than 5 years	–	–	4,80,434	3,16,566
Later than 5 years	–	–	–	–

38. As per Section 135 of the Companies Act, 2013, a company meeting the applicable threshold limit, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. A CSR committee has been formed by the company as per the Act. In accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility, the requisite disclosure are as follows:

- (a) Gross amount required to be spent by the company during the year : ₹ 8.03 Lacs (Previous Year: ₹ 6.32 Lacs)
 (b) Amount spent during the year on :

Particulars	Amount Paid	Amount yet to be paid**	Total
(i) Construction/Acquisition of any asset	–	–	–
(ii) On Purposes other than (i) above	5,80,112	2,22,961	8,03,073

- (c) Details of related party transactions as per AS - 18 in relation to CSR Expenditure : ₹ Nil (Previous Year: NIL)
 (d) Provisions made in relation to CSR expenditure, if any : Nil

** The unspent amount have been temporarily deployed in fixed deposit with banks. As per the management, the same shall be spent by 31st March, 2021 by liquidating the said fixed deposit with banks.

39. Additional Information under general instructions for the preparation of Consolidated Financial Statements of Schedule III to the Companies Act, 2013

Sl. No.	Name of the Entity	Net Assets i.e. total assets minus liabilities as at				Share in Profit or Loss for the year ended			
		31st March, 2020		31st March, 2019		31st March, 2020		31st March, 2019	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Profit & Loss	Amount
Parent									
1	Hindcon Chemicals Ltd	93%	30,07,63,955	93%	28,13,12,227	108%	3,06,41,126	99%	2,78,87,700
Subsidiaries									
1	Padmalaya Vinimay Pvt Ltd	7%	2,26,38,147	7%	1,95,90,168	-8%	(22,12,893)	1%	3,12,971
	Total	100%	32,34,02,102	100%	30,09,02,395	100%	2,84,28,233	100%	2,82,00,671

40. Comparative Financial information (i.e. the amounts and other disclosure for the preceding year) presented above, is included as an integral part of the current years financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors
 of **Hindcon Chemicals Limited**

For **R B ROY & CO.**

Chartered Accountants
 ICAI Firm Regn. No.322805E

Sd/-

CA. N. Krishnan

Partner
 Membership No.062381

Sd/-

Sanjay Goenka

(Chairman and Managing Director)
 (DIN : 00848190)

Sd/-

Nilima Goenka

(Whole Time Director)
 (DIN : 00848225)

Kolkata

June 25, 2020.

Sd/-

Kashinath Dey

(Chief Financial Officer)

Sd/-

Jaya Bajpai

(Company Secretary)

CORPORATE INFORMATION

Board of Directors

Mr. Sanjay Goenka	Managing Director
Mrs. Nilima Goenka	Whole Time Director
Mr. Ramsanatan Banerjee	Whole Time Director
Mr. Binay Kumar Agarwal	Independent Director
Mr. Girdhari Lal Goenka	Independent Director
Mr. Krishna Kumar Tantia	Independent Director

Chief Financial Officer

Mr. Kashi Nath Dey

Company Secretary

Ms. Jaya Bajpai

Main Banker

Kotak Mahindra Bank Limited

Auditors

M/s R B Roy & Co.
Chartered Accountants
49, Deshapran Sashmal Road
3rd Floor, Room No. 3B
Kolkata – 700 033

Secretarial Auditor & Legal Advisor

Mr. Santosh Kumar Tibrewalla
Practicing Company Secretary
5A, N. C. Dutta Sarani, 3rd Floor
Kolkata-700 001

Registrar & Share Transfer Agents

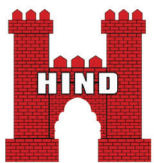
Link Intime India Pvt Ltd
Room Nos. 502 & 503, 5th Floor
Vaishno Chamber, 6 Brabourne Road
Kolkata- 700 001

Registered office

62B, Braunfeld Row, 1st Floor
Kolkata-700 027

Manufacturing facilities

Jalan Complex, Gate No. 3, Baniyara, Domjur
Howrah-711 411



Strength Upon Strength

HINDCON CHEMICALS LIMITED

Registered office:

Vasudha, 62B, Braunfeld Row

Mominpore, Kolkata 700 027

West Bengal

P: 91 33 24490835/39 **F:** 91 33 24490849

E: contactus@hindcon.com

W: www.hindcon.com