

Hindcon Chemicals Limited  
Annual Report 2021-22



# Protection

Why this one word has become defining  
in a pandemic-marked world

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### 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.

# Protection

The one word that is at the heart of humankind's quest for a secure tomorrow is 'protection'.

This word has extended beyond its original application in health care to everything.



There is a growing recognition that the subject will need specialists.

Hindcon Chemicals is one such specialist.

The company specialises in the manufacture and application of speciality construction chemicals.

Extending the company from product to solution and the customer from transaction to relationship.

## Corporate snapshot

## ‘Built to last.’

These three words have gained currency ever since people began to build larger structures.

What provides these structures their fatigue-less appeal is the prudent use of speciality chemicals.

These chemicals and their specialised knowledge application are helping delay repairs and renovation.

They are strengthening infrastructure life, moderating maintenance costs and extending asset life.

Hindcon Chemicals is a manufacturer of such specialized chemicals committed to extend asset longevity and enhancing infrastructure viability.



A grayscale background image of classical architectural columns with fluted shafts and papyrus capitals, set against a light sky. The columns are arranged in a row, receding into the distance.

68.08

Promoters' holding,  
31st March, 2022 (%)

7,126

Market capitalisation,  
31st March, 2022  
(₹ lakhs)

101

Team size, 31st  
March, 2022



## Background

Following a 39-year career in the industry, Mr. Sanjay Goenka founded Hind Silicates Private Limited in 1998 (renamed Hindcon Chemicals Limited in 2012). The company has extended to the production of construction chemicals and sodium silicate.



## Location

The Company's factory is located on the outskirts of Kolkata (Jalan Industrial Complex). Nearly 62 % of the company's revenues are derived from Eastern India.



## Portfolio

The company manufactures concrete and mortar admixtures, floorings, protective waterproofing coatings and adhesives. The company offers services like waterproofing, turnkey projects, repair services and retrofits damaged structures.



## Capacity

The capacity of sodium silicate was 18,000 MT per year, while the capacity of cement additives was 12,000 MT per year. In FY 2021-22, the manufacturing plant operated at 56% of its capacity.



## Certified

Quality control and management processes are covered by ISO 9001:2015, ISO 22716:200 and BIS 9103 and BIS 2645 accreditations. The company is a member of FOSMI, Merchant Chamber of Commerce, and Indian Chamber of Commerce. The firm is also a member of the Indian Green Building Council, which promotes the creation of environmentally friendly products.



## Clientele

HCC and AFCONS, Jaiprakash Associates Ltd., Larsen and Toubro Ltd., Patel Engineering, Druk Green Power Corporation, Reliance Infrastructure Ltd., S.P. Singla Constructions and Tata Projects are prominent construction firms who use or prescribe the company's products. The firm worked closely with the multinational Hindustan Unilever.



## Workforce

Hindcon's, specialised R&D team is credited for developing cutting-edge products. Hindcon had 101 permanent workers as on 31st March, 2022.



## Listing

The company enjoyed a market capitalisation of ₹7,125.73 lakhs as of 31st March, 2022, and was listed on the NSE main board from the second quarter of 2021-22

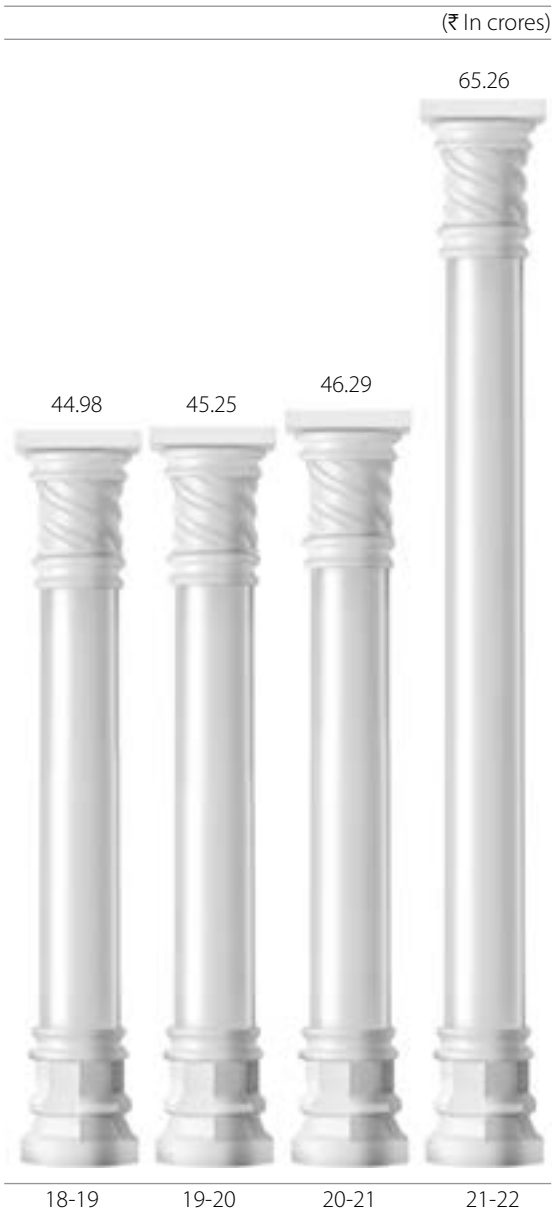


## Customers

The Company addresses B2B and B2C clients; B2B customers accounted for 85.75 % of revenues in FY 2021-22.



# How we have performed across the years



## Revenue

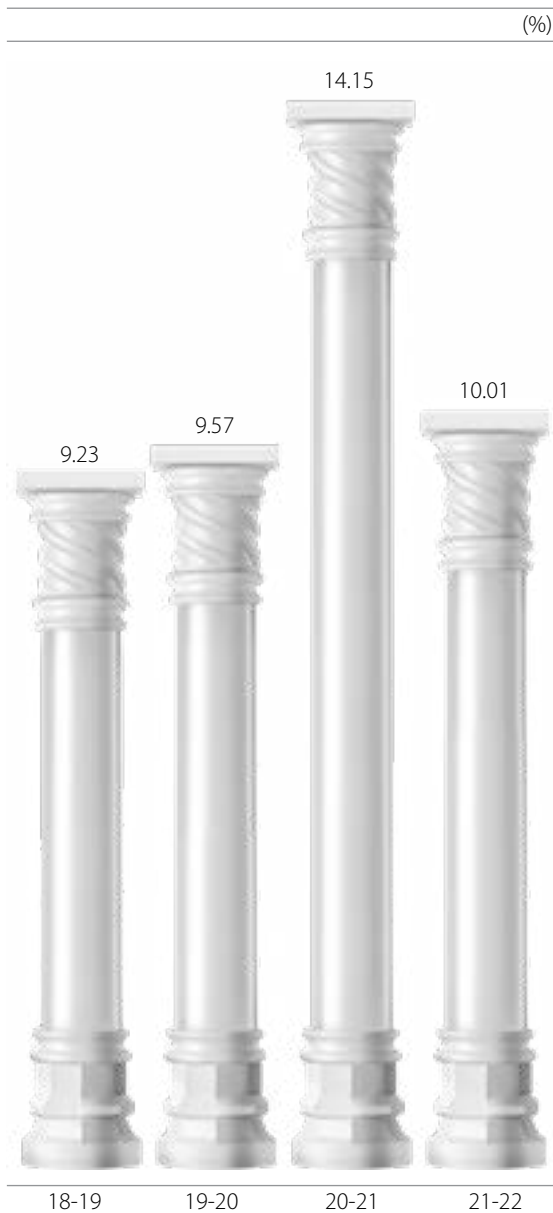
**Performance:** Aggregate revenues grew 40.98% to ₹65.26 crores during FY 2021-22 following an increase in retail sales, wallet share and customers.



## EBITDA

**Performance:** EBITDA decreased by 0.30% to ₹6.53 crores in FY 2021-22.





### EBITDA margin

**Performance:** The Company's EBITDA margin decreased by 414 bps during FY 2021-22 on account of an increase in raw material costs that could not be passed on to customers.



### Debt-equity ratio

**Performance:** The Company's gearing increased from 0.01 during FY 2018-19 to 0.03 during FY 2021-22, indicating an absence of debt in the books.

The Chairman's message



“The company widened its recall from conventional to ‘green’ products and strengthened its business sustainability”



**Was the management satisfied with the performance of the company during the year under review?**

A: The management was pleased with the performance of the company. Despite challenges in the form of unexpected pandemic-induced interruptions, slowdown in the fourth

quarter on account of inflation and the Russia-Ukraine war, decline in the availability of shipping containers and high freight costs, the company achieved its sales target.

The company achieved 40.98% growth in revenues during the last financial year.



**What are the implications of this improved performance?**

During the last few years, we had indicated that the company would progressively widen its portfolio and sales footprint, which would strengthen its sustainability. The

performance of the company during the last financial year was a validation of the maturing of the company. The company demonstrated a capacity to grow during challenging

circumstances, ride the emergence of a positive real estate cycle, widen its recall from conventional to ‘green’ products and strengthen business sustainability.



**You indicated an important word – ‘maturing’. Can you elaborate?**

The year under review was a challenging one, marked by inflation in our raw material costs by a sizable 20%. In this environment, there is always the possibility of competition from the unorganized sector finding room to undercut organized players. However, the company continued to protect its supply chain that empowered it to

meet the on-time and in-full needs of its customers. This reliability translated into the company being able to retain most of its customers. A large number of customers generated increased business for the company during the last financial year, a validation of the brand, superior value, product effectiveness and the company’s

established competence in delivering a single-point solution. The result is that company finished the year under review with a stronger recall, which we believe represents a foundation of scalable growth from this point onwards.



### What is the sectorial reality that provides the company with optimism?

There are some positive realities building up within the sector. One, the smaller and unorganized players encountered increased challenges in mobilising bank finance (for working capital needs) and raw materials at a time of supply chain disruption. Besides, there was a customer traction

to work with credible vendors who promised and delivered supplies on schedule. There was also a growing movement of customers towards environment-friendly construction chemicals, which the unorganized or small players could not provide. In view of these realities, there was a traction

for established branded players like Hindcon. It would be relevant to indicate here that the proportion of sales generated from multi-national FMCG brands in India increased substantially on account of a superior price-value proposition provided by the company.



### What was one of the most significant developments for the company in FY 22?

The introduction of six 'green' construction chemicals by the company represented a high point in the company's performance during the last financial year. Over the last few years, there has been a growing demand for environment-friendly inputs in construction. This irreversible

trend is being driven by property rating agencies, fund providers and customers. Hindcon addressed this long-term opportunity with a widening portfolio of products for a variety of needs. We believe that this launch, the full impact of which will reflect from the current financial year, will transform

the personality of the company and empower it to tap into a fast-growing segment of the construction chemicals space. In line with this direction, the company was also certified for 'green products', transforming its recall and making it 'go to' partner.



### What is the other basis of the company's optimism?

The construction chemicals market is graduating from standardized to customized products; the market is evolving from products to solutions; the market is transforming from a 'buy from anywhere' approach to enhanced resource security. The result is that a rising number of downstream users are getting into secure supply chain partnerships with stable and

dependable producers like Hindcon. Companies like ours understand end applications, provide overarching solutions and deliver customised products that address the customer's pain point. We believe that as this trend accelerates, a larger number of our customers will turn to us as a preferred partner, strengthening our revenue visibility. Some of this was

already evident during the last financial year when we generated 81.83% of our revenues in our institutionalised B2B engagement with customers of three years or more. This indicates that our downstream customers are turning to specialised solution providers like our company.



### How does the company intend to grow its business?

We have deployed a number of strategies to grow our business quality and quantity. **One**, we intend to increase the share of retail trade during the current financial year substantially. **Two**, we will continue to emphasise the role of 'green' construction chemicals, making us a turn-to solutions provider in a space

that is growing rapidly. **Three**, we will enter into conversion arrangements with other companies that possess idle capacity, enhancing the asset-light proportion of our revenues. **Four**, we are on the look out for complementary companies and assets to buy out, strengthening our prospects. **Five**, we intend to extend our footprint

wider, especially into Bangladesh. **Six**, we intend to enhance our capacity utilisation that will not only generate superior manufacturing economies but also strengthen our proposition as an on-time and in-full supply chain partner.

## Case study

# How Hindcon restored the alkaline cooling tower at the refinery





**Utkal Alumina International engaged the renowned consultant Bureau Veritas Pvt Ltd. for a survey of repairing procedures.**

Once this survey was concluded, Utkal recommended Hindcon's name for project execution.

After discussions to explain the utility of chemicals that needed to be admixed in the mortar and coatings, the client accepted the offer.

After Hindcon was engaged, the client's engineering department informed that it encountered a severe problem. In the cooling tower, there was a large fan that rotated at the top of the tower on inclined RCC bracings with the fan was fixed on RCC platform at the top of the bracing. When rotating there was a vibration limit that increased to 200 times the limit.

Hindcon's engineers studied the problem, proposed corrective measures and completed the job. The vibration of the fan declined.

Thereafter, Hindcon completed the job promptly and successfully.

## Case study

# How Hindcon water-proofed terrace, toilets, kitchen and podium



## Hindcon was approached by one of Calcutta's most respected real estate companies.

The real estate brand encountered waterproofing challenges that could have affected its brand.

The company turned to Hindcon for assistance.

Hindcon examined the problem and recommended specific waterproofing methodologies approved by the structural consultant.

The water leak declined and disappeared.

The real estate company was so impressed that it provided Hindcon with additional assignments.

The result is that the real estate company – with Hindcon by its side – is now completely confident of delivering leak-proof solutions.

## Case study

# How Hindcon water-proofed the roof and strengthened structures



## Kolkata's largest horticulture society faced a challenge.

The office building of about 4,000 sq ft developed extensive leaks even during brief showers.

Hindcon was called in to help.

The company's engineers visited to examine the seepage.

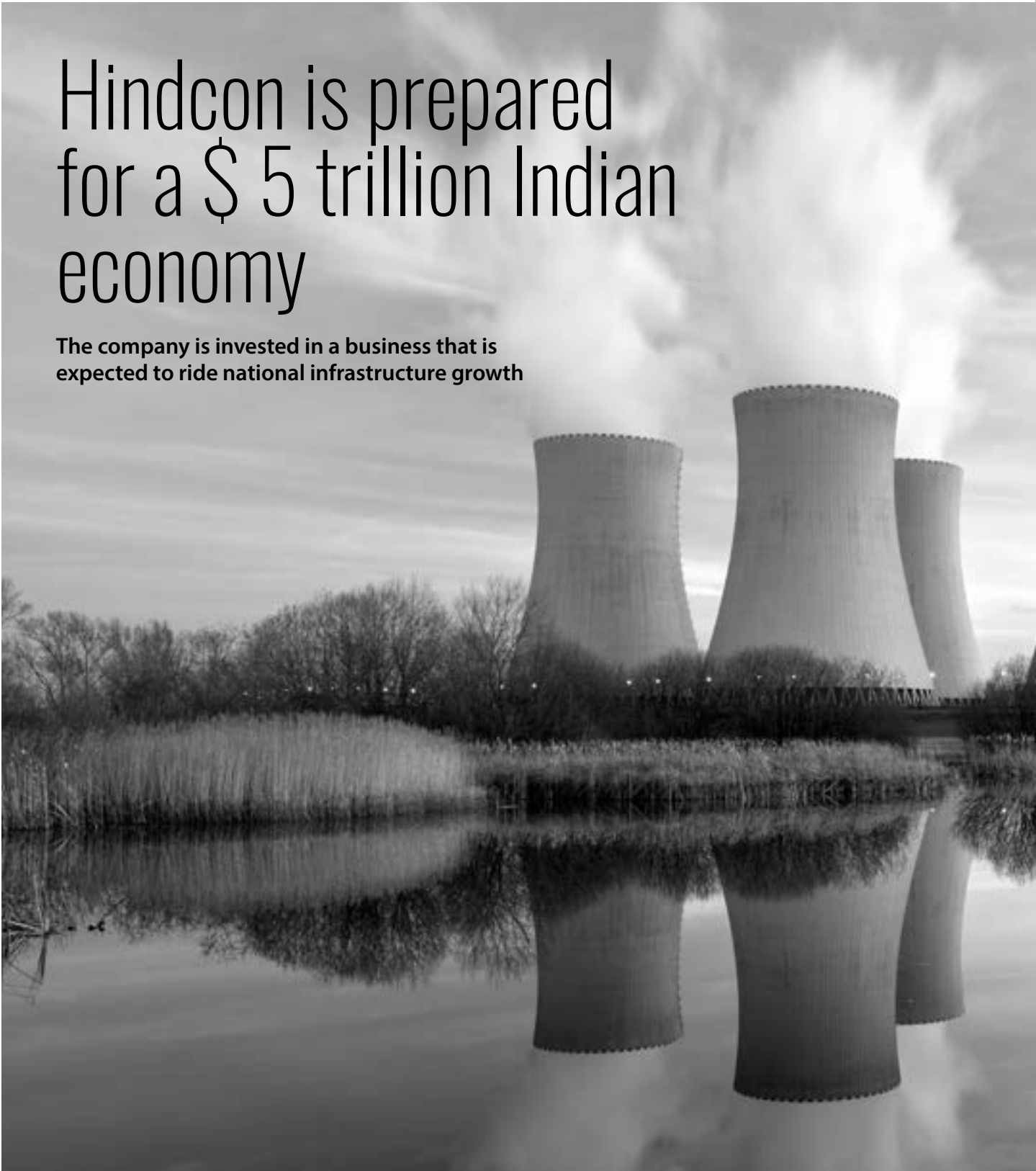
They recommended a waterproofing procedure using Hindcon's products (in addition to some outsourced brands) coupled with structural changes.

The result of this single-stop solution was that leaks declined and the society's members could heave a sigh of relief.

The big picture

# Hindcon is prepared for a \$ 5 trillion Indian economy

**The company is invested in a business that is  
expected to ride national infrastructure growth**







## Overview

Hindcon has invested in businesses that ride the Indian economic growth. The stronger the growth of the economy, the better the company's performance. From a macro perspective, the company is attractively placed. In 2021, India, with a population of around 1.40 billion, possessed an economy estimated at \$ 2.92 trillion and was the sixth largest in the world. India is likely to grow faster to emerge as the world's third largest economy by the end of this decade.

**National turnaround:** India's tax collections reported a record 27.07 lakhs crores in FY 2021-22 compared with the Budget estimate of ₹22.17 lakhs crores; tax-to-GDP ratio jumped from 10.30% in FY21 to 11.70% in FY22, the highest since 1999. The value of goods exported from India witnessed 40% growth during 2021-22 financial year, touching a record \$417.80 billion and surpassing the government target by 5%. This could strengthen the company's business.

**Infrastructure spending:** In the 2022 Union Budget, India announced a 35% increase in infrastructure outlay. The PLI schemes are expected to strengthen MSMEs, increasing their contribution to the Indian economy from 30% to 40%. National Infrastructure Pipeline (NIP) was launched with a projected infrastructure investment of around 111 lakhs crores (US\$ 1.50 Trillion) during 2020-2025 to provide world-class infrastructure. (Source: *Money Control, pib.gov.in, Livemint*). This could grow the company's speciality chemicals business.

**Population and demographics:** The current population of India is 1.40 billion as on 2022; by 2023, India could overtake China to become the most populous country. More than 50% of India's current population is below the age of 25; over 65% population is below 35. India's population is urbanizing, evolving its preferences and aspirations. The country could have the world's third-largest

number of high-income households by 2030. This could catalyse all products in which the company is present.

**Middle-class:** Around 55% of India's population could belong to the consuming class by 2030, a significant improvement from 24% today. (Source: *Economic Times*). By 2030, India could move from being an economy led by the bottom of the pyramid to one led by the middle-class. The number of middle-income households is expected to rise from 50% of all households today to 80% by 2030, accounting for 75% of all consumer spending that year. This could catalyse the sale of all products in which the company is present.

**Plan B:** Plan B is an increasingly used reference to describe the world's need to reduce its excessive dependence on China for resources and products and broadbase the global supply chain. The country that comes collectively closest in terms of scale, costs, legal framework, knowledge base and manufacturing tradition is India. The optimism on this count arises from the fact that even a nominal movement away of the world's procurement from China can drive India's share of exports and global trade. This could strengthen the country's industry, catalysing the business where Hindcon is present.

**Make in India:** Atmanirbhar Bharat is expected to enhance self-reliance and provide for the country's growing needs from within. This is expected to strengthen India's position as a competitive global products and services provider. This could catalyse the erection of infrastructure, strengthening the offtake of chemicals.



# ₹100 trillion.

This is the outlay for India's spending on advanced construction.

This can create an attractive opportunity for specialised construction chemicals.

Hindcon is among the most respected companies in this niche.

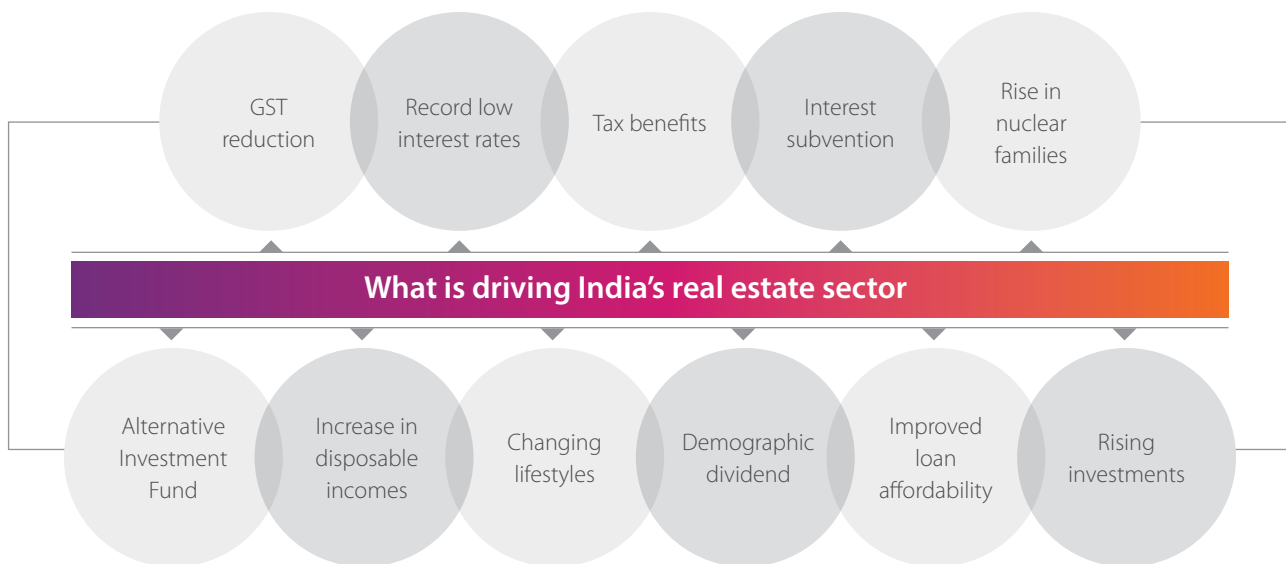
Playing a constructive role in the safeguarding of national assets.

## Overview

The size of Indian real estate sector was around US\$ 200 billion in 2021, projected to reach a value of US\$ 1 trillion by 2030 and accounting for 13% of India's GDP by 2025. This is likely to be catalysed by a rise in the urban population, affordable housing stock, Smart Cities Mission and revived economic growth.

The Indian real estate attracted US\$ 943 million investments in Q1 2022. Housing sales in eight cities increased by 60%. The revival of India's real estate sector in FY 2021-22 was boosted by GST reduction, record low interest rates, interest subvention, tax benefits, alternative investment fund, concession to real

estate transactions, rise in nuclear families, increase in incomes, demographic dividend, changing lifestyles, improved loan affordability and rising investments.



## Advantages of pre-cast construction

**Saves construction time:** Precast concrete construction saves time, moderating the risk of projects delay. The precast concrete casting can be carried on simultaneously with other on-site activities like earthwork, survey, etc.

**Quality Assurance:** The key factors that regulate construction quality (curing, temperature, mix design, formwork etc.) can be monitored for Precast Concrete.

**Use of prestressed concrete:** By using pre-stressed precast, structural materials of high strength and load-

bearing capacity can be achieved, which can result in a greater clear span and reduced size of the cross-section of structural members etc.

**Cost-effective:** The simplified construction process reduces time, increases productivity, quality and safety while moderating costs.

**Durability:** Precast concrete structures deliver longer service with minimal maintenance. The high-density precast concrete is more durable to acid attacks, corrosion, impacts, surface voids and dust accumulation.

**Aesthetics:** As the structures are prefabricated in a controlled factory environment, several combinations of colors and textures can be used. A wide range of shapes and sizes are available to choose from with smooth finishing, enhancing the aesthetic value of products.

**Safe construction platform:** No raw materials have to be stocked in site for Precast Concrete construction. It reduces the requirement of traditional formworks and props, wastage, workers, etc. and provides a safe working platform. (Source: Civil Today)

# Hindcon and climate change.

## How the company has adapted to the need for 'green' construction chemicals

### Overview

Climate change is marked by intense and frequent micro-climate changes. In the matter of minutes, cloudbursts have flooded cities, stressing infrastructure. This section explains the correlation between micro-climate extremes and the need for speciality chemicals.

**Climate change:** India observed a jump in average temperature, increase in rainfall and an intensity of cyclones accompanied by a rise in the average global temperature by 1.2 degrees Celsius over pre-industrial levels.

**Temperatures:** The average mean temperature recorded in India was 28.18 degrees Celsius, which was highest all time. This impact of climatic change could raise average surface air temperatures by upto 4.4 degrees Celsius by the end of the century. This increase could change the design and construction of structures.

**Cyclones:** In the middle of the second wave of the COVID-19 pandemic, India observed two cyclones, Tauktae and Yaas, causing a huge destruction across several Indian states. The north Indian Ocean, which comprises the Arabian Sea and the Bay of Bengal, generates 7% of the world's cyclones. The maximum intensity of cyclones in the Arabian Sea increased 20-40% from 100 km per hour to 140 km per hour in the midst of the pre-monsoon season. (Source: Times of India)

**Precipitation:** Indian monsoon seasonal rainfall in 2021, between 1st June and 30th September 2021, was 87 cms (99% against its long period average). Due to

these monsoonal fluctuations a stronger protection of structures was required through the use of speciality chemicals.

**Smart buildings:** There is an increasing commitment to 'smart' buildings that consume environment friendly materials. This provides a company like Hindcon an opportunity to widen its offerings and build its respect as a company that also provides 'green' products

**'Smart cities':** To improve the quality of life, the government is focusing on expanding smart cities to provide better urban infrastructure that could help Hindcon address a growing market.

**Verticalisation:** The spatial rollout of cities (that would otherwise have consumed more fuel and increased carbon footprint) is being addressed with multi-storied buildings. During 2021, out of 1,178 projects launched across top seven cities, about 614 buildings were high rise. The increased verticalization warranted a higher use of protection chemicals. (Source: TribuneIndia, ETimes, Business Springer.com, Times Property)

**'Green cement':** Indian manufacturers are moving towards green cement because it is eco-friendly, utilizing industrial waste

with a lower carbon dioxide discharge and requiring moderate energy. Green cement is long-lasting with superior early strength, resilience, durability, crack resistance and low chloride permeability. It can resist corrosion three to four times more than ordinary cement. (Source: theconstructor.org)

### The big picture

1.64

% of revenues from 'green' chemicals, FY 22

# Why the construction chemicals market is entering a new growth orbit

## Introduction of GST

- Narrow cost differential between organized and unorganized players, benefiting the former
- Former users procuring sodium silicate from organised players
- Greater emphasis on branded products, coupled with service

## Growing impact of climate change

- Focus on perennial water-proofing to withstand heavy downpours
- Priority on proactive upfront expense over reactive fire-fighting
- Widening the market for sodium silicate and construction chemicals

## Premium on quicker and safer construction

- Consumers needing home construction to be finished faster
- Growing need to shrink cement setting time
- Use of construction chemicals protecting construction quality

## Low customer price-sensitivity

- General consumer traction for better and branded products
- Low cost as a proportion of a home in return for substantial benefits
- Higher focus on certifications and standards

## Shrinking construction tenure

- Greater traction for pre-cast construction
- This construction form warrants higher construction chemicals use
- Larger addressable market for Hindcon

## Larger focus on protection

- Greater consumer focus on low maintenance costs
- Widening the market for construction chemicals
- Wider market for a branded player like Hindcon

# Hindcon Chemicals enjoys a vast addressable market on account of moderate per capita consumption

2

The rank of India among the largest cement producers

7

% share of India in the global installed capacity

242

kgs India's per capita cement consumption in 2021-22

525

kgs, Global per capita cement consumption in 2021-22

381

million tonnes, size of India's cement sector, FY 22

550

million tonnes, projected size of India's cement sector, 2025

1,41,190

Km, length of India's road network by 2022

2,00,000

Km, projected length of India's road network by 2025

(Source: IBEF)

11

(%) India's share of dollar millionaires (2021)

40

(%) US share of dollar millionaires (2019)

1.39

billion, population of India in 2021

1.65

billion, projected population of India in 2060

(Source: The Times of India)

(Source: World Population Review)

69.40

Years, total life expectancy in India in 2021. 46.40 years was the total life expectancy of India in 1968.

(Source: WHO, [countryeconomy.com](https://countryeconomy.com))

74.20

Years, projected total life expectancy in India in 2050

(Source: Economic Times)

10

Estimated affordable housing shortage in India

(Source: Ministry of Housing and Urban Affairs, 2018)

49

% of millennials buying homes on NoBroker.com, post-Covid

63

% of millennials buying homes on NoBroker.com, post-Covid

4.40

People, average household size in India, 2020

(Source: Arcgis.com)

4.90

People, average global household, 2020

35.40

% of the Indian population that is urban, 2021

(Source: Statistics Time)

56.61

% of the global population that is urban, 2021

13

million, households with true discretionary spending power, 2005

(Source: McKinsey)

90

million, estimated households with true discretionary spending power, 2025

1,050

Square feet, average apartment size in India, 2019

1,150

Square feet, average apartment size in India, 2020

31

Average age of home buyers in 1981

(Source – Outlook India, Money.com)

23-25

Average age of home buyers in 2022

# How we have strengthened our marketing



## Overview

Hindcon Chemicals Ltd is engaged in the evolution and merchandising of construction chemicals

The company possesses an experience of more than six decades in the field of construction chemicals

The company has been engaged in the progressive improvement of products to enhance their efficacy and outcomes

The company enhanced the eco-friendly nature of its products through product re-engineering and change in material mix

## Challenges and performance, FY 22

The company encountered increased competition and inflation during the year under review, which made it imperative to pass costs to consumers and protect

profitability. The company passed costs in some cases and selected to absorb in others, affecting its profitability.

## Strengths

Hindcon provides products around a superior piece-value proposition

The company's products have been marked by superior quality and better after-sales service

The company customised products around customer needs, enhancing a neat fit with downstream requirements

## Business-strengthening strategies

The company launched the following products during the last financial year:

- Hind Block Fix
- Hind Fix TA

- Hind Sealant PS
- Hind Anti Rust
- Hind Crete Plus – WPM
- Hind Hydraproof Ceramic
- Hind Plasto Guard
- Hind Crystal Seal
- Hind Patch R
- Hind Tile Grout
- Hind Plast EGA
- Hind Styrene BR
- Hind Hydrolast 2K

The company enhanced volume sales by 4.98%

## Optimism

Our optimism is derived from the fact that the Indian government has kickstarted an infrastructure creation momentum, expected to expand at a CAGR of approximately 7% with a spending outlay of ₹102 lakhs crores by 2024-25.





**Downstream industries we cater to**

Chemical industry

Cement industry

**Construction chemicals**

Construction chemicals are chemical compounds used in construction. They are mainly used to accelerate the process or enhance structural strength. The addition of construction chemicals to various building materials during construction enhances performance, workability, functionality, and protects

basic or customised elements. The reason why construction chemicals are getting increased attention is because structures are getting larger and sophisticated. Cities are being increasingly marked by skyscrapers, concrete and customised

bridges, state-of-the-art hospitals, large shopping malls, large offices and sprawling factories. Different construction chemicals are used for coating, surface application and repair materials.

# Our sodium silicate operations



# 13.34

₹ crores, Revenues from this segment, FY22

## Overview

Hindcon Chemicals manufactures Sodium Silicate, which is used in the downstream sectors of the cement industry. The company possesses a manufacturing capacity of 18,000 MT. The company provides a range of sodium silicate grades, addressing diverse customer needs. The company launched environment friendly grades and was registered with National Small Industries Corporation; it was accredited for ISO 22716: 2007 and the ISO 9001:2015.

Sodium silicate is used as a convenient source of sodium for industrial products - as a builder in laundry detergents, as

a binder and adhesive, as a flocculant in water-treatment plants, and in other applications. The application areas of sodium silicate include the pulp and paper industry, paints and coatings, adhesives, soaps & detergent manufacturing, construction and others.

## Performance, FY 22

The company reported a 25.87% growth in revenues from this segment in FY 22 and 12.25% by volume

The company's products were marked by superior quality, strengthening offtake

The company's R&D helped enhance product brand, quality and respect

The company is engaged in product development without significant capital expenditure

The company moderated production costs through better negotiations complied with proactive raw material purchase

Proactive inventory stocking in anticipation of price increases helped secure the company's supply chain.

## Outlook

The company expects to generate sustained growth and product enhancement.

## The widening applications of sodium silicate

Sodium silicate or soluble glass also known as water glass is a compound containing sodium oxide (Na<sub>2</sub>O) and silica (silicon dioxide, SiO<sub>2</sub>) that forms a glassy solid that is soluble in water. Water glass is sold as solid lumps or powders or as a clear, syrupy liquid. It is used as a convenient source of sodium for many industrial products, as a builder in laundry detergents, as a binder and adhesive, as a flocculant in water-treatment plants, and in many other applications. (Source: Britannica)

The sodium silicate market is growing on the basis of expanding use in diverse industrial and commercial applications. The application areas of sodium silicate include the pulp and paper industry, paints and coatings, adhesives, soaps & detergent manufacturing, construction and others. The growth of the number of detergents being sold globally is expected to drive the sodium silicate market. With COVID-19 affecting global economies, the demand for hygiene products like soaps and detergents

that reduce the spread of infection, are driving the demand for sodium silicate.

Sodium silicate has already found multiple uses in cementitious materials. For example, it is used as an alkali-activator in alkali-activated cements. In concrete, it is used as a setting accelerator and also applied in the form of silicate mineral paint to enhance waterproofing and improve durability. (Source: IOP science)

## Products used in different sectors

**Sodium silicate in construction sector:** Sodium silicate has already found multiple uses in cementitious materials. For example, it is used as an alkali-activator in alkali-activated cements. In concrete, it is used as a setting accelerator and also applied in the form of silicate mineral paint to enhance waterproofing and durability. It is also used in textiles,

pharmaceuticals, dams, canals, roadbuilding construction and water proofing.

**Sodium silicate in the food sector:** It is used in the preservation of food

**Sodium silicate in the paper sector:** As adhesive enhancer in pulp, cardboard, cardboard tubes, glass

wool barrels, cardboard boxes and adhesive in packaging lines (especially detergents) are used. In paper manufacturing plants, silicates are used to whiten and remove ink from the paper fiber, keep it suspended and preventing them from re-sedimentation on the fibers.

## Cement additives

- To obtain exposed aggregate finish on concrete surface.
- To get a keyed surface for excellent bond when concrete is placed subsequently or in layers.
- Effective for use in walkways and terrazzo to get visible and long-lasting exposed aggregate finishes.

- Producing quality concrete at low temperatures especially in cold weather conditions.
- Carrying out structural repairs and engineering applications
- Resolving all waterproofing problems in the field of civil construction

- Ideal for concrete courtyards in real estate projects, industrial floors in car manufacturing factories, pharmaceutical factories, food product manufacturing units, beverage/bottling plants and dam power house floors etc.

# Why Hindcon addresses a growing future

## The macro realities driving our business



### Income growth

As of 2021-22, India's per capita income amounted to ₹1.50 lakhs compared to ₹1.29 lakhs in 2020-21, auguring better construction (and hence, stronger construction chemicals offtake)

### Rising population

India has a population of around 1.40 billion. There has been a decline in the median age of homebuyers in India, accelerating the real estate industry and growth of the construction chemicals industry.

### Cement consumption

The per capita consumption of cement was approximately 242 kgs in India compared to the global average of 525 kgs, a gap that is likely to be plugged following increased cement consumption in India.

### Infrastructure

India is anticipated to invest US\$ 1.50 trillion in infrastructure development by 2025, which could create a wider market for construction chemicals.

### Affordable housing

The government's goal is to provide affordable housing for 20 million Indians by 2022, under the 'Pradhan Mantri Awaz Yojana' scheme.

### Repair and refurbishment

Due to the COVID-19 pandemic, there was an increase in the demand for customised work space at homes, driving renovation.

# How Hindcon invested in its business



## 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 MT of sodium silicate and 12,000 MT cement additives. The Company reported an average capacity utilisation of 56% in 2021-22.

## Location

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

## Diversified portfolio

The Company has a portfolio of ~140 products, helping it emerge as a one-stop shop for construction chemicals.

## Financial

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 from ₹ 34.51 lakhs to ₹ 82.84 lakhs and increased B2C business by 39% during FY 2021-22.

## Our business model in brief



## What we have generated from our business

### Revenue visibility

81.83%

Revenues from customers of 3+ years

### Sectoral broadbasing

Customers

Across construction, food and paper sectors

### Geographic broadbasing

~40.59%

Offtake from outside Bengal

## The outcomes

The Company grew its revenues ₹33.48 crores from during 2015-16 to

**₹65.26 crores**  
in 2021-22.

The Company's EBITDA margin strengthened from 6.54% in 2015-16 to

**10.01%**  
in 2021-22.

The Company sustained a debt-equity ratio of

**0.03x**  
in 2021-22.

## NOTICE

**NOTICE** is hereby given that the 24th Annual General Meeting of the Members of **M/s. HINDCON CHEMICALS LIMITED** will be held on Friday, the **26th August, 2022**, at 1:00 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, 2022**, 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.
3. To appoint a Director in place of **Mrs. Nilima Goenka (DIN: 00848225)**, who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

4. **APPOINTMENT OF MR. SUDHIR KUMAR BHARTIA (DIN: 00644721) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

*To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:*

### Notes:

1. 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 conduction 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 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020, 22/2020 dated 15th June 2020 and 33/2020 dated 28th September 2020 (collectively referred to as "MCA Circulars"), prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said Circulars, the 24th Annual General Meeting (AGM) of the members would 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.30) and available at the Company's Website: [www.hindcon.com](http://www.hindcon.com).

The deemed venue for the AGM shall be the Registered Office of the Company.

2. The helpline number regarding any query/ assistance for participation in the AGM through VC/OAVM is -1800-225-533.

**"RESOLVED THAT** pursuant to Section 149, 152, 160, 161 and 197(5) read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sudhir Kumar Bhartia (DIN: 00644721), be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years upto 28th May, 2027 and shall not be liable to retire by rotation.

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

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

### Registered office:

62B, Braunfeld Row,  
Kolkata – 700 027

sd/-

Jaya Bajpai

Company Secretary

Date: 18.07.2022

3. 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.
4. 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.
5. 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 **29th July, 2022**.
6. 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.
7. Members can raise questions during the meeting or in advance at [cs@hindcon.com](mailto:cs@hindcon.com). The members are requested to write to the Company on or before 23rd August, 2022, through Email on [cs@hindcon.com](mailto: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.
8. Corporate members are requested to send at [kolkata@linkintime.co.in](mailto: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.

9. 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 Corporate.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto: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](mailto: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. I-Phone 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 24th 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

update form by sending an email to [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in) and [cs@hindcon.com](mailto:cs@hindcon.com). Please submit duly filled and signed member update form to the abovementioned 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 24th AGM of the Company will also be available on the website of the Company at [www.hindcon.com](http://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](http://www.nseindia.com) and on the website of CDSL i.e. [www.evotingindia.com](http://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 Saturday, August 20, 2022 to Friday, August 26, 2022, 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 Friday, 19th August, 2022 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. Friday, 19th August, 2022, 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. 19th August, 2022 are requested to send the duly signed written / email communication to the Company at [cs@hindcon.com](mailto:cs@hindcon.com) and to the RTA at



[linkintime.co.in](http://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 Secretary 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](mailto:santibrewalla@gmail.com) with a copy mark to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) on or before 19th August, 2022 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, 2022, 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. Friday, 19th August, 2022. 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](mailto: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, 2022 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](mailto:cs@hindcon.com).
  28. Members those 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 **23rd August, 2022 at 9:00 A.M.** and ends on **25th August, 2022 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 19th August, 2022 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) Pursuant to SEBI Circular No.: SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without

having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process

- (iv) In terms of SEBI circular No.: SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting

facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings alongwith links of the respective e-Voting service provider i.e. CDSL/NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>If the user is not registered for Easi /Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

Click on "Shareholders" module.

Now enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  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 <b>OR</b> Date of Birth (DOB)	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.  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).

After entering these details appropriately, click on "SUBMIT" tab.

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.

For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on the EVSN for the relevant <HINDCON CHEMICALS LIMITED> on which you choose to vote.

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.

Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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.

Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

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.

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.

#### **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:**

- i. 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**.

- ii. 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**.
- iii. The Company/ RTA shall co-ordinate with CDSL and provides the login credentials to the above mentioned shareholders.

#### **30. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- i. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. 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.
- iii. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- iv. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- v. 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.
- vi. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **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.
- vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- viii. All grievances connected with the facility for voting by electronic means may be addressed to **Mr. Rakesh Dalvi, Manager**, Central Depository Services (India) Limited (CDSL), 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](mailto:helpdesk.evoting@cdslindia.com) or call on **022-23058542/43**.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the 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 AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the 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 AGM. However, they will not be eligible to vote at the AGM.

### 32. 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](http://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](mailto: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](mailto: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. [santibrewalla@gmail.com](mailto:santibrewalla@gmail.com) and [cs@hincon.com](mailto:cs@hincon.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](http://www.evotingindia.com),

under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 Futorex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto: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. Friday, 19th August, 2022 shall view the Notice of the 24th 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](mailto: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. Friday, 19th August, 2022. 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 2 (two) working days 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](http://www.hindcon.com) and on the website of CDSL i.e. [www.evotingindia.com](http://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 final dividend of 7% i.e. ₹0.70 per Equity share of the nominal value of ₹10/- each for the financial year 2021-22.

2 The Register of Members and Share Transfer books of the Company will remain closed from Saturday, 20th August, 2022 to Friday, 26th August, 2022 (both days inclusive), for the purpose of AGM and Dividend. The Dividend, if declared, will be payable on or after Friday, 26th August, 2022 to those Shareholders whose names are registered as such in the Register of Members of the Company as on Friday, 19th August, 2022 and to the beneficiary holders as per the beneficiary list as on Friday, 19th August, 2022 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 through electronic mode. 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](mailto:cs@hindcon.com) by 19th August, 2022. 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 @ 10%. The rate of 10% 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](mailto:cs@hindcon.com) by 19th August, 2022. 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](mailto:cs@hindcon.com). The aforesaid declarations and documents need to be submitted by the Shareholders by 19th August, 2022. The aforesaid Form No. 15G/ 15H can be downloaded from website of the Company i.e. [www.hindcon.com](http://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](http://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](http://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.: 4**

The Board at its meeting held on 28th May, 2022 has appointed Mr. Sudhir Kumar Bhartia as an Additional Director (Independent Director) of the Company with immediate effect, pursuant to provisions of Section 149, 152, 160 and 161 of the Companies Act, 2013 and the Articles of Association of the Company.

As per provisions of the Act, he would hold office of Directors up to the date of the ensuing Annual General Meeting (AGM) unless appointed as a Director of the Company by the Shareholders. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, proposing the candidature of Mr. Sudhir Kumar Bhartia for the office of an Independent Director, to be appointed under the provisions of Section 149 of the Companies Act, 2013. In accordance to the verification made by the Company and its Nomination & Remuneration Committee, the aforesaid Director is not debarred from holding of office as Director pursuant to any SEBI Order.

In the opinion of the Board, Mr. Sudhir Kumar Bhartia fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director and he is independent of the management. A brief profile of Mr. Sudhir Kumar Bhartia including nature of his expertise and shareholding in the Company are annexed to the notice.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sudhir Kumar Bhartia as an Independent Director, for approval by the shareholders of the Company upto 28th May, 2027 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. Further, he shall not be liable to retire by rotation.

Copy of the draft letter of appointment of Mr. Sudhir Kumar Bhartia as an Independent Director setting out the terms and conditions is available for inspection by members during working hours at the Registered Office of the Company.

Except Mr. Sudhir Kumar Bhartia, no Director, Key Managerial Personnel or their relatives, is in any way, financially or otherwise interested or concerned in the resolution.

The Board recommends the Special Resolution set forth in Item no. 4 of the Notice, for the approval by the shareholders of the Company.

## 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]*

S I . No.	Name of the Director	Mrs. Nilima Goenka	Mr. Sudhir Kumar Bhartia
1.	DIN	00848225	00644721
2.	Date of Birth and Age	24th August, 1969 52 years	22nd October, 1966 55 years
3.	Nationality	Indian	Indian
4.	Date of appointment on Board	1st June, 2017	28th May, 2022
5.	Remuneration last drawn / Past Remuneration	36.00 lakhs	N.A.
6.	No. of shares held in the Company	14,44,500	NIL
7.	Qualification & Expertise in specific functional area / Background details / Job profile and his suitability	H.S. in Commerce and Expertise in Administration of Company	He has vast experience in the field of accounts & finance. Consultancy services in facilitating for setting up industries of various products under MSME.
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 remuneration is commensurate with her role and responsibility as an Executive Director of the Company.	N.A.
10.	Pecuniary relationship directly or indirectly with the Company	No pecuniary relationship with the Company except Managerial Remuneration.	No pecuniary relationship with the Company
11.	No. of Board Meetings Attended	5 (Five)	NIL
12.	List of other listed Companies in which Directorships held as on 31st March, 2022	NIL	NIL
13.	List of other Companies in which Directorships held as on 31st March, 2022	NIL	1.Intim Laminates Private Ltd 2.Enfield Management Services Pvt. Ltd.
14.	Chairman/ Member of the Committee of the Board of other Companies in which he/she is a Director as on 31st March, 2022	NIL	NIL
15.	Listed entities from which the Director has resigned in the past three years	NIL	NIL
16.	Disclosure of relationship between Directors inter-se/ Managerial Personnel	Mr. Sanjay Goenka, Chairman & Managing Director-Spouse	N.A.



## BOARD'S REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the 24th (Twenty fourth) Annual Report together with the Audited Annual Accounts of your Company for the year ended March 31, 2022.

### FINANCIAL RESULTS

(₹ In Lakh)

Particulars	STANDALONE		CONSOLIDATED	
	FY-2021-22	FY-2020-21	FY-2021-22	FY-2020-21
i. Gross Turnover	6,370.31	4,427.19	6,661.98	4,427.19
ii. Other Income	155.51	201.85	136.77	215.00
iii. Total Income	6,525.82	4,629.04	6,798.75	4,642.19
iv. Expenses other than Finance Cost and Depreciation	5,872.57	3,973.87	6,162.11	3,977.25
v. Earnings Before Interest, Depreciation, Taxation and Amortization (EBIDTA)	653.25	655.17	636.64	664.94
vi. Finance Cost	2.24	1.47	2.24	1.47
vii. Depreciation	25.28	18.49	25.29	18.49
viii. Profit/(Loss) before Tax & Exceptional Item	625.73	635.21	609.11	644.98
ix. Exceptional Items	0.00	0.00	0.00	0.00
x. Profit before Taxation (PBT)	625.73	635.21	609.11	644.98
xi. Tax including Deferred Tax	(152.72)	(160.67)	(182.80)	(167.65)
xii. Profit after Taxation (PAT)	473.01	474.54	426.31	477.33
xiii. Other Comprehensive Income	157.70	89.74	183.00	125.91
xiv. Total Comprehensive Income	630.71	564.28	609.31	603.24
xv. (Profit) / Loss of minority interest	-	-	3.23	4.00

### STATE OF COMPANY'S AFFAIRS AND OPERATIONS

During the year under review, your Company has achieved a revenue of ₹6,525.82 lakhs which is 40.97% higher as compared with the previous financial year. Further, the Company has earned a net profit of ₹473.01 lakhs in the financial year 2021-22. The Company has produced 16802.38 MT of Sodium Silicate and Construction Chemicals during the financial year as compared to 14370.42 MT of Sodium Silicate and Construction Chemicals in the previous financial year which is 16.92 % higher as compared with the corresponding previous financial year.

### OUTLOOK

Our Company having a wide range of over 140 products helped us to strengthen our position as a holistic solution for construction chemicals. We are certified with ISO 9001:2015 and ISO 22716:2007 certification and provide superior quality products to serve our customers. We also have well-established relationships with retailers. The Company is confident to grow its revenue 10-folds in the next 5 years.

Moreover, the Company is also expected to broaden our portfolio by adding 5-10 new products to our existing portfolio every year for the next 5 years. The Company is focusing on increasing the production of Sodium Silicates and Construction Chemicals in the coming financial year.

### 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 paid an Interim dividend of ₹1/- per share (10% of the paid-up value of shares) and has recommended a final dividend of ₹0.70 per equity share (7% of the paid up value of the shares) for the financial year ended March 31, 2022. Total pay out on respect of dividend is amounting to ₹174.05 lakhs (approx.). 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, 2022 stood at ₹10,23,81,250/- comprising of 1,02,38,125 shares of ₹10/- each fully paid.

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, 2022, 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, 2022;
- 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, 2022 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.

### **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-A" as attached hereto and forming part of this Report.

### **CORPORATE GOVERNANCE**

The Company's philosophy of Corporate Governance aims

at establishing and practicing a system of good corporate governance which helps in achieving the goal of maximizing value of Company's stakeholders in a sustainable manner.

Your Company's Governance structure is built on transparency, integrity, ethics, honesty and accountability as core values, and the management believes that practicing each of these creates the right corporate culture attaining the purpose of Corporate Governance. Your Company strives to undertake best Corporate Governance practices for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions of Corporate Governance under the applicable framework of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company has given its deliberations to provide all the information in the Directors Report and the Corporate Governance Report as per the requirements of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreement entered by the Company with the Stock Exchanges.

Pursuant to Regulation 34(3) read with Schedule V of The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the applicable Regulations as issued by Securities and Exchange Board of India and as amended from time to time. A report on Corporate Governance along with a certificate from Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary regarding compliance of conditions of Corporate Governance attached to this report and marked as **Annexure -'B & C'** respectively.

The certification by CEO & CFO as per regulation 15(2)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is attached and marked as **Annexure -'D'**.

### **CODE OF CONDUCT**

The Board of Directors has adopted the Code of Conduct and business principles for all the Board members including Executive/ Non-Executive Directors, senior management and all the employees of the Company and the same has also been placed on the website of the Company at <https://hindcon.com/wp-content/uploads/2020/12/Code-of-Conduct-Final.pdf>.

The Board Members and Senior Management have affirmed their compliance with the Code and pursuant to Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a declaration signed by the Managing Director (CEO) to this effect is at **Annexure-E**.

### **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-F".

### **COMPANY'S WEBSITE**

The website of your Company [www.hindcon.com](http://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 listed at the National Stock Exchange of India Limited. 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.

The Board of Directors at its meeting held on 19th April, 2021 had approved migration of the Company from NSE- SME EMERGE to NSE Main Board and the same has also been approved by the Shareholders on 30th May, 2021 through postal ballot.

The approval for listing & trading was granted by NSE on 5th July, 2021.

### **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. During the year under review, the shareholders at the Annual General Meeting of the Company held on 4th September, 2021 had re-appointed **Sanjay Goenka (DIN: 00848190)** as the Chairman & Managing Director of the Company, for a further period of 5 (five) years w.e.f. 1st April, 2021 pursuant to Section 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.

b. During the year under review, the shareholders at the Annual General Meeting of the Company held on 4th September, 2021 had re-appointed **Mr. Binay Kumar Agarwal (DIN: 01342065)** Independent Director of the Company, for a further period of 5 (five) years w.e.f. 8th August, 2022 pursuant to Section 149 (10) read with Schedule IV of the Companies Act, 2013.

c. During the year under review, the shareholders at the Annual General Meeting of the Company held on 4th September, 2021 had re-appointed **Mr. Girdhari Lal Goenka (DIN: 00613725)** Independent Director of the Company, for a further period of 5 (five) years w.e.f. 8th August, 2022 pursuant to Section 149 (10)

read with Schedule IV of the Companies Act, 2013.

d. During the year under review, the shareholders at the Annual General Meeting of the Company held on 4th September, 2021 had re-appointed **Mr. Krishna Kumar Tantia (DIN: 00315796)** Independent Director of the Company, for a further period of 5 (five) years w.e.f. 8th August, 2022 pursuant to Section 149 (10) read with Schedule IV of the Companies Act, 2013. However, Mr. Tantia has resigned from the office of Independent Directors w.e.f. 28th May, 2022 due to his pre-occupancy. Accordingly, the re-appointment of Mr. Tantia as Independent Director w.e.f. 8th August, 2022 has become redundant.

e. Mr. Sudhir Kumar Bhartia (DIN: 00644721) has been appointed as an Independent Director of the Company w.e.f. 28th May, 2022 to fill up the casual vacancy caused by resignation of Mr. Tantia. He would hold the office for a period of 5 years, subject to the approval of the Shareholders in the ensuing AGM.

#### **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– Chairman & 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.

#### **iv) Declaration by Independent Directors**

The Company has received declarations from all the Independent Directors of the Company confirming that:

- a. they meet the criteria of independence as prescribed under section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015; and
- b. they have registered their names in the Independent Directors' Databank pursuant to Sub-rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and amendments thereto.

### **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 for a period of 5 (five) years and would continue to hold the office of Auditors 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 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 Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

#### **(ii) Internal Auditor:**

M/s. Amit Ved Garg & Co., Chartered Accountants, continued to be the Internal Auditors of the Company to carry out the Internal Audit for the year 2021-22 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 2022-23 and the Board has re-appointed them accordingly.

#### **(iii) Secretarial Auditors:**

Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary, continued to be the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year 2021-22 under the provisions of section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The report of the Secretarial Auditor **MR-3** for the financial year 2021-22 is enclosed as **Annexure 'G'** to this Board's Report, which is self-explanatory and hence do not call for any further explanation.

The Company has received consent letter from Mr. Tibrewalla for his re-appointment as the Secretarial Auditor of the Company for the financial year 2022-23 and the Board has re-appointed him accordingly.

### **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](http://www.hindcon.com).

### **DISCLOSURES AS PER APPLICABLE ACT AND SEBI (LODR) REGULATIONS, 2015**

#### **i) Related Party Transactions:**

All transactions entered with related parties during the F.Y. 2021-22 were on arm's length basis and were in the ordinary course of business and provisions of Section 188(1) are not attracted. There was 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 -H**" 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) 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 -I**"

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.

#### **iii) Number of Board Meetings:**

During the financial year ended March 31, 2022, 5 (five) Board Meetings were held on 19th April, 2021, 26th June, 2021, 14th August, 2021, 8th November, 2021 and 12th February, 2022. The Board meeting of 26th June, 2021 was adjourned and the same was re-convened & held on 20th July, 2021.

The gap between any two consecutive meetings was in accordance to 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:

S I . No.	Name of the Directors	No. of meetings held	No. of Board meetings attended
1.	Mr. Sanjay Goenka	5	5
2.	Mr. Ramsanatan Banerjee	5	4
3.	Mrs. Nilima Goenka	5	5
4.	Mr. Binay Kumar Agarwal	5	5
5.	Mr. Girdhari Lal Goenka	5	4
6.	Mr. Krishna Kumar Tantia	5	5

**\*All the directors attended the adjourned meeting held on 20.07.2021**

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.

#### iv) Committees of the Board:

As on March 31, 2022 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 Board had constituted the Audit Committee under the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of the Committee and other details of the Committee are given in the Corporate Governance Report, attached as Annexure to this Board's Report

#### 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 Policy

By virtue of Vigil Mechanism 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](http://www.hindcon.com).

#### b. Nomination and Remuneration Committee:

The Board had constituted the Nomination & Remuneration Committee under the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of the Committee and other details of the Committee are given in the Corporate Governance Report, attached as Annexure to this Board's Report.

#### 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 Board had constituted the Stakeholder Grievance Committee under the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of the Committee and other details of the Committee are given in the Corporate Governance Report, attached as Annexure to this Board's Report.

**d. Composition of Corporate Social Responsibility Committee:**

The Board had constituted the Corporate Social Responsibility Committee under the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of the Committee and other details of the Committee are given in the Corporate Governance Report, attached as Annexure to this Board's Report

Further, details regarding CSR Activities / Initiatives undertaken by the Company are mentioned in the 'Annual Report on CSR Activities' enclosed as "Annexure -J" to this Report. The CSR policy is also uploaded on the Company's website i.e. on [www.hindcon.com](http://www.hindcon.com).

**v) Meeting of Independent Directors for FY 2021-22:**

During the year under review, the Independent Directors of the Company met once on 12th February, 2022 to carry out the evaluation of the Non-Independent Director and of the Board as a whole.

**vi) Annual Return:**

Pursuant to Section 134(3)(a) of the Companies Act, 2013 and amendments thereof, the Annual Return of the Company is placed on the website of the Company at the following link [www.hindcon.com](http://www.hindcon.com)

**vii) 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.

**viii) 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.

**ix) 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.

**x) 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, 2022 and form a part of this Annual Report.

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

There is no material change since the closure of the financial year till the date of the report affecting any financial position of the Company.

**xii) Subsidiaries, Associates or Joint Ventures:**

As on 31st March, 2022 Company has only one Subsidiary Company viz. Hindcon Solutions Private Limited. (Formerly known as 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-K" to this Board's Report.

**xiii) Secretarial Standards**

Secretarial Standards, i.e. SS-I, SS-II and SS-III, 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.

**xiv) 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 2021-22 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**

**Registered Office:**

62B, Braunfeld Row,  
Kolkata – 700 027

**Date: 18.07.2022**

sd/-  
**Sanjay Goenka**  
*Chairman & Managing Director*  
DIN: 00848190

sd/-  
**Nilima Goenka**  
*Whole time Director*  
DIN: 00848225

**ANNEXURE –‘A’**

**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 equipments 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 equipments**

Not ascertainable.

**B) Technology Absorption**

**(i) Efforts, in brief, made towards technology**

The Company undertakes regular efforts to upgrade and modernize its equipments 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 equipments, 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 3years reckoned from the beginning of the financial year)**

- a) Details of technology imported } N.A.
- b) Year of import } N.A.
- c) Whether the technology been fully absorbed } N.A.
- 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 –

	FY-2021-22	FY-2020-21
Total foreign Exchange Used and Earned:		
Earned (F.O.B.)	9.92	34.52
Used	1446.90	1335.36

On behalf of the Board of Directors  
For Hindcon Chemicals Limited

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

**Date: 18.07.2022**

sd/-  
**Sanjay Goenka**  
Chairman & Managing Director  
DIN: 00848190

sd/-  
**Nilima Goenka**  
Whole time Director  
DIN: 00848225



## ANNEXURE 'B' TO THE DIRECTORS' REPORT

**CORPORATE GOVERNANCE****(1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Your Company believes that a sound governance discipline enables the Board to direct and control the affairs of the Company in an effective manner and maximize stakeholder value, including the society at large. The Company's philosophy of Corporate Governance envisages at establishing and practicing a system of good corporate governance for attaining highest level of transparency and accountability towards fulfilling the corporate objectives and to meet the obligations and best sub serve the interest of its stakeholders. Your company has remained committed to follow best governance practices in its true spirit.

Keeping in view the Company's' commitment to the principles of good corporate governance which strives to achieving efficiency and excellence in the operations of the Company with optimum blend of business practices and compliance with applicable laws and regulations leading to effective control and management of the organization. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholder value.

The Company in terms of applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has adopted practice of Corporate Governance for ensuring and protecting the rights of its shareholders by means of transparency, integrity, accountability and checks at the different levels of the management of the Company.

Your Company is in compliance with the requirements of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**(2) BOARD OF DIRECTORS:**

Your Company has a balanced and diverse Board which includes eminent independent professionals in conformity to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015. Your Company's Board is presently comprised of six directors, including independent professionals with relevant expertise in divergent fields, who play a crucial role in Board processes and provide independent judgement on issues of strategy and performance. The Composition of the Board comprises of judicious mix of three Executive Directors and three Independent Directors (including one Woman Director) as per the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The composition and category of Directors is detailed as follows:

Category	Name of the Directors
Executive – Chairman & Managing Director- Promoter	Mr. Sanjay Goenka
Executive – Whole Time Director- Promoter	Mrs. Nilima Goenka
Executive – Whole Time Director - Non- Promoter	Mr. Ramsanatan Banerjee
Non – Executive Director- Independent	Mr. Binay Kumar Agarwal
Non – Executive Director- Independent	Mr. Girdhari Lal Goenka
Non – Executive Director- Independent	Mr. Krishna Kumar Tantia

The aforesaid Directors meet all the criteria as stipulated in the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The appointment letters issued to the above Independent Directors sets out their roles, responsibilities, fiduciary duties in the Company and the expectation of the Board from them along with other terms of their appointment.

The Board critically evaluates strategic direction of the Company and exercises appropriate control to ensure that the business of the Company is conducted in the best interests of the shareholders and society at large. The directors are commonly acquainted with various informative programs to enable them to get familiarized with the Company's operational flow and practices. Quarterly presentations are made at Board and Committee Meetings on business and financial performance updates of the Company including business strategy and risk factors. Your Directors take active part at the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc.

The Company in accordance with applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has taken initiatives to familiarize its Independent Directors (IDs) with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through familiarization programme as posted on the website of the Company at <https://hindcon.com/wp-content/uploads/2020/12/Familiarization-Programme-ID.pdf>

None of the Directors held Directorship in more than 10 (ten) Public Limited Companies and/or were members of more than 10 (ten) Committees or acted as Chairperson of more than 5 (five) Committees across all Public Limited Companies in which they are Directors.

In terms of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, none of the Directors of the Company held Directorships in more than 7 (Seven) Listed Entities and none of the Independent Directors of the Company held Independent Directorship in 7(Seven) Listed Entities.

The Managing Director does not serve as Independent Director in any other listed Company.

The Board of Directors confirmed that as per their opinion, the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are independent of management.

The Board has carried out performance evaluation of Independent Directors and recommended to continue the term of their appointment.

**(a) Attendance of each Director at the Board Meeting /Annual General Meeting held during the year 2021-22 and Number of other Directorship and Chairmanship/ Membership of Committee of each Director in other various Companies:**

Name of the Director	Attendance Particulars		Number of other Directorship and Committee membership/ Chairmanship		
	Board Meetings	Last AGM held on 04.09.2021	Other Directorship#	Committee Membership##	Committee Chairmanship##
Mr. Sanjay Goenka	5	Present	-	1	-
Mrs. Nilima Goenka	5	Present	-	1	-
Mr. Ramsanatan Banerjee	4	Present	-	-	-
Mr. Binay Kumar Agarwal	5	Present	4	1	1
Mr. Girdhari Lal Goenka	4	Present	1	-	-
Mr. Krishna Kumar Tantia	5	Present	-	-	-

#Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

##Only two Committees viz. the Audit Committee and the Stakeholder Relationship Committee are considered for this purpose.

**(b) The list of Companies where the persons are Directors and the category of Directorship are as follows:**

Name of the Director	Name of the Listed Entity where the person is a Director	Category of Directorship
Mr. Sanjay Goenka	NIL	N.A.
Mrs. Nilima Goenka	NIL	N.A.
Mr. Ramsanatan Banerjee	NIL	N.A.
Mr. Binay Kumar Agarwal	Dollar Industries Limited	Non-Executive, Independent Director
Mr. Girdhari Lal Goenka	NIL	N.A.
Mr. Krishna Kumar Tantia	NIL	N.A.

**(c)** During the year 2021-22, 5 (Five) Board meetings were held on **19th April, 2021, 26th June, 2021 (adjourned and held on 20th July, 2021), 14th August, 2021, 8th November, 2021 and 12th February, 2022.** The gap between any two consecutive meetings did not exceed one hundred and twenty days as required under of Regulation 17(2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(d) Expertise & Skills of the Board of Directors**

The Board of Directors comprises of highly experienced members possessing required skills, expertise and competence in making effective contributions towards the overall growth of the Company.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

List of core skills/ expertise/ competence	Brief Description	Name of the Directors having such skills/ expertise/ competence
<b>Finance</b>	Leadership in Corporate/ business finance is an important and inevitable function and efficient financial management is crucial for success and sustenance. It results in proficiency in financial management, procurement and utilisation of funds and controlling the financial activities and management of financial resources.	Mr. Sanjay Goenka Mr. Ramsanatan Banerjee Mr. Binay Kumar Agarwal Mr. Girdhari Lal Goenka Mr. Krishna Kumar Tantia
<b>Strategy &amp; Planning</b>	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.	Mr. Sanjay Goenka Mr. Ramsanatan Banerjee Mr. Binay Kumar Agarwal
<b>Global Business</b>	Understanding, of global business dynamics, across various geographical markets with an understanding of industry verticals, regulatory jurisdictions, economic conditions, cultures and a broad perspective on global market opportunities.	Mr. Sanjay Goenka Mr. Ramsanatan Banerjee Mr. Binay Kumar Agarwal Mr. Girdhari Lal Goenka Mr. Krishna Kumar Tantia
<b>Leadership</b>	Leadership experience leads to maximize efficiency and to achieve Company goals by understanding the opportunities and threats, processes, strategic planning and risk management and discussing the financial performance and long-term growth.	Mr. Sanjay Goenka
<b>Procurement, Sales &amp; Marketing</b>	Experience in procurement of raw materials, production aspects, marketing technical aspect of production, quality control, purchase management and developing strategies to grow sales and market share, build brand awareness and enhance Company reputation.	Mr. Sanjay Goenka Mr. Ramsanatan Banerjee
<b>Governance</b>	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining Board and management accountability, building long-term effective stakeholder engagements, driving corporate ethics and values and observing appropriate governance practices.	Mr. Binay Kumar Agarwal Mr. Girdhari Lal Goenka Mr. Krishna Kumar Tantia

List of core skills/ expertise/ competence	Brief Description	Name of the Directors having such skills/ expertise/ competence
<b>Administration</b>	Leadership in administration of a Company, results in long-term growth by planning, organising, directing and controlling the operations, creating rules and regulations and making decisions towards achieving a common goal or objective of the Company.	Mr. Sanjay Goenka Mr. Ramsanatan Banerjee Mrs. Nilima Goenka
<b>Risk Management</b>	Expertise in identification, evaluation and mitigation of operational, strategic and environmental risks, monitoring and approving the risk policies and associated practices of the Company.	Mr. Sanjay Goenka Mr. Binay Kumar Agarwal

**(e) Separate Meeting of the Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and in terms of Regulation 25(3) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors held a separate meeting on **12th February, 2022** and inter alia has reviewed: -

- i. the performance of Non-Independent Directors and the Board as a whole ;
- ii. assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Company's various functional levels and the Board and it's Committees for effective and reasonable performance of their duties.

**(f) Familiarisation Programme imparted to Independent Directors**

As an on boarding exercise all new directors inducted in the board are taken through familiarisation process whereby information of the Company, its various divisions, plants, products and financials are shared and explained to the appointee Director. Independent Directors are also made aware of their role, rights, obligations and responsibilities at the time of their appointment in the Company, through a formal letter of appointment, which sets out various terms and conditions of their formal association with the Company. Familiarisation Programme imparted to the independent directors intends to provide insights into the Company so that the Independent Directors can understand the Company's business in depth and the roles, rights, responsibility that they are entrusted to perform/enjoy in the Company to keep them apprized on the operations and business of the Company thereby facilitating their active participation in managing the affairs of the Company.

As required under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company held various familiarisation programmes for the Independent Directors throughout the year on continuous basis with a view to familiarize the independent Directors with the Company's operations. The familiarisation programmes carried out during the year include: -

1. Presentations made by business and functional heads of the Company from time to time on different functions and areas.
2. Presentations made and deliberations held from time to time on major changes and developments in the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The familiarization programmes of the Company for its Independent Directors has been disclosed on the Company's website at <https://hindcon.com/wp-content/uploads/2020/12/Familiarization-Programme-ID.pdf>

**(g) Details of Directors Seeking Appointment / Re-Appointment:**

The Details of Directors seeking appointment / re-appointment as required under Regulation 36(3) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in annexure to the notice which forms part of this Report.

**(h) Resignation of Director:**

Mr. Krishna Kumar Tantia, Independent Director of the Company resigned from the office of Independent Directors with effect from 28th May, 2022 due to his personal reasons. Further, he confirmed that there were no other material reasons other than those mentioned above, for his resignation as Independent Director from the Company.

**(i) Relationship between the Directors inter-se:**

The disclosure of relationships between Directors inter-se as required under Regulation 34(3) and Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

Name of the Director	Name of Other Director	Nature of Relationship
Mr. Sanjay Goenka	Mrs. Nilima Goenka	Spouse
Mrs. Nilima Goenka	Mr. Sanjay Goenka	Spouse

*Note: No Other Directors in the Board are inter-se related to each other.*

**(j) The Non – Executive Directors of the Company does not hold any shares as on 31st March, 2022.****(3) AUDIT COMMITTEE:**

Pursuant to Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and Rules framed thereunder the Audit Committee has been constituted to monitor and supervise the Company's financial reporting process. The Audit Committee has been entrusted with review of quarterly and annual financial results/ financial statements before submission to the Board, review of observations of auditors and to ensure compliance of internal control systems authority for investigation and access for full information and external professional advice for discharge of the functions delegated to the Committee by the Board.

Mr. Binay Kumar Agarwal, Independent Director act as the Chairman of the Committee, Mr. Krishna Kumar Tantia and Mr. Sanjay Goenka continues as the Members of the Committee. All the members of the Committee are financially literate.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 4th September, 2021.

The scope of the Audit Committee, inter alia, includes:

- Review of the Company's financial reporting process, the financial statements and financial/risk management policies ;
- Review of the adequacy of the internal control systems and finance of the internal audit team ;
- Discussions with the management and the external auditors, the audit plan for the financial year and joint post-audit and review of the same.
- Recommendation for appointment, remuneration & terms of appointment of Auditors, etc.

**(a) Terms of reference:**

The present terms of reference / scope and function of the Audit Committee are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same ;
  - Major accounting entries involving estimates based on the exercise of judgement by management;
  - Significant adjustments made in the financial statements arising out of audit findings ;
  - Compliance with listing and other legal requirements relating to financial statements ;
  - Disclosure of any related party transactions ;
  - Qualifications, if any in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval ;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of Chief Financial Officer (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilization of loans/or advances from/investment by the holding Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments. Examining the financial statement and the auditor's report thereon;
21. Monitoring the end use of funds raised through public offers and related matters;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
24. To review -
  - o Management discussion and analysis of financial condition and results of operations;
  - o Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
  - o Internal audit reports relating to internal control weaknesses, etc.
  - o Review the appointment, removal and terms of remuneration of the chief internal auditor.
  - o Statement of deviation
    - Quarterly Statement of deviation(s) including report of monitoring agency, if applicable, submitted to the Stock Exchange(s) in terms of Regulation 32(1) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
    - Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee is empowered to investigate any activities within its terms of reference, seek information from employees, obtain outside legal or other professional advice or secure attendance of outside experts of relevant field as and when necessitated. The Audit Committee also reviews such matters as referred to it by the Board.

The Committee regularly meets in every quarter to review all the risk assessment and mitigation process for the same for all the identified risks for the Company's business segment.

(b) During the period under review 4 (Four) Audit Committee meetings were held on **26th June, 2021, 14th August, 2021, 8th November, 2021 and 12th February, 2022.**

(c) The composition of the Audit Committee and attendance of its meetings are given below:

Constitution	No. of Meetings	
	Held	Attended
Mr. Binay Kumar Agarwal – Non-Executive – Independent –Chairman	4	4
Mr. Krishna Kumar Tantia- Non-Executive – Independent- Member	4	4
Mr. Sanjay Goenka - Executive – Promoter- Member	4	4

The Audit Committee meetings are held at Company's Registered Office and attended by members of the Committee, other Accounts Heads and Process Owners. Representative of the Statutory Auditors and Internal Auditors are also invited to the meeting for discussions on the concerned factors as and when required.

Ms. Jaya Bajpai, Company Secretary and Compliance Officer of the Company act as the Secretary of the Committee.

#### **(4) NOMINATION & REMUNERATION COMMITTEE:**

##### **(a) Terms of reference:**

The terms of reference of the Nomination & Remuneration Committee are as follows:

- i. To identify persons who are qualified to become Directors and who may be appointed in the Senior management in accordance with the criteria laid down and to recommend to the Board their appointment, terms of appointment and/or removal;
- ii. To formulate a criteria for determining the qualification, positive attributes, independence of a Director and evaluation of Independent Directors and the Board;
- iii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- iv. To evaluate every Directors performance;
- v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vi. To recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- vii. To ensure that the level of composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- viii. To ensure that the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks;
- ix. To ensure that the remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- x. To devise a policy on Board diversity.
- xi. To recommend to the Board, all remuneration, in whatever form, payable to senior management;
- xii. To Carry out any other function as is mandated by the Board of Directors of the Company or prescribed by the Listing Agreement / applicable regulations of SEBI (LODR) Regulations, 2015 as amended from time to time ;

- xiii. To invite any employee or such document as it may deem fit for exercising of its functions;
- xiv. To obtain such outside or professional advice as it may consider necessary to carry out its duties.

During the year under review 2 (Two) meetings of the Nomination and Remuneration Committee were held on 26th June, 2021 and 12th February, 2022.

Constitution	No. of Meetings	
	Held	Attended
Mr. Girdhari Lal Goenka- Non-Executive- Independent- Chairman	2	1
Mr. Binay Kumar Agarwal – Non-Executive – Independent- Member	2	2
Mr. Krishna Kumar Tantia- Non-Executive- Independent- Member	2	2

The Chairman of the Nomination & Remuneration Committee was present at the last Annual General Meeting of the Company held on 4th September, 2021.

[Ms. Jaya Bajpai, Company Secretary and Compliance Officer of the Company act as the Secretary of the Committee.

## (b) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out performance evaluation of its own performance and that of its committees and individual Directors as per the evaluation criteria formulated by the Nomination and Remuneration Committee.

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its committees. The objective of the Board evaluation includes improvement in the effectiveness of Board, Committees and individual Directors, to enhance their strengths and to overcome the short comings, the evaluation process focuses on various issues facing the Company and their prioritization, quality of deliberations at Board and Committee meetings, review of specific issues of importance dealt during the evaluation period.

The process of Board Evaluation broadly comprises of following:

- The Board evaluates the performance of the Independent Directors excluding the Directors being evaluated.
- The Nomination and Remuneration Committee evaluates the performance of each Director with respect to the responsibility as entrusted on him/her.
- The Independent Directors evaluates the performance of the Non- Independent Directors taking into account the views of the Executive and Non-Executive Directors and the Board as a whole.
- Performance Evaluation of the various Committee of the Board.

### **Performance evaluation criteria for Independent Directors:**

The following criteria may assist in determining how effective the performances of the Independent Directors have been:

- Leadership & Managerial abilities.
- Contribution to the corporate objectives & plans.
- Communication of expectations & concerns clearly with subordinates.
- Obtaining adequate, relevant & timely information from external sources.
- Review & approval of strategic & operational plans of the Company, its objectives and budgets.
- Regular monitoring of corporate results against projection.
- Identification, monitoring & mitigation of significant corporate risks.
- Assessment of policies, structures & procedures followed in the Company and their significant contribution to the same.
- Direct, monitor & evaluate KMPs, senior officials.
- Regularity in attending meetings of the Company and inputs therein.
- Review & Maintenance of corporation's ethical conduct.
- Ability to work effectively with rest of the Board of Directors.
- Commitment to the promotion of equal opportunities, health and safety in the workplace.



**(5) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The company has duly constituted its Stakeholders Relationship Committee pursuant to regulation 20 of the SEBI (LODR) Regulations, 2015 and section 178(5) of The Companies Act, 2013.

**(a) Terms of reference:**

The terms of reference of the Stakeholders Relationship Committee are as follows:

- 1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- 2) Review of measures taken for effective exercise of voting rights by shareholders.
- 3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**(b) Stakeholders Relationship Committee comprised of Mr. Binay Kumar Agarwal as the Chairperson, Mrs. Nilima Goenka and Mr. Krishna Kumar Tantia as the members of the Committee.**

The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on 4th September, 2021.

**(c) Stakeholders Relationship Committee meet periodically to look into redressing of shareholders' and investors grievances like transfer of Shares, non-receipt of Balance Sheet, non-receipt of dividend, etc. During the period under review 4 (Four) Stakeholder Relationship Committee meetings were held on **26th June, 2021, 14th August, 2021, 8th November, 2021 and 12th February, 2022.******(d) Details of compliance officer:** Ms. Jaya Bajpai, Company Secretary and Compliance Officer of the Company.**(e) Shareholders' Complaints**

The numbers of shareholders'/ investors' complaints received, resolved/ replied and pending during the year under review are as under:

<b>Nature of complaints</b>	<b>Received</b>	<b>Resolved/ Replied</b>	<b>Pending</b>
Non-receipt of share certificates	Nil	Nil	Nil
Non-receipt of dividend	Nil	Nil	Nil
Non-receipt of annual reports	Nil	Nil	Nil
Others	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**(6) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

The CSR Committee is responsible for compliance of its scope mentioned in its term of reference in relation to CSR and to monitor the implementation of approved CSR policy and it meets periodically, to review & ensure orderly and efficient execution of the CSR project, programs or activities and issue necessary direction pertaining to it.

The CSR Committee comprised of Mr. Sanjay Goenka acts as the Chairman, Mrs. Nilima Goenka and Mr. Binay Kumar Agarwal continues to be the members of the Committee.

The CSR Committee meet as and when required. During the year the Committee meets 2 (two) times on **26th June, 2021 and 12th February, 2022.**

Ms. Jaya Bajpai, Company Secretary and Compliance Officer of the Company act as the Secretary of the Committee.

**(a) Terms of reference :**

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy related to the CSR activities to be undertaken by the Company as provided in the Schedule VII and any other related provisions, if any, of the Companies Act, 2013 and the rules made there under.

2. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
3. To recommend the amount of expenditure to be incurred on the CSR activities as per the requirement of the Companies Act, 2013 and the rules made there under.
4. To carry out such other functions as may from time to time, be authorized by the Board and/or required by any Statutory Authority, by the way of amendment and/or otherwise, as the case may be, to be attended by this Committee.

## (7) REMUNERATION OF DIRECTORS:

### (a) Remuneration Policy / Criteria:

- **Executive Directors:** The Company follows the policy to fix remuneration of Managing Director & Whole-time Directors by taking into account the financial position of the Company, industrial trends, qualification, experience, past performance and past remuneration of the respective Directors in the manner to strike a balance between the interest of the Company and the Shareholders.
- **Non-Executive Directors:** The Non-executive Directors' (including Independent Directors) are paid sitting fees on a uniform basis.
- **KMPs & Senior Management Personnel:** The motive of determining policy for payment of remuneration to the KMPs and Senior Management Personnel are to motivate and retain them for longer term for the better perspective and growth of the Company. The criteria also oversee the industry trend, quality and experience of the personnel.

### (b) Sitting Fees:

The sitting fees paid to the non-executive Directors for attending the Board and the Committee meetings for the financial year under review were duly recommended by the Board and were within the limits as specified in the Companies Act, 2013 and rules framed thereunder.

### (c) Remuneration to Directors:

The statement of the remuneration paid /payable to the Managing /Whole-time /Executive Directors and Sitting Fees paid/ payable to Non-Executive Directors is given below:-

(₹ In Lacs)

Name of the Directors	Remuneration paid/ payable for 2021-22				Service Contract	
	Salary	Benefits	Sitting Fees	Pay per month	Period	Effective from
Mr. Sanjay Goenka	87.00	--	--	7.25	5 years	01.04.2021
Mrs. Nilima Goenka	36.00	--	--	3.00	5 years	01.06.2020
Mr. Ramsanatan Banerjee	8.64	--	--	0.72	5 years	04.02.2020
Mr. Binay Kumar Agarwal	--	--	0.38	--	--	--
Mr. Girdhari Lal Goenka	--	--	0.18	--	--	--
Mr. Krishna Kumar Tantia	--	--	0.35	--	--	--

#### Notes:

1. The appointment/ agreement of all Managing /Executive /Whole-time Directors can be terminated by giving three months' notice by either party.
2. The Company has not entered into any other pecuniary relationship or transactions with the Non-Executive Directors.

**(8) GENERAL BODY MEETINGS :****a) Location and time of Annual General Meetings held in the last three years:**

Year	Date	Venue	Time	Special Resolution passed
2020-21	4th September, 2021	62B, Braunfeld Row, Kolkata-700 027 (deemed venue)  [the meeting was held through video conferencing/ other audio video means (OAVM)]	1:00 P.M.	<b>5 (Five) Special Resolution was passed:</b> i. Re-appointment of Mr. Sanjay Goenka (DIN: 00848190) as a Chairman & Managing Director of the Company. ii. Re-appointment of Mr. Binay Kumar Agarwal (DIN: 01342065) as an Independent Director of the Company. iii. Re-appointment of Mr. Krishna Kumar Tantia (DIN: 00315796) as an Independent Director of the Company. iv. Re-appointment of Mr. Girdhari Lal Goenka (DIN: 00613725) as an Independent Director of the Company. v. Approval of loans, investments, guarantee or security under section 185 of Companies Act, 2013.
2019-20	25th August, 2020	62B, Braunfeld Row, Kolkata-700 027 (deemed venue)  [the meeting was held through video conferencing/ other audio video means (OAVM)]	3:00 P.M.	<b>3 (Three) Special Resolution was passed:</b> i. Re-appointment of Mr. Ramsananan Banerjee (DIN: 05191594) as a Whole-time Director of the Company. ii. Re-appointment of Mrs. Nilima Goenka (DIN: 00848225) as a Whole-time Director of the Company. iii. Change of place of keeping register of members & other records by Registrar & Share Transfer Agents
2018-19	12th September, 2019	Hindusthan Club Limited, Conference Hall, 4/1, Sarat Bose Road, Kolkata-700020	4:00 P.M.	No Special Resolution was passed

**b) Resolution by Postal Ballot:**

One Special Resolution was passed through postal ballot meeting (remote & Venue e-voting) by majority and result of the same was declared on 1st June, 2021, in respect of Migration of the Company from NSE-SME Board to Main Board.

Ms. Jaya Bajpai Company Secretary & Compliance Officer of the Company was responsible for the entire postal ballot voting process and the Company had appointed Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary as the Scrutinizer for conducting the postal ballot process (e-voting) in a fair and transparent manner

**Consolidated Voting Pattern of postal ballot forms / e-voting:**

<b>Resolution (1)</b>	
<b>Resolution required: (Ordinary / Special)</b>	Special
<b>Whether promoter/promoter group are interested in the agenda/resolution? (Refer Note 1)</b>	No
<b>Description of resolution considered</b>	Migration of the Company from NSE Emerge (SME Platform of NSE) to Main Board of NSE

Category	Mode of voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)= [(2)/ (1)]*100	(4)	(5)	(6)= [(4)/ (2)]*100	(7)= [(5)/ (2)]*100
Promoter and Promoter Group	E-Voting		-	-	-	-	-	-
	Poll	69,50,100	-	-	-	-	-	-
	Postal Ballot		-	-	-	-	-	-
	<b>Total</b>	<b>69,50,100</b>	-	-	-	-	-	-
Public-Institutions	E-Voting		-	-	-	-	-	-
	Poll	0	-	-	-	-	-	-
	Postal Ballot		-	-	-	-	-	-
	<b>Total</b>	<b>0</b>	-	-	-	-	-	-
Public- Non Institutions	E-Voting		6,58,025	20.01	6,58,025	-	100%	-
	Poll	32,88,025	-	-	-	-	-	-
	Postal Ballot		-	-	-	-	-	-
	<b>Total</b>	<b>32,88,025</b>	<b>6,58,025</b>	<b>20.01</b>	<b>6,58,025</b>	-	<b>100%</b>	-
<b>Total</b>		<b>1,02,38,125</b>	<b>6,58,025</b>	<b>6.43</b>	<b>6,58,025</b>	-	<b>100%</b>	-
Whether resolution is Passed or Not.		Yes						
Disclosure of notes on resolution		Note: 1 – Since, in terms of proviso to Regulation 277 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, votes casted by Promoters (including Promoters Group) are not material for the Special Business mentioned in the notice of postal ballot, any votes casted by Promoters (including Promoters Group) have not been considered and accordingly, although they have voted in favour of resolution, same were treated as Invalid.						

## (9) MEANS OF COMMUNICATION:

- Quarterly results:** The Company's quarterly / half-yearly / annual financial results are sent to the Stock Exchanges and generally published in both English and Regional newspapers viz, 'Financial Express' and 'Duranta Barta'. They are also available on the website of the Company.  
No presentation has been made to Institutional Investors or Analysts.
- NSE Electronic Application Processing System (NEAPS):** NEAPS is a web-based application designed by NSE for Corporates. All periodical and other compliance filings are filed electronically on NEAPS.
- Website:** The Company's website display official news releases in a prompt manner. The Company presentations made to institutional investors or to the analysts are disseminated to Stock Exchanges and are also displayed in the website of the Company at www.hindcon.com.

## (10) GENERAL INFORMATIONS FOR MEMBERS:

- Annual General Meeting (Date, Time & Venue):** Friday, 26th August, 2022 at 11:00 a.m. (IST) through video conferencing/other audio video means (OAVM) at Registered Office of the Company situated at 62B, Braunfeld Row, 1st Floor, Kolkata – 700 027 (deemed venue)
- Financial Year:** April, 2021 – March, 2022.
- Dividend payment date:** Within 30 days from the date of declaration in AGM.
- Date of Book Closure:** 20.08.2022 till 26.08.2022 (both days inclusive).
- Listing:** i. **The National Stock Exchange of India Ltd. (NSE)**  
Exchange Plaza, 5th Floor, Plot No. C/1,  
'G' Block, Bandra-Kurla Complex, Bandra (E),  
Mumbai- 400 051  
(Scrip Code – HINDCON)

No listing fees are due as on date to the aforesaid Stock Exchanges.

- f. **Stock Market price Data :** Monthly High/ Low price during the last Financial Year at The National Stock Exchange of India Ltd. depicting liquidity of the Equity Shares is given hereunder :

Month	Share Price	
	High Price	Low Price
April, 2021	24.50	21.00
May, 2021	42.95	24.00
June, 2021	39.20	33.00
July, 2021	81.90	37.95
August, 2021	75.35	60.20
September, 2021	67.70	59.60
October, 2021	76.00	60.30
November, 2021	71.90	54.45
December, 2021	86.95	55.70
January, 2022	75.85	62.70
February, 2022	74.95	59.00
March, 2022	87.00	59.50

- g. **Performance in comparison:** Share price performance in comparison to broad based indices – NSE Sensex is presented below:



**h. Registrar and Transfer Agent:****Link Intime India Pvt Ltd**

(SEBI Registration No.: INR INR000004058)  
Vaishno Chamber, 5th Floor, Flat Nos-502 & 503  
6, Brabourne Road, Kolkata - 700 001  
Tele No — 033- 4004 9728 / 033- 4073 1698  
Fax No. - 033-4073 1698  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**i. Shares Transfer System :**

Share Transfer System is entrusted to the Registrar and Share Transfer Agents. Share Transfer Committee Meeting is held as and when required to approve the share transfer, issue of duplicate certificate etc. and are endorsed by Directors/ Executives/ Officers as may be authorised by the said Committee. Request for transfers received from members and miscellaneous correspondence are processed/resolved by the Registrars within the stipulated time.

**j. Unclaimed Dividends:**

The Company is required to transfer dividends which have remained unpaid/ unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Central Government. During financial year 2021-22, there is no unpaid/ unclaimed dividend outstanding for seven years to be transferred to IEPF authorities.

**k. Transfer of Shares to Investor Education & Protection Fund (IEPF) (in case Where Unclaimed Dividends have been transferred to IEPF for a consecutive period of Seven Years :**

In terms of Section 124 and 125 of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting Audit, Transfer Refund) Rules 2016, all shares in respect of which and dividends has remained unpaid/ unclaimed for a consecutive period of 7 (Seven) years or more from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

As required under the said Rules, the Company will publish notices in the newspapers inviting the members attention to the aforesaid Rules. The Company will also send out individual communication to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action in the matter.

Further, it may also be noted that in terms of Section 124(6) and 125(3) of the Companies Act, 2013 read with Rule 7 of the IEPF Rules, shares and dividends which have been transferred, if any to the IEPF Authority may be claimed by making an online application in Form No. IEPF-5 which is available at [www.iepf.gov.in](http://www.iepf.gov.in)

However, since there is no un-paid / un-claimed dividend as such no shares required to be transferred to IEPF Account.

**l. Details of outstanding shares in the Unclaimed Suspense Account:**

In terms of Regulation 39(4) read with Schedule VI of the Listing Regulations, there is no equity shares lying in the suspense account which was issued in either demat form and physical form.

**m. Distribution of Shareholding as on 31st March, 2022:**

S I . No.	Shares Range			Number of Shareholders	% of Total Shareholders	Total shares for the range	% of issued capital
1	1	to	500	5282	89.12	467345	4.56
2	501	to	1000	297	5.01	239578	2.34
3	1001	to	2000	145	2.45	228163	2.23
4	2001	to	3000	58	0.98	151285	1.48
5	3001	to	4000	62	1.05	237771	2.32
6	4001	to	5000	18	0.30	85346	0.83
7	5001	to	10000	33	0.55	247014	2.41
8	10001	to	Above	32	0.54	8581623	83.83
<b>Total</b>				<b>5927</b>	<b>100.00</b>	<b>1,02,38,125</b>	<b>100.00</b>

**n. Share Holding Pattern as on 31st March, 2022:**

S I . No.	Category	No. of Shares	% of holding
1	Promoters & Associates	6970100	68.08
2	Mutual Funds & UTI	-	-
3	Banks, Financial Institutions, Insurance Companies (Central/ State Govt., Institutions)	-	-
4	Foreign Portfolio Investors	-	-
5	Alternate Investment Funds	-	-
6	Corporate Bodies	1202550	11.75
7	Indian Public	1949230	19.04
8	NRI's / OCBs	93536	0.91
9	Clearing Members	22709	0.22
10	Trust	-	-
<b>Total</b>		<b>10238125</b>	<b>100.00</b>

**o. Dematerialization of Shares****ISIN: INE642Y01011**

100% of the total equity share capital is held in dematerialized form with National Securities Depository Ltd. & Central Depository Services Limited as on 31st March, 2022.

**p. Outstanding Instruments :**

The Company has not issued any GDRs / ADRs / Warrants or any convertible Instrument. As such, there is no impact on Equity of the Company.

**q. Commodity Price Risk/:**

Not applicable to the Company as Company is not associated in Hedging Activities.

**r. Plant Location:**

Location	State	Address
Plant	West Bengal	Jalan Complex, Gate No.: 3, Baniyara, P.O. Begri, P.S. Domjur, Howrah-711411.

**s. Address for Correspondence****Hindcon Chemicals Limited**

62B, Braunfeld Row, 1st Floor, Kolkata – 700 027

Phone Nos.: (033) 2449 0839. Fax No. (033) 2449 0849

E-mail: [contactus@hindcon.com](mailto:contactus@hindcon.com)**t. Credit Ratings:**

Your Company has not obtained credit ratings.

**(11) Other Disclosures:**

- a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of listed entity at large :**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

- b. Details of non-compliance by the Listed Entity, penalties, strictures imposed on the Listed Entity by Stock Exchange(s) or Securities and Exchange Board of India or any Statutory Authority, on any matter related to the capital markets, during the last three years :**

No penalty or strictures have been imposed on the Company by any of the aforesaid authorities during the last 3 years.

- c. Vigil Mechanism / Whistle Blower Policy :**

The Whistle Blower policy of the Company is in place and the Company had not denied access to Audit Committee to any personnel of the Company.

- d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Corporate Governance :**

The Company has complied with all the applicable mandatory Regulations of SEBI (LODR) Regulations, 2015 and has adopted the following non-mandatory requirements of the aforesaid Regulations.

The Company has taken cognizance of other non - mandatory requirements as set out in applicable Regulations of SEBI (LODR) Regulations, 2015 and shall consider adopting the same at an appropriate time.

- e. Policy for determining 'material' subsidiaries :**

The Company does not have any material Subsidiary as defined in Regulation 24 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- f. Web link where policy on dealing with related party transactions :**

Policy on dealing with related party transaction is displayed at <https://hindcon.com/wp-content/uploads/2020/12/Related-Party-Transaction-Policy.pdf>

- g. Disclosures of commodity price risks and commodity hedging activities :**

The Company is not associated with any hedging activities.

- h. Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A):**

No such instance held during the year under review.

- i. Certificate from Company Secretary in practice:**

As required under the provisions of Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from a Company Secretary in Practice have been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

- j. Disclosure of non-acceptance of recommendation of Committee:**

The Company has accepted all the recommendation by the Committees during the period under review.

- k. Fees of statutory auditors by the Company:**

The total fees for all services paid by the Company to the statutory auditor M/s. R B Roy & Co (Firm Registration No. 322805E), Chartered Accountants was ₹ 2.30 Lacs. M/s. R B Roy & Co is not a part of any entity/firm which is in the same network of the Company.

- l. Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The disclosure regarding the complaints of sexual harassment are given in the Board's Report



**m. Accounting Treatment in preparation of financial statement :**

The Company has prepared its financial Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 and rules framed thereunder.

**n. Risk Management :**

The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk.

**o. CEO / CFO certification :**

The CEO / CFO certification as required under Regulation 17(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto which forms part of this report.

**p. Annual Secretarial Compliance Report:**

Pursuant to the SEBI circular no.CIR/CFD/ CMD1/27/2019 dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Santosh Kumar Tibrewalla Practicing Company Secretary, confirming compliance of SEBI Regulations / Circulars /Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the report.

**q. No Disqualification Certificate from Company Secretary in Practice:**

The company has received a certificate from Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 (3) of the Listing Regulations.

**r. Management Discussion and Analysis Report :**

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto which forms part of this report.

**(12) Disclosure of Non-Compliance of any requirement of Corporate Governance Report of sub-paras (2) to (12) above, with reasons thereof:**

There is no non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (12) above, thus no explanations need to be given.

**(13) Disclosure of the extent to which the discretionary requirements as specified in part E Of Schedule II have been adopted:**

- a. Office to Non-Executive Chairperson: The Company does not have any Non-Executive Chairperson.
- b. The financial statement of your Company is continued to be with unmodified audit opinion.
- c. Separate posts of Chairperson & CEO: Mr. Sanjay Goenka, is the Chairperson of the Company.
- d. The Internal Auditors report directly to the Audit Committee.

**(14) Code Of Conduct:**

The Company has framed Code of Conduct for all the Board Members, Key Managerial Personnel and other Senior Executives of the Company who have affirmed compliance with the same as on 31st March, 2022. A duty of the Independent Directors has been duly incorporated in the code. The Code is displayed on the Company's website at <https://hindcon.com/wp-content/uploads/2020/12/Code-of-Conduct-Final.pdf>. A declaration signed by the CEO is annexed as **Annexure 'E'**.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 (as amended), the Board has approved the 'Code of Conduct for prevention of Insider Trading' and entrusted the Audit Committee to monitor the compliance of the code. The Board had approved and adopted the SEBI (Prohibition of Insider Trading) Regulations, 2015 relating to the code of practices and procedure for fair disclosure of Unpublished Price Sensitive Information and formulated the code of conduct of the Company.

**(15) Vigil Mechanism Policy:**

As per the requirements of the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had established a mechanism for employees to report concerns for unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics. It also provides for adequate

safeguards against the victimization of employees who avail the said mechanism. This policy also allows the direct access to the Chairperson of the Audit Committee. The Audit Committee is committed to ensure the flawless work environment by providing a platform to report any suspected or confirmed incident of fraud/ misconduct.

**(16) Securities and Exchange Board of India ('SEBI') Complaints Redress System ("SCORES"):**

As per the SEBI directive, the investors desirous of making complaints pertaining to the listed Companies has to be made electronically and sent through SCORES and the Companies or their appointed Registrar & Share Transfer Agent (R&TA) are required to view the pending complaints and submit 'Action Taken Report' (ATRs) along with necessary documents electronically in SCORES. Further, there is no need to file any physical ATRs with SEBI. The Company is already registered under SCORES to efficiently and effectively redress the investors/shareholders complaints in time.

**(17) (Disclosures of the Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub – Regulation (2) of Regulation (46):**

The Company is in compliance with the requirements of aforesaid Regulations.

## ANNEXURE 'C' TO THE DIRECTORS' REPORT

**SANTOSH KUMAR TIBREWALLA**  
B.Com. (Hons.) LL.B., FCS.  
Practicing Company Secretary  
(Peer Reviewed)

5A, N. C. Dutta Sarani,  
3rd Floor, Kolkata - 700 001  
Phone: 2262-8200 / 40054842  
Email: santibrewalla@redifmail.com

**CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE AS REQUIRED UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To The Members of M/s. HINDCON CHEMICALS LTD**

I have examined the Compliance of Corporate Governance of M/s. Hindcon Chemicals Limited for the financial year 2021-22, as stipulated under applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into by the said Company with the Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has generally complied with the condition of Corporate Governance as stipulated under applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**Place: Kolkata**  
**Date: 18.07.2022**

sd/-  
(Santosh Kumar Tibrewalla)  
Practicing Company Secretary  
Membership No.: 3811  
Certificate of Practice No.: 3982  
PR No.: 1346/2021  
UDIN: F003811D000637721

**ANNEXURE 'D' TO THE DIRECTORS' REPORT****Certification by Managing Director – Chief Executive Officer (CEO) and Chief Financial Officer of the Company (CFO)**

To,  
The Board of Directors,  
Hindcon Chemicals Limited,  
62B, Braunfeld Row, 1st Floor,  
Kolkata – 700 027

Dear Sirs,

**Sub: Certification by Managing Director (CEO) and CFO of the Company**

In terms of Regulation-17(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Sanjay Goenka, Chairman & Managing Director (CEO) and Kashi Nath Dey, Chief Financial Officer (CFO), certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year 2021-22 (hereinafter referred to as 'Year') and to the best of our knowledge and belief–
- a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - iii) that we have not come across any instances of significant fraud and the involvement therein of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For Hindcon Chemicals Limited**

Place: Kolkata  
Date: 18.07.2022

sd/-  
Sanjay Goenka  
Chairman & Managing Director (CEO)  
DIN: 00848190

sd/-  
Kashi Nath Dey  
Chief Financial Officer

## ANNEXURE 'E'

**Declaration for Compliance with the Code of Conduct of the Regulation 26(3) read with Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, Sanjay Goenka, Chairman & Managing Director (CEO) of M/s. Hindcon Chemicals Limited declare that as of 31st March, 2022 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

**For Hindcon Chemicals Limited**

sd/-

**Sanjay Goenka**  
**Chairman & Managing Director (CEO)**  
**DIN: 00848190**

**Place: Kolkata**

**Date: 18.07.2022**

# Management discussion and analysis



## Global economic review

The global economy grew an estimated 5.9% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to increased vaccination rollout the world over and a revival in economic activity based on catch-up consumption.

The global economy was affected by prohibitive shipping freight rates, a shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies, catalysed by a run up in commodity prices. Some emerging and developing economies were

positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

Regional growth (%)	2021	2020
World output	5.9	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

## Indian economic review

The Indian economy reported an attractive recovery in 2021-22, its GDP rebounding from a de-growth of 7.3 per cent in 2020-21 to a growth of 8.7 per cent in 2021-22. By the close of 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (save China), its market size at around 1.40 billion the second most populous in the world and its rural under-consumed population arguably the largest in the world.

## Y-o-Y growth of the Indian economy

	FY19	FY20	FY21	FY22
Real GDP growth (%)	6.1	4.2	(7.3)	8.7

## Growth of the Indian economy, 2021-22

	Q1, FY22	Q2, FY22	Q3, FY22	Q4, FY22
Real GDP growth (%)	20.1	8.4	5.4	4.1

The Indian economy was affected by the second wave of the pandemic that affected economic growth towards the fag end of the previous financial year and across the first quarter of the financial year under review. The result is that after a growth of 1.6 per cent in the last quarter of 2020-21, the Indian economy grew 20.1 per cent in the first quarter of FY 2021-22 due to the relatively small economic base during the corresponding period of the previous year.

India's monsoon was abundant in 2021 as the country received 99.32% of a normal monsoon, lower though than in the previous year. The estimated production of rice and pulses recorded volumes of 127.93 million tonnes and 26.96 million tonnes respectively. The total oilseeds production of the country recorded a volume of 371.47 million tonnes. Moreover, based on the spatial and temporal distribution of the 2021 monsoon rainfall, the agricultural gross value added (GVA) growth in FY22 is anticipated to be 3-3.5%. The country's manufacturing sector grew an estimated 12.5 per cent, the agriculture sector 3.9 per cent, mining and quarrying by 14.3%, construction by 10.7% and electricity, gas and water supply by 8.5% in FY 2021-22.

There were positive features of the Indian economy during the year under review.

India attracted the highest annual FDI inflow of USD 83.57 billion in FY2021-22, a validation of global investing confidence in India's growth story. The government

approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector from 49% to 74% in Union Budget 2021-22.

India surpassed the Rs 88,000 cr target set for asset monetisation in 2021-22, raising over Rs 97,000 crore with roads, power, coal, mining and minerals accounting for a large chunk of the transactions.

The Indian government launched a four-year ₹6 lakh crore asset monetisation plan (roads and highways, pipelines, power transmission lines, telecom towers, railways station re-development, private trains, tracks, goods sheds, dedicated freight corridor, railways stadiums, airports, projects in major ports, coal mining projects, mineral mining blocks, national stadia, redevelopment of colonies and hospitality assets).

In 2021, India was the largest recipient of global remittances. The country received USD 87 billion during 2021, with the US being the largest source (20%). India's foreign exchange reserves stood at an all-time high of USD 642.45 billion as on September 3, 2021, crossing USD 600 billion in FOREX reserves for the first time.

India's currency weakened 3.59% from ₹73.28 to ₹75.91 to a US dollar through FY 22. The consumer price index (CPI) of India stood at an estimated 5.3% in FY 2021-22. India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of 2021-22 following the relaxation of the lockdown, validating the consumption-

driven improvement in the economy. The country recorded its all-time highest GST collections in March 2022 standing at ₹1.42 lakh crore, which is 15% higher than the corresponding period in 2021.

India ranked 62 in the 2020 World Bank's Ease of Doing Business ranking. The country received positive FPIs worth ₹51,000 crore in 2021 as the country ranked fifth among the world's top leading stock markets with a market capitalisation of \$3.21 trillion in March 2022.

The fiscal deficit was estimated at ~₹15.91 trillion for the year ending March 31, 2022 on account of a higher government expenditure during the year under review.

India's per capita income was estimated to have increased 16.28% from ₹1.29 lakh in 2020-21 to ₹1.50 lakh in 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

India's tax collections increased to a record Rs 27.07 lakh crore in FY 2021-22 compared with a budget estimate of Rs 22.17 lakh crore. While direct taxes increased 49 per cent, indirect tax collections increased 30 per cent. The tax-to-GDP ratio jumped from 10.3 per cent in FY21 to 11.7 per cent in FY22, the highest since 1999.

Retail inflation in March at 6.95 per cent was above the RBI's tolerance level of 6 per cent but fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI's tolerance band for the third straight month.

(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

## Indian economic reforms and Budget 2022-23 provisions

The Budget 2022-23 seeks to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years leading to 100 years of independence in 2047. The government is emphasizing the role of PM GatiShakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments.

The capital expenditure target of the Indian government expanded by 35.4% from ₹5.54 lakh crore to ₹7.50 lakh crore. The effective capital expenditure for FY23 is seen at ₹10.7 lakh crore. An outlay of ₹5.25 lakh crore was made to the Ministry of Defence, which is 13.31% of the total budget outlay. A boost was provided to India's electric vehicle policy 'Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India'. An announcement of nearly ₹20,000 crore was made for the PM Gati Shakti National Master Plan to catalyse the

infrastructure sector. An expansion of 25,000 km was initiated for 2022-23 for the national highways network. To boost the agricultural sector, an allocation of ₹2.37 lakh crore was made towards the procurement of wheat and paddy under MSP operations. An outlay of ₹1.97 lakh crore was announced for the Production Linked Incentive (PLI) schemes across 13 sectors.

## Outlook

The Indian economy is projected to grow by 7% in FY23 (World Bank estimate), buoyed by tailwinds of consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine leading to a revival in economic activity.

Across the next three years, capital expenditure in core sectors - cement, metal, oil refining and power - should be about ₹5 trillion. Besides, the government's production linked

incentives (PLI)-led capex should generate an incremental Rs 1.4 trillion in sectors like consumer durables, pharmaceuticals and automobiles.

## Global construction chemicals market

The global construction chemicals market has been evaluated at approximately USD 19,416.37 million in 2022. It is anticipated to grow at a CAGR of 6.06% during 2022 to 2028. The global construction chemicals market services largely the residential sector with nearly 29% share globally, followed by commercial buildings. The construction chemical market can be classified into concrete admixtures, asphalt modifiers, adhesives and sealants, protective coatings. These chemicals moderate the erosion of buildings and increase bond strength.

The chemical admixtures segment was estimated at US\$ 13.93 Bn. in 2020 and is projected to reach US\$ 20.14 Bn. by 2027, at a CAGR of 5.41% during 2021-2027. This segment of the construction chemical market generates the highest revenue. Chemical admixtures are used to accelerate and check the rate of curing and moderate water content in the concrete mix. Other uses of chemical admixtures include oxidization inhibitors, reduction control, alkali-silica reactivity inhibitors, and coloring agents in concrete.

The infrastructure sub segment is expected to generate revenue of \$12.8

million and grow at a CAGR of 6.2% till 2026. The growth of this sector is facilitated due to chemicals used in infrastructure strengthens the concrete and improves its quality. As the chemicals used are highly advanced, it helps in reduction of overall cost of the project as it enhances the rate of accomplishment of the project.

The Asia-Pacific region possessed the highest share of the market of approximately 46% in 2022 and anticipated to expand at a CAGR of 6.5% by 2026. The market for Asia-Pacific is propelled by a rapid surge in construction activities.



## Indian construction chemicals industry overview

India's construction chemical market is expected to grow at a CAGR of 14% to reach a market value of US\$ 21.6 Bn in 2031. North India dominates the market accounting for more than 30% of India construction chemical market and is growing at a CAGR of 13.6%. Infrastructure accounts for more than 63% of India's construction chemical market which along with other factors like government initiatives like Make in India and Pradhan Mantri Awas Yojna.

The water-proofing segment is the prime revenue generator in the Indian construction chemicals market, accounting for more than 35% of the market share. Other segments of this market include flooring chemicals, admixtures, adhesives & sealants, waterproofing compounds, repair and rehabilitation and more. Rapid construction projects in the metro cities along with the increase in urbanization and foreign direct investments are the major demand drivers of this sector.

India's construction chemical industry is attracting foreign and domestic market participants like chemical manufacturers, infrastructure developers and institutional

investors to set up construction chemical production facilities. Major infrastructure activities like highway construction, power generation, and export cargo are anticipated to boost the construction chemical market. (Source: *Persistence Market Research, Fortune Business Insights*)

### Growth drivers

**Urbanisation:** The population of India is expected to reach 1.6 billion by the year 2048; with urban population reaching 675 million by 2035. This rapid urbanization will accelerate the demand for affordable housing, connected transport systems, other infrastructure and commercial units, catalysing the construction chemicals industry.

**Interest rates:** The interest rate set by RBI on home loans was as low as 6.40% in December 2021. This will drive acquisitions in the real estate sector, accelerating the demand for construction chemicals.

**GDP per capita:** India's GDP per capita hit 2,318.3 USD in March 2022 compared with 1,968.1 USD in March 2021 and is anticipated to reach approximately US\$ 2,745 in 2023.

**Increase in nuclear families:** The

average household size of India, in 2020 was 4.4 people per household. This is the prime factor in the growing demand of the Indian real estate sector, strengthening the construction chemicals market.

**Smart City Mission:** Under this mission, by 2030, urban areas are predicted to accommodate 40% of India's population and contribute 75% to the GDP. With an increase in population, there would be an increase in infrastructure which could result in increasing demand for construction chemicals.

**Demographic dividend:** India accounts for the largest population cluster in the world with a median age of 28 years, a sweet spot for more three decades of an active economic life.

**Availability of raw materials:** As the raw materials like additives, cement and sand etc. are economical; they are expected to raise the demand of the construction chemicals industry.

**High use of concrete and admixtures:** In infrastructure projects, concrete and admixtures are used in growing quantities. (Source: *The Wire, Economic Times, Trading Economics, Yahoo finance*)

## Michael Porter's Five Forces analysis

### Risk of entry by potential competitors:

With the arrival of new players, the industry capacity has increased, leading to enhanced competition. In the construction chemicals market, marketing, R&D, distribution and marketing serve as entry barriers.

**Rivalry among competitors:** Competitive struggle for market share in the construction chemical segment is strong and could be a threat to profitability as it comprises small and large companies.

**Bargaining power of buyers:** As there is easy accessibility of construction chemicals, it is increasing the bargaining

power of buyers.

**Bargaining power of suppliers:** In the global industry, there are suppliers of construction chemicals associated with price consciousness, increasing the bargaining power of raw material suppliers.

**Threat of substitutes:** The availability of substitute products of construction chemicals in the global market is low, reducing the threat of substitutes.

(Source: *Researchdive.com*)

### Commercial sector

India's commercial real estate sector was affected by the coronavirus pandemic. As offices were closed for months

(employees working from home), there was a decline in office maintenance standards and consumption of construction chemicals.

### Real estate housing sector

The construction sector was affected by the lockdown following a migration of workers to their villages and rise in the cost of materials. Projects were delayed, delivery dates were deferred and most buyers suspended their decision to buy a property.

### Government initiatives

Pradhan Mantri Awas Yojana (Urban) (PMAY (U)): Under this scheme 1.15 crore houses have been sanctioned in urban areas, which has created over of 1.20 crore

jobs. This is responsible for the growth of the real estate sector, and is also anticipated to boost the construction chemicals market.

**Reduction in GST:** The rates on affordable residential properties was 1% after the Government announced GST reduction and imposed 5% on residential properties after deducting land cost.

**Alternative Investment Fund:** Alternative investment fund (AIF) of Rs 25,000 crore (US\$ 3.58 billion) was sanctioned by the Union Cabinet to restore approximately 1,600 stagnant housing projects across top cities in the country.

**Affordable Housing Fund:** An Affordable Housing Fund (AHF) of Rs 10,000 crore (US\$ 1.43 billion) was created by the

government in the National Housing Bank (NHB), using loans from the priority sector towards the short fall of banks/financial institutions for micro financing of the HFCs.

**Special Window for Completion of Construction of Affordable and Mid-Income Housing Projects (SWAMIH):**

Under these initiatives, the projects benefit from fresh sales and collection of dues from existing buyers, which, in turn, boosts the real estate market and drives growth of the construction chemicals industry.

**Special Economic Zones (SEZs):** 427 SEZs were formally approved by India as of June 2021, out of which 267 were already in operation. Most of these special economic zones (SEZs) are in the IT/ BPM sector.

(Source: IBEF, Economic Times)

## SWOT analysis

**Strengths:** There is an increase in the production of innovated and quality products as the state-of-the-art chemical manufacturing value-chain has been put in place by India

**Weaknesses:** The entire construction chemicals market involves small scale suppliers and is unorganized. This has resulted in a fragmented industry.

**Opportunities:** Restoration and reconstruction are expected to drive the construction chemicals market.

**Threats:** Increasing imports from China and the basic unorganisation are threatening organized players in the Indian construction chemicals market.

## Risk management

**Economy risk:** Due to the coronavirus pandemic, there has been economic slowdown, which might affect the Company's performance.

**Mitigation:** The Indian economy reported an attractive recovery in 2021-22; its GDP rebounded from a de-growth of 6.6 per cent in 2020-21 to a growth of 8.7 per cent in 2021-22. The Company reported a 40.98% increase in revenue, indicating outperformance.

**Quality risk:** Reduction in the quality of the product can affect the Company's long-term revenue generation prospects.

**Mitigation:** The Company keeps a track of 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.

**Competition risk:** With an increase in competition, businesses might suffer from a decline in profits.

**Mitigation:** The Company targets a wider geographic footprint and new B2B clients. The Company continues to service longstanding relationships, which account for more than 81.83% of the Company's revenues. A wide range of products are offered by the Company to address growing customer needs. B2B customers accounted for 85.57% of revenues in 2021-22.

**Demand risk:** As the infrastructure industry is developing, it catalyses demand in the construction chemicals industry; fall can negatively affect the demand for construction chemicals.

**Mitigation:** The Company is coming up with creative products that could be utilized in other sectors as well.

**Environment risk:** The risk of not being able to meet with the environmental risks, which and include the production of environment-friendly products

**Mitigation:** The Company, being a member of Indian Green Building Council, focuses on the manufacture of environment-friendly products.

**Portfolio risk:** Any decline in sales of sodium silicate could have a negative impact on the operations and profitability of the Company.

**Mitigation:** The Company has a varied products portfolio, which includes sodium silicate, concrete and mortar admixtures, floorings, protective waterproofing coatings and adhesives. The Company provides services like waterproofing and repair, besides being engaged in retrofitting distressed structures.

### Financial review

Revenues: Revenues during the year under review were ₹65.26 crores, a growth of 40.98% over Rs 46.29 crores during FY2020-21.

Profit after tax: The Company registered a profit after tax of Rs 4.73 crores during FY 2021-22 compared to Rs 4.74 crores during FY2020-21, which was 0.2% lower than the previous financial year.

### 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's competence is derived from inspired employees. The Company provides a competitive compensation, amiable work environment and acknowledges employee performance through a planned reward and recognition programme. The Company encourages individuals to extend beyond their scope of work and undertake voluntary projects that enable them to learn. As on 31st March, 2022 the employee strength of the Company stood at 101.

### 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 'G' TO THE DIRECTORS' REPORT

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022**

*[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, 2022, 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, 2022, **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:-
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities and Sweat Equity) Regulations, 2021;
  - 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;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
  - 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.

**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 except the following:

- *The Company had passed a Special Resolution through postal ballot meeting (remote & Venue e-voting) on 1st June, 2021, in respect of Migration of the Company from NSE-SME Board to NSE Main Board.*

**Place: Kolkata**

**Date: 18.07.2022**

sd/-

**Santosh Kumar Tibrewalla**

**Practicing Company Secretary**

**Membership No.: 3811**

**Certificate of Practice No.: 3982**

**PR No.: 1346/2021**

**UDIN: F003811D000637796**

**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, Chairman & 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	60 Months w.e.f. 1st April, 2020.
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/- per month 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	8th February, 2020
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	1. Bengal Silicates & Chemicals 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 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.

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

**Registered Office:**

62B, Braunfeld Row  
Kolkata – 700 027

**Date: 18.07.2022**

sd/-  
**Sanjay Goenka**  
Chairman & Managing Director  
DIN: 00848190

sd/-  
**Nilima Goenka**  
Whole time Director  
DIN: 00848225

**ANNEXURE –I'****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**

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:

S I . No.	Name of Director/ KMP and Designation	Remuneration of Director / KMP for financial year 2021-22 (₹in lakhs)	% increase/ decrease in Remuneration in the financial year 2021-22	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Sanjay Goenka Managing Director	87.00	27.02	60.42:1
2	Mrs. Nilima Goenka Whole Time Director	36.00	22.66	25:1
3	Mr. Ramsanatan Banerjee Whole-time Director	8.64	30.12	6:1
4	Mr. Kashi Nath Dey Chief Financial Officer	4.92	30.50	-
5	Ms. Jaya Bajpai Company Secretary	2.16	-	-

Note:

- i) No other Director other than the Managing Director and Whole-time Director received any remuneration during the financial year 2021-22
- ii) The median remuneration of employees of the Company during the financial year was ₹12,000/- compared to the previous year of ₹11,780/-.
- iii) In the financial year 2021-22, there was an increase of **1.87%** in the median remuneration of employees;
- iv) There were **101** permanent employees on the rolls of Company as on March 31, 2022;
- v) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2022 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.	Name of the Employees	Designation of the employee	Remuneration drawn during the financial year 2021-22 (₹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 any Director or Manager of the Company and if so, name of such Director or Manager
1.	Debasis De	Dy. General Manager	13.41	Permanent	B.SC	01.08.2019	44 years	NA	NO	NO
2	Dillip Kumar Sahoo	Factory Manager	6.15	Permanent	B.COM	01.12.2002	45 years	NA	NO	NO
3	Bijaya Kumar Sahoo	Asst. Manager-Production & QC	5.57	Permanent	B.SC	01.12.2002	41 years	NA	NO	NO
4	Satyajit Dey	Sr. General Manager	6.77	Permanent	B.SC	03.05.2011	58 years	NA	NO	NO
5	Kashi Nath Dey	Chief Financial Officer	4.91	Permanent	B.COM	01.05.2006	44 years	NA	NO	NO
6	Tarak Nath Saha	Manager Technical	4.92	Permanent	B.SC	01.04.2008	43 years	NA	NO	NO
7	Santanu Adhikari	Manager Technical	4.85	Permanent	B.SC	01.12.2018	51 years	NA	NO	NO
8	Subrat Kumar Kuanr	Manager Marketing	4.98	Permanent	B.COM	01.07.2010	44 years	NA	NO	NO
9	Prabhat Jha	Asst. General Manager	5.15	Permanent	B.SC	01.03.2017	55 years	NA	NO	NO
10	Somnath Kar	Sales Engineer	4.62	Permanent	B.SC	01.06.2008	57 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.

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

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

sd/-  
**Sanjay Goenka**  
Chairman & Managing Director  
DIN: 00848190

sd/-  
**Nilima Goenka**  
Whole time Director  
DIN: 00848225

**Date: 18.07.2022**

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on CSR Policy of the Company

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](http://www.hindcon.com).*

### 2. Composition of CSR Committee:

S I . No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sanjay Goenka	Chairman- Managing Director	2	2
2	Mr. Binay Kumar Agarwal	Member-Independent Director	2	2
3	Mrs. Nilima Goenka	Member-Whole Time Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://hindcon.com/wp-content/uploads/2021/06/CSR-Policy.pdf>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014: **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year: **Not Applicable**
6. Average net profit of the company as per section 135(5): **₹474.20 Lakhs**
7.
  - i. Two percent of average net profit of the company as per section 135(5): **₹9.49 Lakhs**
  - ii. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Not Applicable**
  - iii. Amount required to be set off for the financial year: **Not Applicable**
  - iv. Total CSR obligation for the financial year (7a+7b-7c): **₹9.49 Lakhs**
8. (a) CSR amount spent or unspent for the financial year: **The entire amount of ₹9.49 Lakhs was spent for the Financial Year 2021-22**
- (b) Details of CSR amount spent against **ongoing projects** for the financial year: **Nil**
- (c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

₹ in Lakh

(1)	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State.	District.			Name	CSR registration number
1.	Healthcare	Promoting healthcare including preventive health care	Yes	West Bengal	Kolkata	3.21	No	1. Lions North Calcutta Hospital & Medical Centre 2. Rural Health Care Foundation 3. Lions Club International Dist-322B-1 Trust 4. Providing healthcare Facility to Mr. Purna Chandra Rout 5. Providing healthcare Facility to Mr. Sanjib Ghosh	CSR00001722 CSR00004725 NIL NIL NIL
2.	Healthcare	Blanket Distribution	Yes	West Bengal	Kolkata	0.27	No	1. Ramesh Kumar Khanna & Grandsons	NIL
3.	Contribution made to goshala for protection and welfare of cows	Animal Welfare	Yes	West Bengal	Kolkata	1.00	No	1. Akhil Bharat Goseva Sansthan	CSR00025352
4.	Education	Women empowerment & Education	Yes	West Bengal	Kolkata	2.76	No	1. Friends of Tribals Society 2. Lions North Calcutta Hospital & Medical Centre 3. Marwari Balika Vidyalaya 4. Shreehari Satsanga Samity 5. Paid School fees of children of Mrs. Manju Devi Sharma	CSR00001898 CSR00001722 NIL CSR00013480 NIL
5.	Providing Essentials & food	Eradicating hunger, poverty and malnutrition	Yes	West Bengal	Kolkata	0.15	No	1. Ariadaha Bandhab Sangha Club 2. Kashi Bose Lane Durga Puja Samity	NIL NIL
						0.70	Yes	-	
6.	Temple Maintenance	Preservation of Cultural Heritage	Yes	West Bengal	Kolkata	0.07	No	1. Sri Jagannath Seva Samity	NIL



(1)	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State.	District.			Name	CSR registration number
7.	Covid-19 Vaccination	Providing essentials for covid-19 pandemic	Yes	West Bengal	Kolkata	0.94	No	1. Vasundhara Dealer Pvt. Ltd.	NIL
								2. Welfare Society for The Members of Jalan Industrial Complex	NIL
8.	Distribution of sanitizer, mask & gloves	Providing essentials for covid-19 pandemic	Yes	West Bengal	Kolkata	0.40	Yes	-	
<b>TOTAL</b>						<b>9.50</b>			

(d) Amount spent in Administrative Overheads: **No amount was spent in administrative overheads.**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹9.50 Lakhs**

(g) Excess amount for set off: **NIL**

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **NIL**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

**For Hindcon Chemicals Limited**

sd/-  
**Sanjay Goenka**  
Chairman & Managing Director  
DIN: 00848190

sd/-  
**Nilima Goenka**  
Whole time Director  
DIN: 00848225

Date: 18.07.2022

**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, 2022.**

S I . No.	Particulars	
1.	Name of Subsidiary Company	Hindcon Solutions Private Limited (Formerly known as Padmalaya Vinimay Private Limited)
2.	Latest audited Balance Sheet Date	31.03.2022
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, 2021 to March 31, 2022
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	₹5,01,38,217/-
8.	Total Assets	₹5,65,20,477/-
9.	Total Liabilities	₹5,65,20,477/-
10.	Investments	₹4,83,79,219/-
11.	Turnover	₹3,72,49,553/-
12.	Profit before Taxation	₹82,94,617/-
13.	Provision for Taxation	₹30,07,552/-
14.	Profit after Taxation	₹52,87,064/-
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 31st March, 2022.****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  
Date: 18.07.2022

sd/-  
Kashi Nath Dey  
Chief Financial Officer

sd/-  
Jaya Bajpai  
Company Secretary

# 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, 2022, the Standalone Statement of Profit and Loss ( Including Other Comprehensive Income ), the statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ( hereinafter referred to as "the standalone financial statements" ).

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2022, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 (ICAI) of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, 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 audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming 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 preparation of 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 such 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgements and estimates that are reasonable and prudent; and the 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 statements 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. Those charged with the governance 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 Standards on Auditing, 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 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 with reference to financial statements 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 management and Board of Directors.
- 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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 in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure A, 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss ( including Other Comprehensive Income ), the Standalone Statement of Cash Flow and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards ) Rules, 2015, as amended from time to time.
- On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act, and
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 41.
  - (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.
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds ( which are material either individually or in the aggregate ) have been advanced or loaned or invested ( either from borrowed funds or share premium or any other sources or kind of funds ) by the company to or in any other person or entity, including foreign entity ( Intermediaries ), with the understanding whether recorded in writing or otherwise that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ( Ultimate Beneficiaries ) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented that, to the best of its knowledge and belief, no funds ( which are material either individually or in the aggregate ) have been received by the company from any person any fund from any person(s) or entity(ies), including foreign entities ( Funding Party ) with the understanding ( whether recorded in writing or otherwise ) that the company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ( Ultimate Beneficiaries ) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (c) Based on our audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) (a) The dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.
- (b) The Board of Directors of the Company has proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting as mentioned in Note 43 of the standalone financial statements. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

**For R B ROY & CO.**

Chartered Accountants  
Firm Regn. No.322805E

**Sd/-**

**( CA. N. Krishnan )**

Partner

Membership No.062381

UDIN : 22062381AJUTOL7144

Kolkata  
May 28, 2022



## ANNEXURE – ‘A’ TO THE INDEPENDENT AUDITORS’ REPORT

( Referred to in paragraph 1 under ‘Report on Other Legal and regulatory Requirements’ section our report to the members of **Hindcon Chemicals Limited** of even date )

- (1) a. The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were physically verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its fixed assets. No material discrepancies were 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 ( other than immovable properties where the company is lessee and the lease agreements are duly executed in favour of the lessee ) disclosed in the standalone financial statements are held in the name of the company.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its property, plant and equipment during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (2) a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by the management were appropriate. No discrepancies were noticed on verification between the physical stocks and the books records that were 10% or more in the aggregate for each class of inventory.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks hence this clause is not applicable to the Company.
- (3) a. The company has not made any investment during the year. The company has granted secured/unsecured loans/advances in the nature of loans to Company/Firm/Limited Liability Partnership/other party during the year. The company did not stand guarantee or provided security to any Company/Firm/Limited Liability Partnership/other party during the year.
- b. In respect of the investments made by the company, the terms and conditions under which such investments were made are not prejudicial to the company’s interest. Accordingly, the requirement to report on clause 3(iii)(a) to (f) (other than investment) are not applicable to the company.
- (4) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans and investments made, guarantees and security provided by it, as applicable.
- (5) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not accepted deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to 76 of the Companies ( Acceptance of Deposits ) Rules, 2014 ( as amended ) during the year. Accordingly, clause 3(v) of the order are not applicable.
- (6) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (7) According to the information and explanations given to us and on the basis of our examination of the records of the Company :
  - a) The company is generally regular in depositing undisputed statutory dues including provident fund, employee’s state insurance, service tax, duty of customs, value added tax, Cess, Goods and Services tax and other statutory dues ( as applicable to the company ) with the appropriate authorities. According to the information

and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, service tax, duty of customs, value added tax, Cess, Goods and Services tax and other material

statutory dues ( as applicable to the company ) were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company and upon our enquiries in this regard, the details of disputed statutory dues including provident fund, employee's state insurance, service tax, duty of customs, value added tax, Cess, Goods and Services tax and other statutory dues ( as applicable to the company ) as at 31st March, 2022 are as follows :-

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	21,19,224/=	2013-14	CIT (A)
2.	Income Tax Act, 1961	Tax and Interest	37,030/=	2017-18	DCIT/CPC

- (8) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of accounts, in the tax assessments under Income Tax Act, 1961 as income during the year.
- (9) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no funds raised on short term basis have been used for long term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (10) (a) The Company has not raised any moneys by way of initial public offer or further public offer ( including debt instruments ) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the 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, clause 3(x)(b) is not applicable.
- (11) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 was required to be filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies ( Audit and Auditors ) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, no whistle blower complaints received by the company during the year.
- (12) According to the information and explanations given to us, the company is not a Nidhi company and therefore, the reporting under clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- (13) In our opinion and according to the information and explanations given to us, the transactions of the company

with the related parties during the year are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable and the details of the related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(14) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of audit report for the period under audit have been considered by us.

(15) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(16) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not conducted any Non-Banking Financial/Housing Finance Activities during the year. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) of the Order is not applicable.

(17) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the company has not incurred cash losses in the financial year 2021-22 and in the immediately preceding financial year 2020-21.

(18) There has been no resignation of Statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on

the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

(20) The Company has during the year spent the amount of Corporate Social Responsibility as required under subsection (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company. The matter has been disclosed in Note 42 to the Standalone financial statements.

(21) The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For R B ROY & CO.**

Chartered Accountants  
Firm Regn. No.322805E

**Sd/-**

**( CA. N. Krishnan )**

Partner

Kolkata  
May 28, 2022

Membership No.062381  
UDIN : 22062381AJUTOL7144

## 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 of **31st March, 2022** 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 and to the best of the information and explanations given to us, 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 March 31, 2022, 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.

Kolkata  
May 28, 2022

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

**Sd/-**  
**( CA. N. Krishnan )**  
Partner  
Membership No.062381  
UDIN : 22062381AJUTOL7144

## Standalone Balance Sheet as at 31 March 2022

(₹ in Lacs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	4	172.01	140.87	113.19
(b) Financial assets				
(i) Investments	5	129.91	228.39	129.43
(ii) Other financial assets	6	100.98	103.46	6.47
(c) Deferred tax assets (net)	7	31.96	36.60	42.17
(d) Other non-current assets	8	2.84	3.42	3.10
<b>Total Non-current assets</b>		<b>437.70</b>	<b>512.74</b>	<b>294.36</b>
<b>(2) Current assets</b>				
(a) Inventories	9	357.42	202.93	210.89
(b) Financial assets				
(i) Trade receivables	10	2,635.83	1,920.55	1,983.19
(ii) Cash and cash equivalents	11	220.06	644.48	79.27
(iii) Other bank balances	12	320.69	354.54	213.60
(iv) Loans	13	440.00	165.00	525.00
(v) Other financial assets	14	23.16	17.95	26.29
(c) Current tax asset	15	369.55	148.59	107.28
(d) Other current assets	16	185.09	140.33	85.89
<b>Total Current assets</b>		<b>4,551.80</b>	<b>3,594.37</b>	<b>3,231.41</b>
<b>TOTAL ASSETS</b>		<b>4,989.50</b>	<b>4,107.11</b>	<b>3,525.77</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	17	1,023.81	1,023.81	1,023.81
(b) Other equity	18	2,687.12	2,312.36	1,840.22
<b>Total Equity</b>		<b>3,710.93</b>	<b>3,336.17</b>	<b>2,864.03</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Other financial liabilities	19	2.43	1.39	3.84
(b) Provisions	20	0.51	-	-
<b>Total Non-current liabilities</b>		<b>2.94</b>	<b>1.39</b>	<b>3.84</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	21	123.65	98.83	29.53
(ii) Trade payables	22	788.73	470.86	504.85
(iii) Other financial liabilities	23	1.28	0.13	-
(b) Other current liabilities	24	22.54	25.28	19.27
(c) Provisions	25	3.51	2.15	-
(d) Current tax liabilities	26	335.92	172.30	104.25
<b>Total Current liabilities</b>		<b>1,275.63</b>	<b>769.55</b>	<b>657.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,989.50</b>	<b>4,107.11</b>	<b>3,525.77</b>

Significant accounting policies

3

The accompanying notes form an integral part of these Standalone financial statements

As per our report of even date attached

For R B ROY &amp; CO.

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

**( CA. N. Krishnan )**

Partner

Membership No.062381

UDIN : 22062381AJUTOL7144

Kolkata

28th May, 2022.

Sd/-

**( Nilima Goenka )**

( Whole Time Director )

( DIN : 00848225 )

Sd/-

**( Jaya Bajpai )**

( Company Secretary )

For and on behalf of Board of Directors

of **Hindcon Chemicals Limited**

Sd/-

**( Sanjay Goenka )**

( Chairman and Managing Director )

( DIN : 00848190 )

Sd/-

**( Kashinath Dey )**

( Chief Financial Officer )

## Standalone Statement of Profit and Loss for the year ended 31 March 2022

(₹ in Lacs)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	27	6,370.31	4,427.19
II Other income	28	155.51	201.85
<b>III Total income (I + II)</b>		<b>6,525.82</b>	<b>4,629.04</b>
<b>IV Expenses</b>			
Cost of materials consumed	29	3,358.97	2,352.79
Purchase of stock-in-trade	30	1,730.31	1,049.08
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	-4.25	0.71
Employee benefits expense	32	368.32	291.19
Finance costs	33	2.24	1.47
Depreciation and amortisation expense	4	25.28	18.49
Other expenses	34	419.22	280.10
<b>Total expenses (IV)</b>		<b>5,900.09</b>	<b>3,993.83</b>
<b>V Profit/ (loss) before tax (III-IV)</b>		<b>625.73</b>	<b>635.21</b>
<b>VI Tax expense:</b>			
Current tax		163.62	172.30
Deferred tax		-10.90	-9.51
For Earlier Years		-	-2.12
<b>VII Profit / (loss) for the year (V-VI)</b>		<b>473.01</b>	<b>474.54</b>
<b>Other comprehensive income (net of tax)</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plan		-1.12	-3.37
(b) Equity instruments through other comprehensive income		174.37	108.18
(c) Income taxes relating to items that will not be reclassified to profit or loss		-15.55	-15.07
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>157.70</b>	<b>89.74</b>
<b>VIII Other comprehensive income</b>		<b>157.70</b>	<b>89.74</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>630.71</b>	<b>564.28</b>
<b>X Earnings per equity share</b>			
[Face value of equity share ₹ 10 each (previous year ₹ 10 each)]			
- Basic	36	4.62	4.64
- Diluted	36	4.62	4.64

Significant accounting policies

3

The accompanying notes form an integral part of these Standalone financial statements

As per our report of even date attached

For R B ROY &amp; CO.

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

**( CA. N. Krishnan )**

Partner

Membership No.062381

UDIN : 22062381AJUTOL7144

Kolkata

28th May, 2022.

Sd/-

**( Nilima Goenka )**

( Whole Time Director )

( DIN : 00848225 )

Sd/-

**( Jaya Bajpai )**

( Company Secretary )

For and on behalf of Board of Directors

of **Hindcon Chemicals Limited**

Sd/-

**( Sanjay Goenka )**

( Chairman and Managing Director )

( DIN : 00848190 )

Sd/-

**( Kashinath Dey )**

( Chief Financial Officer )

## Standalone Statement of Changes in Equity for the year ended 31 March 2022

### A. Equity share capital

(₹ in Lacs)

Particulars	Amount
<b>Balance as at April 1, 2020</b>	1,023.81
Changes in equity share capital during 2020-21	-
<b>Balance as at March 31, 2021</b>	1,023.81
Changes in equity share capital during 2021-22	-
<b>Balance as at March 31, 2022</b>	<b>1,023.81</b>

### B. Other equity

Particulars	Reserves & Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained earnings	Equity Instruments through Other Comprehensive Income	
<b>Balance at April 1, 2020</b>	635.02	1,423.33	(218.13)	1,840.22
Profit or Loss	-	474.54	-	474.54
Other comprehensive income (net of tax)	-	(2.91)	92.66	89.75
<b>Total comprehensive income</b>	<b>-</b>	<b>471.63</b>	<b>92.66</b>	<b>564.29</b>
Dividend	-	(92.14)	-	(92.14)
Reclassification Adjustment for Loss on Sale of Equity Shares	-	(6.27)	6.27	-
<b>Balance at March 31, 2021</b>	<b>635.02</b>	<b>1,796.55</b>	<b>(119.20)</b>	<b>2,312.37</b>
Profit or Loss	-	473.01	-	473.01
Other comprehensive income (net of tax)	-	0.84	156.86	157.70
<b>Total comprehensive income</b>	<b>-</b>	<b>473.85</b>	<b>156.86</b>	<b>630.71</b>
Dividend	-	(255.95)	-	(255.95)
Reclassification Adjustment for Profit on Sale of Equity Shares	-	34.68	(34.68)	-
<b>Balance at March 31, 2022</b>	<b>635.02</b>	<b>2,049.13</b>	<b>2.98</b>	<b>2,687.13</b>

- (i) Dividend paid during the year ended March 31, 2022 for the Financial Year 2021-22 ( Interim Dividend ) is ₹ 1.00 per equity share of face value ₹ 10 each fully paid up, for the Financial Year 2020-21 is ₹1.50 per equity share of face value ₹ 10 each, fully paid up (March 31, 2021: for the Financial Year 2019-20, ₹ 0.90 per equity share of face value ₹ 10 each, fully paid up).

The accompanying notes form an integral part of these Standalone financial statements

As per our report of even date attached

For R B ROY & CO.

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

( CA. N. Krishnan )

Partner

Membership No.062381

UDIN : 22062381AJUTOL7144

Kolkata

28th May, 2022.

Sd/-

( Nilima Goenka )

( Whole Time Director )

( DIN : 00848225 )

Sd/-

( Jaya Bajpai )

( Company Secretary )

For and on behalf of Board of Directors

of Hindcon Chemicals Limited

Sd/-

( Sanjay Goenka )

( Chairman and Managing Director )

( DIN : 00848190 )

Sd/-

( Kashinath Dey )

( Chief Financial Officer )



## Standalone Statement of Cash Flow for the year ended 31 March 2022

(₹ in Lacs)

	Year ended March 31, 2022		Year ended March 31, 2021	
	Amount	Amount	Amount	Amount
<b>A. Cash Flows from Operating Activities</b>				
<b>Net Profit/(Loss) before tax</b>		625.73		635.21
Adjustment for:				
Depreciation	25.29		18.49	
Interest expense	2.24		1.47	
Fair Value Changes in Equity Instruments thru' FVTPL	2.99		(7.63)	
Profit on Sale of Investments	(2.85)		-	
Profit on Sale of property, plant & equipment	(2.16)		-	
Dividend Income	(37.37)		(1.00)	
Provision for Gratuity	4.32		(1.22)	
Interest Income	(69.03)	(76.57)	(92.80)	(82.69)
<b>Operating cash flows before working capital changes</b>		<b>549.16</b>		<b>552.52</b>
Working capital adjustments:				
(Increase)/Decrease in Inventories	(154.49)		7.95	
(Increase)/Decrease in Trade Receivables	(715.28)		62.65	
(Increase)/Decrease in Other Non-current Financial Assets	2.48		(96.98)	
(Increase)/Decrease in Other Non-current Assets	0.58		(0.32)	
(Increase)/Decrease in Other Bank balances	33.86		(0.13)	
(Increase)/Decrease in Other Current Financial Assets	(5.21)		(140.81)	
(Increase)/Decrease in Other Current Assets	(65.24)		(57.89)	
Increase/(Decrease) in Other Non-current Financial Liabilities	1.05		(2.45)	
Increase/(Decrease) in Trade Payables	317.87		(34.00)	
Increase/(Decrease) in Other Current Financial Liabilities	1.14		0.13	
Payment towards Gratuity	(3.58)		-	
Increase/(Decrease) in Current Liabilities	(2.74)	(589.56)	6.01	(255.84)
<b>Cash generated from operations</b>		<b>(40.40)</b>		<b>296.68</b>
Income tax paid (net)		(200.49)		(140.00)
<b>Net Cash from / (used in) Operating Activities (A)</b>		<b>(240.89)</b>		<b>156.68</b>
<b>B. Cash Flows from Investing Activities</b>				
Purchase of Property, plant & equipment	(54.27)		(46.14)	
(Increase)/decrease in Loan Given	(275.00)		360.00	
Purchase of Investments	-		(41.44)	
Sale of Investments	272.70		58.29	
Dividend Income	37.37		1.00	
Interest Income	69.03		101.13	
<b>Net Cash used in Investing Activities (B)</b>		<b>49.83</b>		<b>432.84</b>

## Standalone Statement of Cash Flow for the year ended 31 March 2022

(₹ in Lacs)

	Year ended March 31, 2022		Year ended March 31, 2021	
	Amount	Amount	Amount	Amount
<b>C. Cash Flow from Financing Activities</b>				
Increase/ (Decrease) in Short-term Borrowings	24.82		69.30	
Dividend paid	(255.94)		(92.14)	
Interest Paid	(2.24)		(1.47)	
<b>Net Cash from Financing Activities (C)</b>		<b>(233.36)</b>		<b>(24.31)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)</b>		<b>(424.42)</b>		<b>565.21</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>644.48</b>		<b>79.27</b>
<b>Cash and Cash Equivalents at the end of the year</b>		<b>220.06</b>		<b>644.48</b>
( Refer Note No. 11 to the Accounts )				

### Note :

- Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013
- Figures in brackets indicate cash outflow.

### Significant accounting policies: Note 3

The accompanying notes form an integral part of these Standalone financial statements

As per our report of even date attached

For R B ROY & CO.

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

**( CA. N. Krishnan )**

Partner

Membership No.062381

UDIN : 22062381AJUTOL7144

Kolkata

28th May, 2022.

Sd/-

**( Nilima Goenka )**

( Whole Time Director )

( DIN : 00848225 )

Sd/-

**( Jaya Bajpai )**

( Company Secretary )

For and on behalf of Board of Directors

of **Hindcon Chemicals Limited**

Sd/-

**( Sanjay Goenka )**

( Chairman and Managing Director )

( DIN : 00848190 )

Sd/-

**( Kashinath Dey )**

( Chief Financial Officer )

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 1 Company Overview

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 are listed on the National Stock Exchange of India Ltd. 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.

### 2 Basis of preparation

#### a) Statement of Compliance

These financial statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The Company has adopted all the Ind AS standards and adoption was carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) which was the previous GAAP. Reconciliations and descriptions of the effect of transition has been summarised in Note 51.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

#### b) Functional and presentation currency

The financial statements are presented in Indian Rupees ( ₹ ) which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ( ₹ ).

#### c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### d) Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-

##### (i) Useful lives of Property, plant and equipment:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### (ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### (iii) Defined benefit plans:

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### (iv) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

## e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 3 Significant accounting policies

### a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### i. Financial Assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

#### Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

#### Financial assets at FVTOCI

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

#### Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

#### Other equity investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

#### Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

### ii. Financial liability

#### Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

#### Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

#### Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

### Derecognition

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## c) Property, Plant and Equipment

### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

### ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### iii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

### iv. Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss.

Depreciation on fixed assets are provided on written down value method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act.

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss.

Depreciation on fixed assets are provided on written down value method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act.

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

### d) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a written down value basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

### e) Inventories

Inventories which comprise raw materials, finished goods, stock in trade, packing materials, stores and spares are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out (FIFO) formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs including octroi and other levies, transit insurance and receiving charges incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

### f) Impairment

#### i. Impairment of financial instruments: financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognised in Statement of Profit and Loss.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### g) Employee Benefits

#### i. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

#### iii. Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

### h) Provisions (other than for employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### i) Revenue Recognition

Revenue from sale of goods is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discount to customers. Revenue from sale of goods is recorded after taking into account contractually defined terms of payment and excluding other taxes or duties collected on behalf of the government.



## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### j) Leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss. Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with general inflation.

### k) Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established. Interest income or expense is recognised using the effective interest method. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, payment, extension, call and similar options) but does not consider the expected credit losses.

### l) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

#### i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

### m) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

### n) Earnings per Share

Basic earnings 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.

For the purpose of calculating diluted earnings 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.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 4 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 were as follows:

Particulars	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	As At April 1, 2021	As At March 31, 2022	As At April 1, 2021	For the Year	As At March 31, 2022	As At March 31, 2021
<b>Owned Assets</b>						
Freehold Land	44.53	44.53	-	-	-	44.53
Building	10.12	13.87	8.14	0.54	8.68	1.98
Factory Shed	39.51	39.51	10.86	2.70	13.56	28.65
Office	18.18	18.18	12.44	0.53	12.97	5.74
Furniture & Fixtures	6.14	6.14	1.89	1.10	2.99	4.25
Plant & Machinery	78.04	105.31	46.75	8.56	55.31	31.29
Motor Car	42.67	54.52	25.38	8.40	23.33	17.29
Motor Cycle	1.20	1.20	1.14	-	1.14	0.06
Electrical Installations	6.72	7.18	5.63	0.33	5.96	1.09
Laboratory Equipments	1.79	1.92	1.44	0.10	1.54	0.35
Office Equipments	16.25	16.43	12.31	1.18	13.49	3.94
Computer & Accessories	5.15	7.47	3.59	1.80	5.39	1.56
Fire Safety Equipments	0.39	0.39	0.24	0.04	0.28	0.14
<b>Total</b>	<b>270.69</b>	<b>316.65</b>	<b>129.81</b>	<b>25.28</b>	<b>144.64</b>	<b>140.87</b>
		<b>57.74</b>			<b>-10.45</b>	<b>172.01</b>
		<b>-11.78</b>				

(₹ in Lacs)

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 4 Property, plant and equipment (contd.)

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 were as follows:

(₹ in Lacs)

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount		
	As At April 1, 2020	Additions/ Adjustments	Deductions/ Adjustments	As At March 31, 2021	As At April 1, 2020	For the Year	Deductions/ Adjustments	As At March 31, 2021	As At March 31, 2020
<b>Owned Assets</b>									
Freehold Land	44.53	-	-	44.53	-	-	-	44.53	44.53
Building	9.22	0.91	-	10.13	8.00	0.14	8.14	1.99	1.20
Factory Shed	15.04	24.47	-	39.51	8.57	2.29	10.86	28.65	6.47
Office	18.18	-	-	18.18	11.86	0.59	12.45	5.73	6.32
Furniture & Fixtures	1.81	4.33	-	6.14	1.64	0.25	1.89	4.25	0.17
Plant & Machinery	66.39	11.65	-	78.04	41.49	5.26	46.75	31.29	24.90
Motor Car	42.67	-	-	42.67	17.51	7.88	25.39	17.28	25.16
Motor Cycle	1.20	-	-	1.20	1.14	0.01	1.15	0.05	0.06
Electrical Installations	6.05	0.67	-	6.72	5.41	0.22	5.63	1.09	0.64
Laboratory Equipments	1.62	0.17	-	1.79	1.37	0.07	1.44	0.35	0.25
Office Equipments	14.20	2.05	-	16.25	11.16	1.14	12.30	3.95	3.04
Computer & Accessories	3.25	1.90	-	5.15	2.98	0.61	3.59	1.56	0.27
Fire Safety Equipments	0.39	-	-	0.39	0.21	0.03	0.24	0.15	0.18
<b>Total</b>	<b>224.55</b>	<b>46.15</b>	<b>-</b>	<b>270.70</b>	<b>111.34</b>	<b>18.49</b>	<b>129.83</b>	<b>140.87</b>	<b>113.19</b>

4.1 Refer Note 21 for hypothecation of property, plant and equipment against borrowing.

4.2 Title deeds for immovable properties are held in the name of the company.

4.3 Also, refer Note 51 A. 1. for exemption availed under para D7AA of Ind AS 101.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 5 Non-current investments

(₹ in Lacs)

Particulars	Face Value per Share	Quantity (Nos.)			Amount		
		As at March 31, 2022	As at March 31, 2021	As at April 1, 2020	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Unquoted investments</b>							
<b>Investments in equity instruments</b>							
<b>In subsidiary (at cost)</b>							
Hindcon Solutions Pvt Ltd (Formerly- Padmalaya Vinimay Pvt Ltd)	10	393,500	393,500	393,500	39.35	39.35	39.35
<b>Quoted investments</b>							
<b>Investments in equity instruments</b>							
<b>At fair value through other comprehensive income</b>							
Aditya Birla Capital Ltd	10	-	4,500	4500	-	5.37	1.93
Ashapura Minechem Ltd	2	-	-	4000	-	-	0.83
CESC Ltd	1	-	500	-	-	2.97	-
Dollar Industries Ltd	2	13,269	47,500	40000	72.96	109.46	43.60
Ejecta Marketing Ltd	10	25,000	25,000	25000	-	0.25	0.25
Emami Ltd	1	-	1,000	2000	-	4.86	3.43
Emami Realty Ltd	2	-	10,000	7000	-	3.97	1.92
Gati Ltd	2	-	1,000	1000	-	1.03	0.48
Hero Motocorp Ltd	2	-	100	-	-	2.91	-
Himadri Speciality Chemicals Ltd	1	-	8,000	2000	-	3.33	0.70
Hindustan Construction Company Ltd	1	-	17,000	14000	-	1.37	0.55
Jain Irrigation Systems Ltd	2	-	4,000	4000	-	0.74	0.13
Jaiprakash Associates Ltd	2	-	150,000	200000	-	10.35	2.20
Jaiprakash Power Ventures Ltd	10	-	25,000	25000	-	0.81	0.16
Jindal Saw Ltd	2	-	10,000	10000	-	7.42	4.86
JK Paper Ltd	10	-	-	4000	-	-	3.08
Lanco Infratech Ltd	1	135,000	135,000	135000	-	-	-
Mawana Sugars Ltd	10	-	4,000	2000	-	1.43	0.48
Mcnally Bharat Engineering Ltd	10	-	74,410	74410	-	5.84	1.64
Motherson Sumi Systems Ltd	1	-	1,350	1350	-	2.72	0.78
NOCIL Ltd	10	-	-	9000	-	-	6.10
Rupa & Co. Ltd	1	-	1,200	2200	-	3.69	2.61
Sasta Sundar Ventures Ltd	10	-	-	6025	-	-	3.21
United Spirits Ltd	2	-	500	-	-	2.78	-
Welspun India Ltd	1	-	-	5000	-	-	1.03
<b>In Mutual funds (at fair value through profit or loss)</b>							
Nippon India Tax Saver (ELSS) - Growth	10	5,709.420	5,709	5,709	4.42	3.57	2.10
Nippon India Large Cap Fund - Growth	10	-	32,230	32,230	-	14.17	8.01
Nippon India - US Equity Opportunities Fund	10	58,889.365	-	-	13.18	-	-
<b>Total</b>					<b>129.91</b>	<b>228.39</b>	<b>129.43</b>
<b>Aggregate value of quoted investments</b>					<b>90.56</b>	<b>189.04</b>	<b>90.08</b>
<b>Aggregate book value of unquoted investments</b>					<b>39.35</b>	<b>39.35</b>	<b>39.35</b>
<b>Aggregate market value of quoted investments</b>					<b>90.56</b>	<b>189.04</b>	<b>90.08</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 6 Other financial assets ( Non Current )

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Bank deposit*	100.00	100.00	-
Security deposit	0.98	3.46	6.47
<b>Total</b>	<b>100.98</b>	<b>103.46</b>	<b>6.47</b>

\*Represents deposits with original maturity of more than 12 months from the Balance Sheet date.

### 7 Deferred Tax Assets/(Liabilities)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Deferred Tax Assets</b>			
Property, Plant and Equipment and Intangible Assets	5.26	5.45	5.20
Preliminary Expenses	-	4.15	8.30
Investments	-	14.10	29.20
Retirement benefit Obligations	1.01	0.54	-
Provision for Expected Credit Loss	27.46	12.36	-
<b>Deferred Tax Liabilities</b>			
Investments	-1.77	-	-
Retirement benefit Obligations	-	-	-0.53
<b>Total</b>	<b>31.96</b>	<b>36.60</b>	<b>42.17</b>

#### 7.1 Movement in deferred tax liabilities/ (assets) balances during the year ended March 31, 2022

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in OCI	Closing Balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	5.46	-0.20	-	5.26
Provision for Doubtful Debts	12.36	15.10	-	27.46
Provision for employee benefits	0.54	-0.26	0.74	1.02
Investments	14.11	0.39	-16.28	-1.78
Others	4.13	-4.13	-	-
<b>Total</b>	<b>36.60</b>	<b>10.90</b>	<b>-15.54</b>	<b>31.96</b>

#### 7.2 Movement in deferred tax liabilities/ (assets) balances during the year ended March 31, 2021

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in OCI	Closing Balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	5.20	0.26	-	5.46
Provision for Doubtful Debts	-	12.36	-	12.36
Provision for employee benefits	-0.53	1.92	-0.85	0.54
Investments	29.20	-0.87	-14.22	14.11
Others	8.28	-4.15	-	4.13
<b>Total</b>	<b>42.17</b>	<b>9.52</b>	<b>-15.07</b>	<b>36.60</b>

Deferred Tax Asset amounting to ₹ 0.75 Lacs as at March 31, 2022 ( March 31, 2021 - ₹ 1.99 Lacs ) on Long Term Capital losses carried forward has not been recognised due to uncertainty surrounding availability of future long term capital gains against which such loss can be offset.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 8 Other non-current assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Advances other than capital advances</b>			
Deposits (Carried at amortised cost)			
– With Statutory Authorities	2.10	2.68	2.34
– Others ( Unsecured, considered good )	0.74	0.74	0.76
<b>Total</b>	<b>2.84</b>	<b>3.42</b>	<b>3.10</b>

8.1 Deposits with Statutory authorities include deposits for obtaining registration under Indirect Taxes Act of the State.

8.2 Others include deposits with various parties against supply of services

### 9 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
( Valued at the lower of cost and net realisable value )			
Raw materials	352.46	202.22	209.47
Work-in-progress	4.96	0.71	1.42
<b>Total</b>	<b>357.42</b>	<b>202.93</b>	<b>210.89</b>

### 10 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
(a) Trade Receivables considered good – Secured	-	-	-
(b) Trade Receivables considered good – Unsecured	2,621.83	1,864.97	1,836.49
(c) Trade receivables which have significant increase in credit risk	123.11	104.69	146.70
Less: Allowance for expected credit loss	-109.11	-49.11	-
(d) Trade Receivables – credit impaired	-	-	-
<b>Total</b>	<b>2,635.83</b>	<b>1,920.55</b>	<b>1,983.19</b>
Receivables from related parties (Refer note no. 38)	677.74	416.45	220.42
Others	1,958.09	1,504.10	1,762.77
<b>Total</b>	<b>2,635.83</b>	<b>1,920.55</b>	<b>1,983.19</b>

#### 10.1 Movement in allowance for expected credit losses of receivables :

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Balance at beginning of the year	49.11	-	-
Charge/(release) during the year	60.00	49.11	-
<b>Balance at end of the year</b>	<b>109.11</b>	<b>49.11</b>	<b>-</b>

10.2 In determining allowance for credit losses of trade receivables, the Company has used the practical expedient by computing the expected credit loss allowance based on experience, probability of recovery and percentage of recovery of bad debts till date. It takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables.

10.3 The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2022 to be ₹ 2,635.83 Lacs (March 31, 2021 - ₹ 1920.54 Lacs and April 1, 2020 ₹ 1983.19 Lacs ), which is the carrying value of trade receivables after allowance for credit losses.



## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 10.7 Trade receivables ageing schedule for the year ended April 1, 2020 were as follows: (₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,272.43	156.27	280.01	85.73	42.05	1,836.49
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	82.92	45.27	18.51	146.70
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-
<b>Total</b>						<b>1,983.19</b>

### 11 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Balances with banks			
- In current accounts (Unencumbered)	0.14	2.18	6.49
- In deposits accounts* (Unencumbered)	217.66	642.06	72.30
Cash on hand	2.26	0.24	0.48
<b>Total</b>	<b>220.06</b>	<b>644.48</b>	<b>79.27</b>

\*Represents deposits with original maturity of 3 months or less from the Balance Sheet date

### 12 Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Balances with banks			
- In deposits accounts*	319.41	354.41	213.60
Earmarked balances with Bank			
- Unclaimed dividend	1.28	0.13	-
<b>Total</b>	<b>320.69</b>	<b>354.54</b>	<b>213.60</b>

\*Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date

### 13 Loans

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Loan Given ( unsecured, considered good )			
- To Others	440.00	165.00	525.00
<b>Total</b>	<b>440.00</b>	<b>165.00</b>	<b>525.00</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2022

**13.1** Other Loan primarily represents loans given to other entities to be used in the ordinary course of business. ( Please see note no.44 )

**13.2** The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

**13.3** There are no outstanding loans/advances in the nature of loan from promoters, key management personnel or other officers of the Company.

### 14 Other current financial assets

( ₹ in Lacs )

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Security deposit	2.61	-	-
Interest accrued on deposits and Loans	20.55	17.95	26.29
<b>Total</b>	<b>23.16</b>	<b>17.95</b>	<b>26.29</b>

### 15 Current tax asset

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Advance payment of Tax ( including TDS & TCS )	369.55	148.59	107.28
<b>Total</b>	<b>369.55</b>	<b>148.59</b>	<b>107.28</b>

### 16 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Advances other than capital advances			
- Advance to suppliers	107.06	82.36	38.98
Other advances			
- Balance with Revenue Authorities	63.54	49.02	43.32
- Prepaid Expenses	1.97	2.04	1.00
- Employees	12.52	6.91	0.47
- Excess payment to Gratuity Fund	-	-	2.12
<b>Total</b>	<b>185.09</b>	<b>140.33</b>	<b>85.89</b>

**16.1** Balance with revenue authorities primarily relate to input credit entitlement, refunds and amounts paid under protest in respect of demands and claims from revenue authorities.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 17 Equity Share Capital

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Authorised			
1,10,00,000 Equity Shares of ₹ 10 each (as at March 31, 2021 : 1,10,00,000; as at April 1, 2020: 1,10,00,000 Equity Shares of ₹ 10 each)	1,100.00	1,100.00	1,100.00
	<b>1,100.00</b>	<b>1,100.00</b>	<b>1,100.00</b>
Issued, subscribed and fully paid-up			
1,02,38,125 Equity Shares of ₹ 10 each (as at March 31, 2021 : 1,02,38,125; as at April 1, 2020: 1,02,38,125 Equity Shares of ₹ 10 each)	1,023.81	1,023.81	1,023.81
	<b>1,023.81</b>	<b>1,023.81</b>	<b>1,023.81</b>

**17.1** Subscribed and paid-up capital includes 25,66,100 equity shares of face value of ₹ 10 each fully paid up, held by Hindcon Solutions Pvt Ltd, a subsidiary of the company.

#### 17.2 Reconciliation of number of equity shares outstanding at the beginning and at the end of the period

	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	Number	Amount	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,02,38,125	1,023.81	1,02,38,125	1,023.81	1,02,38,125	1,023.81
Add: Issued during the year	-	-	-	-	-	-
<b>Balance as at the end of the year</b>	<b>1,02,38,125</b>	<b>1,023.81</b>	<b>1,02,38,125</b>	<b>1,023.81</b>	<b>1,02,38,125</b>	<b>1,023.81</b>

#### 17.3 Rights, preferences and restrictions attaching to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders of the company are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

**17.4** The Company does not have any holding Company or ultimate holding Company.

**17.5** No shares have been reserved for issue under options and contracts / commitments for the sale of shares / disinvestment as at the balance sheet date.

**17.6** No convertible securities has been issued by the Company during the year.

**17.7** No calls are unpaid by any Director and officer of the Company during the year.

**17.8** 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

Particulars	As At March 31, 2022 No of Shares	As At March 31, 2021 No of Shares	As At April 1, 2020 No of Shares
Equity Shares allotted as fully paid bonus shares **	59,82,500	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 59,82,500 Bonus Shares on 08/08/2017 in the ratio 4:1.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 17.9 Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	Number	% of total shares in the class	Number	% of total shares in the class	Number	% of total shares in the class
Hindcon Solutions Pvt Ltd	25,66,100	25.06	25,66,100	25.06	25,66,100	25.06
Sanjay Goenka	18,78,500	18.35	18,78,500	18.35	16,62,500	16.24
Nilima Goenka	14,44,500	14.11	14,24,500	13.91	13,72,500	13.41
Radhakrishna Advisors LLP**	-	-	5,88,025	5.74	5,87,525	5.74
Vansh Goenka	5,70,000	5.57	5,70,000	5.57	5,70,000	5.57

\*\* The shareholder does not hold more than 5% Equity shares of the Company as on 31.03.2022.

### 17.10 Disclosure of share holdings of Promoters as at the end of the year :

Name of the Promoter/Promoter Group	As at March 31, 2022			As at March 31, 2021		
	Number	% of total shares in the class	% change during the year	Number	% of total shares in the class	% change during the year
Sanjay Goenka	18,78,500	18.35	-	18,78,500	18.35	2.11
Nilima Goenka	14,44,500	14.11	0.20	14,24,500	13.91	0.50
Vansh Goenka	5,70,000	5.57	-	5,70,000	5.57	-
Sanjay Goenka & Others ( HUF )	5,11,000	4.99	-	5,11,000	4.99	0.51
Hindcon Solutions Pvt Ltd	25,66,100	25.06	-	25,66,100	25.06	-

Name of the Promoter/Promoter Group	As at March 31, 2021			As at April 1, 2020		
	Number	% of total shares in the class	% change during the year	Number	% of total shares in the class	% change during the year
Sanjay Goenka	18,78,500	18.35	2.11	16,62,500	16.24	0.67
Nilima Goenka	14,24,500	13.91	0.50	13,72,500	13.41	0.16
Vansh Goenka	5,70,000	5.57	-	5,70,000	5.57	0.00
Sanjay Goenka & Others ( HUF )	5,11,000	4.99	0.51	4,59,000	4.48	0.00
Hindcon Solutions Pvt Ltd	25,66,100	25.06	-	25,66,100	25.06	0.00

### 18 Other equity

(₹ in Lacs)

Components	Note	As at March 31, 2022	As at March 31, 2021
Securities premium	a	635.02	635.02
Retained earnings	b	2,049.13	1,796.55
Other comprehensive income	c	2.97	-119.21
		2,687.12	2,312.36

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Securities premium</b>		
Balance at the Beginning of the year	635.02	635.02
Changes during the year	-	-
Balance at the end of the year	635.02	635.02

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 18 Other equity (contd.)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>b) Retained earnings</b>		
Balance at the Beginning of the year	1,796.55	1,423.33
Profit for the year	473.85	471.63
Dividend	-255.95	-92.14
Transfer within Equity	34.68	-6.27
Balance at the end of the year	2,049.13	1,796.55

Particulars	As at March 31, 2022	As at March 31, 2021
<b>c) Other comprehensive income</b>		
Balance at the Beginning of the year	-119.21	-218.14
Changes during the year	156.86	92.66
Transfer within Equity	-34.68	6.27
Balance at the end of the year	2.97	-119.21

The description of the nature and purpose of each reserve within equity is as follows:

(a) **Securities premium:** This represents amount received towards issue of equity shares over their face value. This amount can be utilised in accordance with the provisions of Companies Act, 2013.

(b) **Retained earnings:** This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

### 19 Other financial liabilities ( Non Current )

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Security deposit	2.43	1.39	3.84
<b>Total</b>	<b>2.43</b>	<b>1.39</b>	<b>3.84</b>

### 20 Provisions ( Non-Current )

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Provision for Gratuity	0.51	-	-
<b>Total</b>	<b>0.51</b>	<b>-</b>	<b>-</b>

### 21 Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Secured</b>			
<b>Repayable on demand from banks :-</b>			
- Cash credit	21.68	-	29.53
- Buyer's credit	101.97	98.83	-
<b>Total</b>	<b>123.65</b>	<b>98.83</b>	<b>29.53</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 21.1 Nature of security

Working Capital loan and Buyer's Credit from bank are secured by way of hypothecation charge over stock of raw materials, finished goods and book debts ( both present and future ) and also by the personal guarantee of the directors of the Company.

### 21.2 Repayment Terms and the applicable rate of interest on the above loan during the year:

- Buyer's Credit from Kotak Mahindra Bank Ltd amounting to ₹ 101.97 Lacs is repayable on 06.06.2022.
- Working capital loan from Bank's amounting to ₹ 21.68 Lacs ( March 31, 2021 ₹ Nil and April 1, 2020 ₹ 29.53 Lacs ) is repayable on demand.
- Rate of Interest on Buyer's Credit from Kotak Mahindra Bank Ltd is 3 months libor plus 1.05%.
- Rate of Interest on Cash credit is 8% p.a. as on March 31, 2022

### 22 Trade payables

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Dues to Micro And Small Enterprises</b> (as per the intimation received from vendors)			
a. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	35.78	18.26	28.03
b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-	-
d. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-	-
e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-
<b>Dues to other than micro and small enterprises</b>			
- For supply of goods & services	752.95	452.60	476.82
<b>Total</b>	<b>788.73</b>	<b>470.86</b>	<b>504.85</b>

#### 22.1 Trade payables ageing schedule for the year ended March 31, 2022 were as follows:

Particulars	Outstanding as on March 31, 2022 from the date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	35.78	-	-	-	35.78
(ii) Others	752.95	-	-	-	752.95
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>788.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>788.73</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 22 Trade payables (contd.)

#### 22.2 Trade payables ageing schedule for the year ended March 31, 2021 were as follows:

(₹ in Lacs)

Particulars	Outstanding as on March 31, 2021 from the date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	18.26	-	-	-	18.26
(ii) Others	452.60	-	-	-	452.60
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>470.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>470.86</b>

#### 22.3 Trade payables ageing schedule for the year ended April 1, 2020 were as follows:

Particulars	Outstanding as on April 1, 2020 from the date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	28.03	-	-	-	28.03
(ii) Others	476.82	-	-	-	476.82
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>504.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>504.85</b>

### 23 Other financial liabilities ( Current )

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Unpaid dividend*	1.28	0.13	-
<b>Total</b>	<b>1.28</b>	<b>0.13</b>	<b>-</b>

\*Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 126 of the Companies Act, 2013 or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.

### 24 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Statutory Dues (including provident fund, tax deducted at source and others)	12.56	24.84	8.25
Advances received from customers	1.88	0.40	4.57
Other payables	8.10	0.04	6.45
<b>Total</b>	<b>22.54</b>	<b>25.28</b>	<b>19.27</b>

### 25 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Provision for Gratuity	3.51	2.15	-
<b>Total</b>	<b>3.51</b>	<b>2.15</b>	<b>-</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 26 Current tax liabilities

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Current taxation	335.92	172.30	104.25
<b>Total</b>	<b>335.92</b>	<b>172.30</b>	<b>104.25</b>

### 27 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Manufactured Goods	4,453.33	3,294.07
Sale of Traded Goods	1,834.14	1,085.81
Sale of Services	82.84	34.51
Other Operating Revenues*	-	12.80
<b>Total revenue from operations</b>	<b>6,370.31</b>	<b>4,427.19</b>

\* Includes duty drawback and claims from parties

#### 27.1 Nature of goods and services

The Company is engaged in the manufacturing of sodium silicate and construction chemicals and generates revenue from the sale of the same. It is also the only reportable segment of the Company.

#### 27.2 Disaggregation of revenue for the year

In the following table, revenue is disaggregated by primary geographical market and major products lines.

##### Disaggregation of revenue

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Based on major products</b>		
- Sodium silicate and Construction Chemicals	6,287.47	4,379.88
<b>Based on Geographical region</b>		
- India	5,273.95	3,530.19
- Outside India	1,013.52	849.69
	<b>6,287.47</b>	<b>4,379.88</b>

### 28 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income	69.03	92.80
Dividend income	37.37	1.00
Other non-operating income	-	-
- Profit on sale of property, plant and equipment	2.16	-
- Net Gain/(loss) on sale of Mutual Funds	2.85	-
- Net Gain/(loss) on Fair Value changes of Mutual Funds	-2.99	7.63
- Recovery of bad debts written off in earlier years	37.89	43.56
- Net foreign exchange gain/(loss)	8.08	24.00
- Others Miscellaneous Income	1.12	32.86
<b>Total</b>	<b>155.51</b>	<b>201.85</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 28 Other income (contd.)

(₹ in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest income comprises interest from:</b>		
a) Deposits with banks - carried at amortised cost	23.25	30.35
b) Other financial assets measured at amortised cost	45.78	62.45
<b>Total</b>	<b>69.03</b>	<b>92.80</b>
<b>Dividend income comprises Dividend from:</b>		
a) Investments carried at Fair Value through other comprehensive income	1.95	1.00
b) Investments carried at amortised cost	35.42	-
<b>Total</b>	<b>37.37</b>	<b>1.00</b>

### 29 Cost of materials consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventory of raw materials at the beginning of the year	202.22	209.47
Add: Purchases	3,509.21	2,345.54
	<b>3,711.43</b>	<b>2,555.01</b>
Less: Inventory of raw materials at the end of the year	-352.46	-202.22
<b>Cost of materials consumed</b>	<b>3,358.97</b>	<b>2,352.79</b>

### 30 Purchase of stock-in-trade

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of stock-in-trade	1,730.31	1,049.08
<b>Total</b>	<b>1,730.31</b>	<b>1,049.08</b>

### 31 Change in inventories of finished goods and work-in-progress

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening inventories</b>		
Work-in-Progress	0.71	1.42
<b>Closing inventories</b>		
Work-in-Progress	4.96	0.71
<b>Total</b>	<b>-4.25</b>	<b>0.71</b>

### 32 Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	347.75	274.29
Contribution to provident and other funds	19.43	16.32
Workmen and staff welfare expenses	1.14	0.58
<b>Total</b>	<b>368.32</b>	<b>291.19</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 33 Finance costs

(₹ in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Borrowings from Banks	1.40	1.12
Interest on Statutory Dues	0.84	0.35
<b>Total</b>	<b>2.24</b>	<b>1.47</b>

### 34 Other Expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Manufacturing Expenses</b>		
Calibration Charges	0.33	0.33
Consumable Stores	0.96	0.67
Works Contract Charges	58.22	19.37
<b>Selling &amp; Distribution Expenses</b>		
Advertisement Expenses	2.51	0.34
Carriage Outward	162.07	119.77
Sales Promotion Expenses	3.73	4.15
Seminar Expenses	1.11	0.80
Commission	0.87	0.20
<b>Establishment Expenses</b>		
Electricity Charges	4.14	3.96
Contribution for CSR Activities	9.50	11.01
Directors' Sitting Fees	0.91	0.55
Travelling & Conveyance	21.98	7.90
Repairs & Maintenance	2.77	2.04
Office Rent	3.00	2.88
Bank Charges	13.20	6.93
Security Charges	3.44	3.44
Insurance Charges	2.64	1.74
General Expenses	10.90	4.96
Rates & Taxes	7.93	6.31
Professional Fees	16.04	12.90
Listing/Registrar Fees	8.92	1.25
Provision for Expected Credit Loss	60.00	49.11
Other Expenses	19.95	15.74
Internal Audit Fees	1.80	1.60
Auditors' Remuneration	2.30	2.15
<b>Total</b>	<b>419.22</b>	<b>280.10</b>

#### 34.1 Details of auditors' remuneration and out-of-pocket expenses is as below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
- Statutory Audit fees	1.80	1.65
- Tax audit fees	0.50	0.50
<b>Total</b>	<b>2.30</b>	<b>2.15</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 35 Income taxes

(₹ in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A Amount recognised in profit or loss</b>		
<b>Current tax</b>		
Current period	163.62	172.30
Provision for Earlier Years	-	-2.12
<b>a</b>	163.62	170.18
<b>Deferred tax</b>		
Deffered tax for the year	-10.90	-9.51
<b>b</b>	-10.90	-9.51
<b>Income tax expense reported in the Standalone Statement of Profit and Loss (a+b)</b>	<b>152.72</b>	<b>160.67</b>

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>B Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in Standalone Statement of Profit and Loss</b>		
Profit/(loss) before tax	625.73	635.21
Indian statutory income tax rate	25.168%	25.168%
Estimated Income tax expense	157.48	159.87
<b>Tax Effect of adjustments to reconcile expected tax expenses to reported tax expenses :</b>		
Tax on Capital Gain at different rates	0.23	0.43
Items not deductible	4.16	6.34
Utilisation/credit of deferred expenses and other tax benefits	-13.56	-5.39
Others	4.41	-0.58
<b>Total Income Tax Expense</b>	<b>152.72</b>	<b>160.67</b>
<b>Effective Income Tax Rate</b>	<b>24.41%</b>	<b>25.29%</b>

### 36 Earnings per equity share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Earnings per share has been computed as under:		
(a) Profit for the year	473.01	474.54
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic/diluted earnings per share	10,238,125	10,238,125
(c) Earnings per share on profit for the year		
- Basic EPS [(a)/(b)]	4.62	4.64
- Diluted EPS [(a)/(b)]	4.62	4.64

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 37 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013.

#### (a) Defined contribution plans:

Contribution to defined contribution plans, recognised as expense for the year are as under:

(₹ in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employer's contribution to Provident Fund	11.82	9.54
Employer's contribution to ESIC	3.26	2.88
<b>Total</b>	<b>15.08</b>	<b>12.42</b>

#### (b) Defined benefit plans:

##### (i) Gratuity Plan

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

##### (ii) Provident Fund

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

#### c) Risk Exposure

##### Defined Benefit Plans

Defined benefit plans expose the Company to actuarial risks such as: Interest rate risk, Salary risk and Demographic risk.

- Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.
- Salary risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that includes mortality withdrawal disability and retirement. The effect of these decrements on the defined benefits obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of the short career employee typically costs less per year as compared to a long service employee.

#### d) Details of the Gratuity Plan are as follows

##### i) Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Balance at the beginning of the year	36.27	27.05
Current service cost	4.30	4.28
Interest cost on Defined Benefit Obligation	2.53	1.89
Actuarial gain and losses arising		
Due to change in financial assumptions	-1.55	3.05
Due to unexpected experience adjustments	2.00	-
Benefits paid	-3.73	-
<b>Balance at the end of the year</b>	<b>39.82</b>	<b>36.27</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 37 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013.(contd.)

#### ii) Changes in the Fair value of planned assets representing reconciliation of opening and closing balances thereof as follows : (₹ in Lacs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Fair Value of Planned Assets at the beginning of the year	34.13	29.17
Expected Return on Planned Assets	2.50	2.04
Contribution	3.58	3.23
Benefits Paid	-3.73	-
Actuarial Gain/(Loss)	-0.67	-0.31
<b>Present Value of defined benefit obligation at the end of the year</b>	<b>35.81</b>	<b>34.13</b>

#### iii) Amount recognized in Balance Sheet

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Present value of Defined Benefit Obligation	39.82	36.27
Fair Value of Plan assets	-35.81	-34.13
<b>Net (Assets)/ Liability recognised in the Balance Sheet</b>	<b>4.01</b>	<b>2.14</b>

#### iv) Expenses recognized in statement of profit and loss

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Current service cost	4.30	4.28
Interest cost	0.02	1.89
Expected Return on plan asset	-	-2.04
Net Actuarial Loss/(Gain) recognised in the year	-	3.32
<b>Net Benefit Expense</b>	<b>4.32</b>	<b>7.45</b>

#### v) Remeasurement recognized in Other Comprehensive Income

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Actuarial (gain)/ loss on Defined Benefit Obligation	1.12	3.37

#### vi) Actuarial Assumptions

Particulars	Gratuity (Funded)	
	2021-22	2020-21
<b>Financial Assumptions</b>		
Discount rate	7.34%	7.00%
Salary escalation rate	6.00%	6.00%
<b>Demographic Assumptions</b>		
Mortality rate	IALM 2012-2014 Ultimate	
Withdrawal rate	5.00%	5.00%

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 37 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013.(contd.)

#### vii) Maturity Analysis

Weighted average duration of the retiring gratuity obligation is 15 years ( March 31, 2021 - 16.7 years )

#### viii) Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Variable	Sensitivity Level		Effect on Defined Benefit Obligations			
	March 31, 2022	March 31, 2021	March 31, 2022		March 31, 2021	
			Increase	Decrease	Increase	Decrease
Discount rate	+/- 0.5%	+/- 1%	37.70	42.13	33.37	39.62
Salary escalation rate	+/- 0.5%	+/- 1%	42.13	37.67	39.62	33.32
Attrition rate	+/- 0.5%	+/- 1%	39.83	39.81	36.43	36.09
Mortality rate	+/- 0.5%	+/- 1%	39.83	39.81	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### 38 Related Party Disclosures

#### Subsidiaries

Hindcon Solutions Pvt Ltd ( Formerly - Padmalaya Vinimay Pvt Ltd )

#### Key Managerial Personnel (KMP)

Mr Sanjay Goenka	Managing Director/Director
Mrs Nilima Goenka	Whole Time Director
Mr Ramsanatan Banerjee	Whole Time Director
Mr Krishna Kumar Tantia	Independent Director
Mr Giridhari Lal Goenka	Independent Director
Mr Binay Kumar Agarwal	Independent Director
Mr Kashinath Dey	Chief Financial Officer
Ms Jaya Bajpai	Company Secretary

#### Relatives of Key Managerial Personnel

Miss Vidisha Goenka  
Mr Rajiv Goenka  
Mr Ravi Goenka

#### Enterprises over which Key Managerial Personnel are able to exercise significant influence

Bengal Silicates & Chemicals Pvt Ltd  
Chemico International Pvt Ltd  
RG's Fashions Pvt Ltd  
Shipra Commercial Pvt Ltd

**Note:** Related Parties have been identified by the management.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 38 Related Party Disclosures (contd.)

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

(₹ in Lacs)

Nature of transaction	Name of related party	Transaction for the year ended		Balances	
		31/03/22	31/03/21	31/03/22	31/03/21
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Salary/Perquisites	Sanjay Goenka	87.00	68.49	-	-
	Nilima Goenka	36.00	29.35	-	-
	Ramsanatan Banerjee	8.64	6.64	-	-
	Kashinath Dey	4.92	3.77	-	-
	Vidisha Goenka	-	0.56	-	-
Director Sitting Fees	Binay Kumar Agarwal	0.38	0.25	-	-
	Giridhari Lal Goenka	0.18	0.12	-	-
	Krishna Kumar Tantia	0.35	0.19	-	-
Office Rent	Sanjay Goenka	1.20	1.15	-	-
	Nilima Goenka	1.80	1.73	-	-
Dividend Received	Hindcon Solutions Pvt Ltd	35.42	-	-	-
Purchases	Chemico International Pvt Ltd	48.00	43.97	-	-
Sales	Bengal Silicates & Chemicals Pvt Ltd	893.18	700.94	-	-
	Chemico International Pvt Ltd	1,480.23	956.16	-	-
	RG's Fashions Pvt Ltd	0.34	0.82	-	-
Trade Receivables	Bengal Silicates & Chemicals Pvt Ltd	-	-	207.34	154.90
	Chemico International Pvt Ltd	-	-	470.31	261.41
	RG's Fashions Pvt Ltd	-	-	0.09	0.14
Investments in Equity Shares	Hindcon Solutions Pvt Ltd	-	-	39.35	39.35
Director Sitting Fees Payable	Binay Kumar Agarwal	-	-	-	0.04
Dividend Paid	Sanjay Goenka & Other ( HUF )	12.78	4.18	-	-
	Sanjay Goenka	46.96	15.68	-	-
	Nilima Goenka	36.11	12.35	-	-
	Vansh Goenka	14.25	5.13	-	-
	Hindcon Solutions Pvt Ltd	64.15	23.09	-	-

#### Terms and conditions of transactions with related parties

The purchase from related party are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 38 Related Party Disclosures (contd.)

#### Compensation of Key Management Personnel of the Company

Key management personnel compensation comprised the following :

(₹ in Lacs)

Nature of transaction	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	137.47	109.37
Other long-term benefits	-	-
<b>Total Compensation paid to key management personnel</b>	<b>137.47</b>	<b>109.37</b>

### 39 Financial instruments and related disclosures

#### 39.1 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

**Level 1:** The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The management assessed that trade receivables, cash and cash equivalent, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

#### 39.2 Financial instruments by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position. The table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	As at March 31, 2022					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>						
(i) Investments	Non Current	17.60	72.96	39.35	129.91	-
(ii) Other financial assets	Non Current	-	-	100.98	100.98	-
(iii) Trade receivables	Current	-	-	2,635.83	2,635.83	-
(iv) Cash and cash equivalents	Current	-	-	220.06	220.06	-
(v) Other bank balances	Current	-	-	320.69	320.69	-
(vi) Loans	Current	-	-	440.00	440.00	-
(vii) Other financial assets	Current	-	-	23.16	23.16	-
<b>Total</b>		<b>17.60</b>	<b>72.96</b>	<b>3,780.07</b>	<b>3,870.63</b>	<b>-</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 39 Financial instruments and related disclosures (contd.)

(₹ in Lacs)

Particulars	As at March 31, 2022					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Liabilities</b>						
(i) Other financial liabilities	Non Current	-	-	2.43	2.43	-
(ii) Borrowings	Current	-	-	123.65	123.65	-
(iii) Trade payables	Current	-	-	788.73	788.73	-
(iv) Other financial liabilities	Current	-	-	1.28	1.28	-
<b>Total</b>		-	-	<b>916.09</b>	<b>916.09</b>	-

Particulars	As at March 31, 2021					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>						
(i) Investments	Non Current	17.74	171.30	39.35	228.39	-
(ii) Other financial assets	Non Current	-	-	103.46	103.46	-
(iii) Trade receivables	Current	-	-	1,920.55	1,920.55	-
(iv) Cash and cash equivalents	Current	-	-	644.48	644.48	-
(v) Other bank balances	Current	-	-	354.54	354.54	-
(vi) Loans	Current	-	-	165.00	165.00	-
(vii) Other financial assets	Current	-	-	17.95	17.95	-
<b>Total</b>		<b>17.74</b>	<b>171.30</b>	<b>3,245.33</b>	<b>3,434.37</b>	-
<b>Financial Liabilities</b>						
(i) Other financial liabilities	Non Current	-	-	1.39	1.39	-
(ii) Borrowings	Current	-	-	98.83	98.83	-
(iii) Trade payables	Current	-	-	470.86	470.86	-
(iv) Other financial liabilities	Current	-	-	0.13	0.13	-
<b>Total</b>		-	-	<b>571.21</b>	<b>571.21</b>	-

Particulars	As at April 1, 2020					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>						
(i) Investments	Non Current	10.11	79.97	39.35	129.43	-
(ii) Other financial assets	Non Current	-	-	6.47	6.47	-
(iii) Trade receivables	Current	-	-	1,983.19	1,983.19	-
(iv) Cash and cash equivalents	Current	-	-	79.27	79.27	-



## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 39 Financial instruments and related disclosures (contd.)

(₹ in Lacs)

Particulars	As at April 1, 2020					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
(v) Other bank balances	Current	-	-	213.60	213.60	-
(vi) Loans	Current	-	-	525.00	525.00	-
(vii) Other financial assets	Current	-	-	26.29	26.29	-
<b>Total</b>		<b>10.11</b>	<b>79.97</b>	<b>2,873.17</b>	<b>2,963.25</b>	<b>-</b>
<b>Financial Liabilities</b>						
(i) Other financial liabilities	Non Current	-	-	3.84	3.84	-
(ii) Borrowings	Current	-	-	29.53	29.53	-
(iii) Trade payables	Current	-	-	504.85	504.85	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>538.22</b>	<b>538.22</b>	<b>-</b>

Note: Investment in quoted shares and mutual funds are fair valued using L1 data. Also, refer Note 5.

### 39.3 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

#### Risk management framework

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

#### (i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

#### Trade receivable

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 39 Financial instruments and related disclosures (contd.)

#### Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below :

(₹ in Lacs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	%	Amount	%	Amount
Revenue from top customer	23.24%	1480.23	21.60%	956.16
Revenue from top five customers	30.73%	1957.52	38.74%	1714.90

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per simplified approach, the Group makes provision of expected credit loss on trade receivables on the basis of experience to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk.

#### (ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

#### Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

Particulars	Below 3 months	3-6 months	6-12 months	1-5 years	Above 5 years	Total
<b>As at March 31, 2022</b>						
Borrowings	-	123.65	-	-	-	123.65
Trade payables	-	788.73	-	-	-	788.73
	-	<b>912.38</b>	-	-	-	<b>912.38</b>
<b>As at March 31, 2021</b>						
Borrowings	-	98.83	-	-	-	98.83
Trade payables	-	470.86	-	-	-	470.86
	-	<b>569.69</b>	-	-	-	<b>569.69</b>
<b>As at April 1, 2020</b>						
Borrowings	-	29.53	-	-	-	29.53
Trade payables	-	504.85	-	-	-	504.85
	-	<b>534.38</b>	-	-	-	<b>534.38</b>

**Note:** Security Deposits contained under Other Non Current Financial Liabilities do not have any maturity date. These deposits are against the contract of service for repairs. The said deposits will be released only after the corresponding contract is cancelled. And the company does not foresees the contract to be cancelled in the near future.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 39 Financial instruments and related disclosures (contd.)

#### (iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, receivables, payables and borrowings.

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

#### Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Fixed rate instruments</b>			
Financial assets	440.00	165.00	525.00
Financial liabilities	-	-	-
	<b>440.00</b>	<b>165.00</b>	<b>525.00</b>
<b>Variable rate instruments</b>			
Financial assets	-	-	-
Financial liabilities	123.65	98.83	29.53
	<b>123.65</b>	<b>98.83</b>	<b>29.53</b>

#### Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

#### Cash flow sensitivity analysis for variable rate instruments

Since the company is not having any variable rate debt financial instruments, there will be no effect of change in the market rate of interest on the profitability and the cash flows of the Company. Hence the table given below is not applicable.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2022</b>				
Variable rate instruments	1.24	-1.24	0.93	-0.93
<b>Cash flow sensitivity (net)</b>	<b>1.24</b>	<b>-1.24</b>	<b>0.93</b>	<b>-0.93</b>
<b>March 31, 2021</b>				
Variable rate instruments	0.99	-0.99	0.74	-0.74
<b>Cash flow sensitivity (net)</b>	<b>0.99</b>	<b>-0.99</b>	<b>0.74</b>	<b>-0.74</b>

#### (b) Equity price risk

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade in these investments.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 39 Financial instruments and related disclosures (contd.)

#### (c) Currency risk

The Company has Foreign Currency Exchange Risk on imports of input materials in foreign currency for its business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management using derivative, wherever required, to mitigate or eliminate the risk.

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

#### Unhedged foreign currency exposure as at reporting date

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	USD	Amount	USD	Amount
<b>Financial liabilities</b>				
Borrowings and Trade payables	6.18	469.34	3.86	282.44
<b>Net exposure in foreign currency</b>	<b>6.18</b>	<b>469.34</b>	<b>3.86</b>	<b>282.44</b>

#### Sensitivity analysis

The analysis is based on assumption that the increase/decrease in foreign currency by 5% with all other variables held constant, on the unhedged foreign currency exposure.

Variable	Change	March 31, 2022		March 31, 2021	
		Impact on		Impact on	
		Profit before tax	Other equity	Profit before tax	Other equity
USD sensitivity (Increase)	+ 5%	-23.00	-17.21	-14.00	-10.48
USD sensitivity (Decrease)	- 5%	23.00	17.21	14.00	10.48

### 40 Capital management

The Company's management objective are :

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk."

The Company monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

Particulars		As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Total debt (Bank and other borrowings)	A	123.65	98.83	29.53
Equity	B	3,710.93	3,336.17	2,864.03
Liquid investments including bank deposits	C	220.06	644.48	79.27
<b>Debt to Equity (A / B)</b>		<b>0.03</b>	<b>0.03</b>	<b>0.01</b>
<b>Debt to Equity (net) [(A-C) / B]</b>		<b>(0.03)</b>	<b>(0.16)</b>	<b>(0.02)</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 41 Contingent Liabilities and Commitments

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>i) Contingent Liabilities</b>			
a) Demands/Claims by various government authorities and others not acknowledged as debts by the Company:			
(i) Income Tax Matters	21.56	21.56	27.43
(ii) Other statutory bodies	-	-	-
	<b>21.56</b>	<b>21.56</b>	<b>27.43</b>

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>ii) Commitments</b>			
a) Capital Commitments			
Estimated value of contracts remaining to be executed on capital account	-	-	-
	-	-	-

### 42 Corporate Social Responsibility

As per the Companies Act, 2013, the gross amount required to be spent by the Company during the year is ₹ 9.50 Lacs (March 31, 2021 ₹ 8.77 Lacs) and amount spent by the company during the year is ₹ 9.50 Lacs (March 31, 2021 ₹ 8.77 Lacs). Details are as given below :

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1. Amount required to be spent by the Company during the year.	9.50	8.77
2. On purposes other than Construction/acquisition of any asset	9.50	8.77
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	-
5. Reason for shortfall	N.A.	N.A.
6. Nature of CSR activities	Promoting health care, animal welfare, women empowerment and education and eradicating hunger, poverty and malnutrition	
7. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

- 43** The Board of Directors at its meeting held on May 28, 2022 have recommended a payment of dividend of ₹ 0.70 per equity share of FV ₹ 10 each for the financial year ended March 31, 2022. The same amounts to ₹ 71.67 Lacs. This is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

**44** Disclosure as per Schedule of the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) regulations, 2015 and Section 186(4) of the Companies Act , 2013

(₹ in Lacs)

Name of the Company	Principal Outstanding As On			Interest Rate	Repayment Terms
	March 31, 2022	March 31, 2021	April 1, 2020		
i) ANS Developers Pvt Ltd	150.00	-	100.00	12%	Repayable on demand
ii) Nandini Steels & Securities Pvt Ltd	10.00	10.00	10.00	12%	
iii) Raja Shelters Pvt Ltd	100.00	-	75.00	12%	
iv) Shiv Kumar Dudhwewala	-	50.00	50.00	12%	
v) Tyre Arcade	180.00	105.00	105.00	12%	
vi) Manabarrie Tea Company Ltd	-	-	100.00	14%	
vii) RGG Vyapaar Pvt Ltd	-	-	35.00	12%	
viii) RREPL KIPL JV	-	-	50.00	14%	
	<b>440.00</b>	<b>165.00</b>	<b>525.00</b>		

### 45 Financial performance ratios :

	Ref	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance %
<b>A Performance ratios</b>						
Net Profit Ratio	(i)	Profit after tax	Revenue from operations	7.43%	10.72%	-30.69%
Net capital turnover ratio		Revenue from operations	Closing working capital	194.44%	156.72%	24.07%
Return on capital employed		Profit before interest and tax	Closing capital employed	16.38%	18.54%	-11.65%
Return on equity ratio		Profit after tax	Average Shareholder's Equity	3.36%	3.83%	-12.27%
Debt service coverage ratio	(ii)	Profit before interest , tax and depreciation and amortisation	Debt service = Interest & Lease Payments + Principal Repayments	291.63	445.69	-34.57%
Return on Investment	(iii)	Dividend + Profit on Sale + Changes in Fair value	Average Investment	118.11%	65.29%	80.90%
<b>B Leverage Ratios</b>						
Debt - Equity ratio		Total borrowings	Equity	0.03	0.03	0.00%
<b>C Liquidity Ratios</b>						
Current ratio		Current assets	Current liabilities	3.57	4.67	-23.55%
<b>D Activity Ratios</b>						
Inventory turnover ratio		Cost of good sold	Average inventory	19.68	17.95	9.64%
Trade receivables turnover ratio		Revenue from operations	Average trade receivables	2.80	2.27	23.35%
Trade payables turnover ratio		**	Average trade payables	8.41	7.00	20.14%

\*\* Purchase of raw material, Changes in inventories of finished goods and work-in-progress and Other Expenses (Manufacturing Expenses).

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 45 Financial performance ratios : (contd.)

#### Note : Explanation for change in ratio by more than 25%

- (i) Net Profit ratio has decreased due to increase in material cost and depreciation during the year.
- (ii) Debt service coverage ratio is decreased due to increase in interest cost vis-à-vis decrease in net profit due to higher depreciation.
- (iii) Return on Investment has increased due to appreciation in the value of investments during the year.

### 46 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.
- (viii) The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 ( such as, search or survey or any other relevant provisions of the Income Tax Act, 1961 ).
- (ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies ( Restriction on number of Layers ) Rules, 2017.

**47** Certain Trade Receivables, Loans & Advances and Trade Payables are subject to confirmation. In the opinion of the management, the value of Trade Receivables and Loans & Advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

### 48 Segment Reporting

There is only one primary business segment i.e. "Sodium silicate, Construction Chemicals and related services" and hence no separate segment information is disclosed in this financials. Secondary information is reported geographically.

#### Geographical segments

The Company primarily operates in India and therefore analysis of geographical segment is demonstrated into Indian and overseas operation as under:

( ₹ in Lacs )

Particulars	March 31, 2022		March 31, 2021	
	India	Overseas	India	Overseas
Revenue from operations	5,273.95	1,013.52	3,530.19	849.69
Carrying value of Non-current assets* (other than financial instruments)	174.85	-	144.29	-

\*Non-current assets for this purpose consists of Property, plant and equipment and Other non-current assets.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 49 Code of Social Security

During the previous ended March 31, 2021, the Central Government has published "The Code on Social Security, 2020" and "Industrial Relations Code, 2020" in the Gazette of India, Inter alia, subsuming various existing labour and industrial laws which deals with employees related benefits including post employment. The effective date of the codes thereunder and the rules are yet to be notified. The impact of the legislative changes, if any, will be assessed and recognised post notification of the relevant provisions.

**50** Figures for the previous periods have been regrouped and reclassified to confirm to the classification of the current period, wherever considered necessary.

### 51 Explanation of transition to Ind AS

As stated in note 2(a), these are the Company's first standalone financial statements prepared in accordance with Ind AS. For the year ended March 31, 2021, the Company had prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in note 3 have been applied in preparing these standalone financial statements for the year ended March 31, 2022 including the comparative information for the year ended March 31, 2021 and the opening standalone Ind AS balance sheet on the date of transition i.e. April 1, 2020.

In preparing its standalone Ind AS balance sheet as at April 1, 2020 and in presenting the comparative information for the year ended March 31, 2021, the Company has adjusted amounts reported previously in standalone financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its standalone financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

#### Optional exemptions available and mandatory exceptions

In preparing these standalone financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

#### A. Optional exemptions available

##### 1 Property plant and equipment

The Company has elected to avail exemption under Ind AS 101 to use India GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with previous GAAP.

##### 2 Fair value measurement of financial assets or liabilities at initial recognition

The Company has applied the requirements of Ind AS 109, "Financial Instruments: Recognition and Measurement", wherever applicable.

#### B. Mandatory exceptions

##### 1 Estimates

The estimates at April 1, 2020 and at March 31, 2021 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Determination of the discounted value for financial instruments carried at amortised cost.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2020 the date of transition to Ind AS and as of March 31, 2021.



## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 51 Explanation of transition to Ind AS (contd.)

#### 2 Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

#### 3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

### C. Reconciliation of equity

(₹ in Lacs)

Particulars	Note	March 31, 2021			April 1, 2020		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>I. ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, plant and equipment		140.87	-	140.87	113.21	-0.02	113.19
(b) Financial assets							
(i) Investments	(a)	354.58	-126.19	228.39	377.71	-248.28	129.43
(ii) Other Financial Assets		6.88	96.58	103.46	9.57	-3.10	6.47
(c) Deferred Tax Asset		7.93	28.67	36.60	14.05	28.12	42.17
(d) Other non-current assets		100.00	-96.58	3.42	-	3.10	3.10
<b>Total Non-current assets</b>		<b>610.26</b>	<b>-97.52</b>	<b>512.74</b>	<b>514.54</b>	<b>-220.18</b>	<b>294.36</b>
<b>(2) Current assets</b>							
(a) Inventories		202.93	-	202.93	210.89	0.00	210.89
(b) Financial assets							
(i) Trade receivables		1,920.55	-	1,920.55	1,983.19	-0.00	1,983.19
(ii) Cash and cash equivalents		999.02	-354.54	644.48	292.87	-213.60	79.27
(iii) Other Bank Balances		-	354.54	354.54	-	213.60	213.60
(iv) Loans		-	165.00	165.00	-	525.00	525.00
(v) Other financial assets		453.92	-435.97	17.95	718.16	-691.87	26.29
(c) Current tax asset (net)		-	148.59	148.59	-	107.28	107.28
(d) Other current assets		17.95	122.38	140.33	26.29	59.60	85.89
<b>Total Current assets</b>		<b>3,594.37</b>	<b>-</b>	<b>3,594.37</b>	<b>3,231.40</b>	<b>0.01</b>	<b>3,231.41</b>
<b>TOTAL ASSETS</b>		<b>4,204.63</b>	<b>-97.52</b>	<b>4,107.11</b>	<b>3,745.94</b>	<b>-220.17</b>	<b>3,525.77</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 51 Explanation of transition to Ind AS (contd.)

(₹ in Lacs)

Particulars	Note	March 31, 2021			April 1, 2020		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity share capital		1,023.81	-	1,023.81	1,023.81	-0.00	1,023.81
(b) Other equity	(a)	2,409.88	-97.52	2,312.36	2,060.39	-220.17	1,840.22
<b>Total Equity</b>		<b>3,433.69</b>	<b>-97.52</b>	<b>3,336.17</b>	<b>3,084.20</b>	<b>-220.17</b>	<b>2,864.03</b>
<b>Liabilities</b>							
<b>(1) Non-current liabilities</b>							
(a) Deferred tax liabilities (net)	(b)	-	-	-	-	-	-
(b) Other Financial Liabilities		1.39	-	1.39	3.84	0.00	3.84
<b>Total Non-current liabilities</b>		<b>1.39</b>	<b>-</b>	<b>1.39</b>	<b>3.84</b>	<b>0.00</b>	<b>3.84</b>
<b>(2) Current liabilities</b>							
<b>(a) Financial liabilities</b>							
(i) Borrowings		98.83	-	98.83	29.53	-0.00	29.53
(ii) Trade payables		442.24	28.62	470.86	498.62	6.23	504.85
(iii) Other Financial Liabilities		-	0.13	0.13	-	-	-
(b) Other current liabilities		54.03	-28.75	25.28	25.50	-6.23	19.27
(c) Provisions		2.15	-	2.15	-	-	-
(d) Current tax liabilities		172.30	-	172.30	104.25	-	104.25
<b>Total Current liabilities</b>		<b>769.55</b>	<b>-</b>	<b>769.55</b>	<b>657.90</b>	<b>-0.00</b>	<b>657.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,204.63</b>	<b>-97.52</b>	<b>4,107.11</b>	<b>3,745.94</b>	<b>-220.17</b>	<b>3,525.77</b>

### D. Reconciliation of total equity as at March 31, 2021 and April 1, 2020

Particulars	As at March 31, 2021	As at April 1, 2020
Total Equity under previous IGAAP	3,433.70	3,084.20
<b>Adjustments increasing/(decreasing) Net Profit After Tax as reported under previous GAAP</b>		
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	3.30	(4.33)
Tax Adjustment on Above Items	(0.38)	0.49
Impact of measuring equity instruments, at fair value through OCI	(123.90)	(243.94)
Tax Adjustment on Above Items	13.93	28.15
Impact of actuarial gains / losses arising in respect of employee benefit schemes recognised in Other Comprehensive Income	(3.37)	-
Tax effect on Reclassification of actuarial gains / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)	0.54	(0.54)
Tax Adjustment on Provision for Expected Credit Loss	12.36	-
<b>Total Effect of conversion to Ind AS</b>	<b>(97.52)</b>	<b>(220.17)</b>
<b>Total Equity under Ind AS</b>	<b>3,336.18</b>	<b>2,864.03</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### 51 Explanation of transition to Ind AS (contd.)

#### E. Reconciliation of total comprehensive income for the year ended March 31, 2021

(₹ in Lacs)

Particulars	Note	Year ended March 31, 2021		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I. Revenue from operations		4,438.66	-11.47	4,427.19
II. Other income		194.21	7.64	201.85
<b>III. Total income (I + II)</b>		<b>4,632.87</b>	<b>-3.83</b>	<b>4,629.04</b>
<b>IV. Expenses</b>				
Cost of materials consumed		2,318.86	33.93	2,352.79
Purchase of stock-in-trade		1,049.08	-	1,049.08
Changes in inventories of finished goods and work-in-progress		0.71	-	0.71
Employee benefits expense		294.56	-3.37	291.19
Finance costs		1.47	-	1.47
Depreciation and amortisation expense		18.49	-	18.49
Other expenses		331.77	-51.67	280.10
<b>Total expenses (IV)</b>		<b>4,014.94</b>	<b>-21.11</b>	<b>3,993.83</b>
<b>V. Profit/ (loss) before tax (III-IV)</b>		617.93	17.28	635.21
<b>VI. Tax expenses</b>				
Current tax		-172.30	-	-172.30
Deferred tax		-6.12	15.63	9.51
Short Provision for Tax Adjustments in respect of earlier years (Net)		2.11	0.01	2.12
<b>VII. Profit / (loss) for the year (V-VI)</b>		<b>441.62</b>	<b>32.92</b>	<b>474.54</b>
<b>VIII. Other comprehensive income (net of tax)</b>				
<b>A. Items that will not be reclassified subsequently to profit or loss</b>				
(a) Remeasurements of the defined benefit plan		-	-3.37	-3.37
(b) Equity instruments through other comprehensive income - net change in fair value (net of taxes)	(a)	-	108.18	108.18
(c) Income taxes relating to items that will not be reclassified to profit or loss	(b)	-	-15.07	-15.07
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		-	<b>89.74</b>	<b>89.74</b>
<b>Other comprehensive income for the year, net of income tax</b>		-	<b>89.74</b>	<b>89.74</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>441.62</b>	<b>122.66</b>	<b>564.28</b>

\* The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

### F. Reconciliation of total comprehensive income for the year ended March 31, 2021

(₹ in Lacs)

Particulars	Year ended March 31, 2021
Net profit after tax as per previous IGAAP	441.64
<b>Adjustments increasing/(decreasing) Net Profit After Tax as reported under previous GAAP</b>	
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	7.62
Tax Adjustment on Above Items	3.26
Impact of measuring equity instruments, at fair value through OCI	6.26
Deferred Tax on Provision for Doubtful Debts not recognised earlier	12.36
Reclassification of actuarial gains / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)	3.37
<b>Net profit after tax as per Ind AS</b>	<b>474.51</b>
Other Comprehensive Income, Net of Tax	89.74
<b>Total Comprehensive Income</b>	<b>564.25</b>

G. There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

### H. Notes to the reconciliations of equity as at April 1, 2020 and March 31, 2021 and total comprehensive income for the year ended March 31, 2021

#### (a) Fair valuation of investments

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries have been fair valued. The Company has designated certain investments classified as fair value through profit or loss with certain others equity investments designated as at fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost.

#### (b) Deferred Taxes

Under previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

The accompanying notes form an integral part of these Standalone financial statements

As per our report of even date attached

For R B ROY & CO.

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

( CA. N. Krishnan )

Partner

Membership No.062381

UDIN : 22062381AJUTOL7144

Kolkata

28th May, 2022.

For and on behalf of Board of Directors

of **Hindcon Chemicals Limited**

Sd/-

( Nilima Goenka )

( Whole Time Director )

( DIN : 00848225 )

Sd/-

( Jaya Bajpai )

( Company Secretary )

Sd/-

( Sanjay Goenka )

( Chairman and Managing Director )

( DIN : 00848190 )

Sd/-

( Kashinath Dey )

( Chief Financial Officer )

**Consolidated  
Financial Statements**

# 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, 2022, the Consolidated Statement of Profit and Loss ( including other comprehensive income ), the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information ( 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards ) Rules, 2015 as amended ("Ind AS" ) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2022, its consolidated profit ( financial performance, including other comprehensive income ), its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ( SAs ) specified under Section 143(10) of the Act. 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 ( ICAI ) together with the ethical requirements that are relevant to our audit of the consolidated financial statements, under the provisions of the Act and the Rules, there under, 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 audit opinion on the consolidated financial statements.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional

judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 is responsible for the preparation of 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 such other information is materially inconsistent with the 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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ( Ind AS ) specified under section 133 of the Act read with Companies ( Indian Accounting Standards ) Rules, 2015, as amended. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its subsidiary 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, which have been used for the purpose of the consolidated financial statement by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and 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 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 with reference to financial statements 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 and Board of Directors 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 Group or business activities 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

We did not audit the financial statement of one subsidiary whose financial statement reflect total assets of ₹ 565.20 Lacs and net assets ₹ 541.73 Lacs as at March 31, 2022, total revenue of ₹ 372.50 Lacs, total net profit after tax of ₹ 52.87 lacs, total comprehensive income ( comprising of profit and other comprehensive income ) of ₹ 78.18 Lacs and net cash flows of ₹ 1.58 lacs for the year ended on that date, as considered in the consolidated financial statements. The Financial Statements of the subsidiary is audited by other auditor whose report have been furnished to us by the Management. In our opinion and according to the information and explanations given to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary 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, based on our audit referred to in the other matter paragraph above, 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 ( including other comprehensive income ) and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement

with the relevant books of account maintained for the purpose of the preparation of the consolidated Ind AS financial statements.

- In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with companies ( Indian Accounting Standards ) Rules, 2015 as amended from time to time.
- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, 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, 2022, 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 with reference to consolidated financial statement of the Group and the operating effectiveness of such controls.
- In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company and its subsidiary to its directors in accordance with the provisions of section 197 read with Schedule V to the Act, and
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Consolidated Ind AS financial statements has disclosed the impact of pending litigations on its consolidated financial position of the company and its subsidiary in its Consolidated financial statements – Refer Note 44.
  - (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 Group.
  - (iv) (a) The respective Managements of the company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us respectively that, to the best of its knowledge and belief, no funds ( which are material either individually or in the aggregate ) have been advanced or loaned or invested ( either from borrowed funds or share premium or any other sources or kind of funds)



- by the company to or in any other person or entity, including foreign entity ( Intermediaries ), with the understanding whether recorded in writing or otherwise that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ( Ultimate Beneficiaries ) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us respectively that, to the best of its knowledge and belief, no funds ( which are material either individually or in the aggregate ) have been received by the company from any person any fund from any person(s) or entity(ies), including foreign entities ( Funding Party ) with the understanding ( whether recorded in writing or otherwise ) that the company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ( Ultimate Beneficiaries ) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) (a) The dividend paid by the Group during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.
- (b) The Board of Directors of the Company has proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting as mentioned in Note 46 of the consolidated financial statements. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

**For R B ROY & CO.**

Chartered Accountants  
Firm Regn. No.322805E

**Sd/-**

**( CA. N. Krishnan )**

Partner

Membership No.062381  
UDIN : 22062381AJUTJH4612

Kolkata  
May 28, 2022

## Annexure - A 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, 2022**, 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, 2022, 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 over Financial Reporting

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 Over Financial Reporting**

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.

Kolkata  
May 28, 2022

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

**Sd/-**  
**( CA. N. Krishnan )**

Partner  
Membership No.062381  
UDIN : 22062381AJUTJH4612

## Consolidated Balance Sheet as at 31 March 2022

(₹ in Lacs)

	Note	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	5	172.01	140.87	113.21
(b) Financial assets				
(i) Investments	6	320.57	278.79	132.91
(ii) Other financial assets	7	100.98	103.46	6.47
(c) Deferred tax assets (net)	8	34.08	51.47	61.95
(d) Other non-current assets	9	2.84	3.42	3.10
<b>Total Non-current assets</b>		<b>630.48</b>	<b>578.01</b>	<b>317.64</b>
<b>(2) Current assets</b>				
(a) Inventories	10	357.42	202.93	210.89
(b) Financial assets				
(i) Trade receivables	11	2,635.83	1,920.55	1,983.20
(ii) Cash and cash equivalents	12	222.68	648.81	92.67
(iii) Other bank balances	13	321.49	383.01	221.60
(iv) Loans	14	480.00	273.00	623.00
(v) Other financial assets	15	28.29	20.86	28.77
(c) Current tax asset	16	369.55	148.59	107.28
(d) Other current assets	17	215.84	146.17	88.49
<b>Total Current assets</b>		<b>4,631.10</b>	<b>3,743.92</b>	<b>3,355.90</b>
<b>TOTAL ASSETS</b>		<b>5,261.58</b>	<b>4,321.93</b>	<b>3,673.54</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	18	767.20	767.20	767.20
(b) Other equity	19	3,146.61	2,777.96	2,278.56
<b>Equity Attributable to the Owners of the Company</b>		<b>3,913.81</b>	<b>3,545.16</b>	<b>3,045.76</b>
Non-Controlling Interests	20	45.72	-2.24	-37.01
<b>Total Equity</b>		<b>3,959.53</b>	<b>3,542.92</b>	<b>3,008.75</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Other financial liabilities	21	2.43	1.39	3.84
(b) Provisions	22	0.51	-	-
<b>Total Non-current liabilities</b>		<b>2.94</b>	<b>1.39</b>	<b>3.84</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	23	123.65	98.83	29.53
(ii) Trade payables	24	789.55	471.88	505.36
(iii) Other financial liabilities	25	1.28	0.13	-
(b) Other current liabilities	26	22.60	25.33	19.31
(c) Provisions	27	3.51	2.15	-
(d) Current tax liabilities	28	358.52	179.30	106.75
<b>Total Current liabilities</b>		<b>1,299.11</b>	<b>777.62</b>	<b>660.95</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,261.58</b>	<b>4,321.93</b>	<b>3,673.54</b>

Significant accounting policies

4

The accompanying notes form an integral part of these Consolidated financial statements

As per our report of even date attached

For and on behalf of Board of Directors

For R B ROY &amp; CO.

of Hindcon Chemicals Limited

Chartered Accountants

ICAI Firm Regn. No.322805E

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

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

Sd/-  
( CA. N. Krishnan )  
Partner  
Membership No.062381  
UDIN : 22062381AJUTJH4612  
Kolkata  
28th May, 2022.

Sd/-  
( Jaya Bajpai )  
( Company Secretary )

Sd/-  
( Kashinath Dey )  
( Chief Financial Officer )

**Consolidated Statement of Profit and Loss** for the year ended 31 March 2022

(₹ in Lacs)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
<b>I</b> Revenue from operations	29	6,661.98	4,427.19
<b>II</b> Other income	30	136.77	215.00
<b>III Total income (I + II)</b>		<b>6,798.75</b>	<b>4,642.19</b>
<b>IV Expenses</b>			
Cost of materials consumed	31	3,358.97	2,352.79
Purchase of stock-in-trade	32	2,016.17	1,049.08
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(4.25)	0.71
Employee benefits expense	34	370.74	293.35
Finance costs	35	2.24	1.47
Depreciation and amortisation expense	5	25.29	18.49
Other expenses	36	420.48	281.32
<b>Total expenses (IV)</b>		<b>6,189.64</b>	<b>3,997.21</b>
<b>V Profit/ (loss) before tax (III-IV)</b>		<b>609.11</b>	<b>644.98</b>
<b>VI Tax expense:</b>			
Current tax		186.22	179.30
Deferred tax		(0.02)	(9.51)
For Earlier Years		(3.40)	(2.14)
<b>VII Profit / (loss) for the year (V-VI)</b>		<b>426.31</b>	<b>477.33</b>
<b>Other comprehensive income (net of tax)</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plan		(1.12)	(3.37)
(b) Equity instruments through other comprehensive income		201.53	148.47
(c) Income taxes relating to items that will not be reclassified to profit or loss		(17.41)	(19.19)
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>183.00</b>	<b>125.91</b>
<b>VIII Other comprehensive income</b>		<b>183.00</b>	<b>125.91</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>609.31</b>	<b>603.24</b>
<b>Profit for the year</b>			
Attributable to:			
Owners of the parent		423.08	473.33
Non-controlling interests		3.23	4.00
<b>Total comprehensive income</b>			
Attributable to:			
Owners of the parent		603.96	597.32
Non-controlling interests		5.36	5.92
<b>X Earnings per equity share</b>			
[Face value of equity share ₹ 10 each (previous year ₹ 10 each)]			
- Basic	38	5.56	6.22
- Diluted	38	5.56	6.22

Significant accounting policies

4

The accompanying notes form an integral part of these Consolidated financial statements

As per our report of even date attached

For R B ROY &amp; CO.

Chartered Accountants

ICAI Firm Regn. No.322805E

**Sd/-**  
**( CA. N. Krishnan )**

Partner

Membership No.062381

UDIN : 22062381AJUTJH4612

Kolkata

28th May, 2022.

**Sd/-**  
**( Nilima Goenka )**  
( Whole Time Director )  
( DIN : 00848225 )**Sd/-**  
**( Jaya Bajpai )**  
( Company Secretary )For and on behalf of Board of Directors  
of **Hindcon Chemicals Limited****Sd/-**  
**( Sanjay Goenka )**  
( Chairman and Managing Director )  
( DIN : 00848190 )**Sd/-**  
**( Kashinath Dey )**  
( Chief Financial Officer )

## Consolidated Statement of Changes in Equity for the year ended 31 March 2022

### A. Equity share capital

(₹ in Lacs)

Particulars	Number	Amount
<b>Balance as at April 1, 2020</b>	76,72,025	767.20
Changes in equity share capital during 2020-21	-	-
<b>Balance as at March 31, 2021</b>	76,72,025	767.20
Changes in equity share capital during 2021-22	-	-
<b>Balance as at March 31, 2022</b>	<b>76,72,025</b>	<b>767.20</b>

### B. Other equity

Particulars	Reserves & Surplus				Other Comprehensive Income Equity Instruments through Other Comprehensive Income	Total	Non Controlling Interest	Net Total
	Securities Premium	Retained earnings	General Reserve	Capital Reserve on Consolidation				
<b>Balance at 1 April 2020</b>	635.02	1,402.35	67.00	380.64	(206.45)	2,278.56	(37.01)	2,241.55
Consolidation Adjustment	-	-	-	-	-	-	-	-
	<b>635.02</b>	<b>1,402.35</b>	<b>67.00</b>	<b>380.64</b>	<b>(206.45)</b>	<b>2,278.56</b>	<b>(37.01)</b>	<b>2,241.55</b>
Profit or Loss	-	473.33	-	-	-	473.33	4.00	477.33
Other comprehensive income (net of tax)	-	(3.18)	-	-	98.32	95.14	30.77	125.91
<b>Total comprehensive income</b>	-	<b>470.15</b>	-	-	<b>98.32</b>	<b>568.47</b>	<b>34.77</b>	<b>603.24</b>
Dividend	-	(69.07)	-	-	-	(69.07)	-	(69.07)
Reclassification Adjustment for Profit/Loss on Sale of Equity Shares	-	4.77	-	-	(4.77)	-	-	-
<b>Balance at 31st March 2021</b>	<b>635.02</b>	<b>1,808.20</b>	<b>67.00</b>	<b>380.64</b>	<b>(112.90)</b>	<b>2,777.96</b>	<b>(2.24)</b>	<b>2,775.72</b>
Profit or Loss	-	423.08	-	-	-	423.08	3.23	426.31
Other comprehensive income (net of tax)	-	(0.30)	-	-	138.57	138.27	44.73	183.00
<b>Total comprehensive income</b>	-	<b>422.78</b>	-	-	<b>138.57</b>	<b>561.35</b>	<b>47.96</b>	<b>609.31</b>
Dividend	-	(192.70)	-	-	-	(192.70)	-	(192.70)
Reclassification Adjustment for Profit/Loss on Sale of Equity Shares	-	46.30	-	-	(46.30)	-	-	-
<b>Balance at 31st March, 2022</b>	<b>635.02</b>	<b>2,084.58</b>	<b>67.00</b>	<b>380.64</b>	<b>(20.63)</b>	<b>3,146.61</b>	<b>45.72</b>	<b>3,192.33</b>

- (i) Dividend paid during the year ended March 31, 2022 for the Financial Year 2021-22 ( Interim Dividend ) is ₹ 1.00 per equity share of face value ₹ 10 each fully paid up, for the Financial Year 2020-21 is ₹ 1.50 per equity share of face value ₹ 10 each, fully paid up (March 31, 2021: for the Financial Year 2019-20, ₹ 0.90 per equity share of face value ₹ 10 each, fully paid up).

The accompanying notes form an integral part of these Consolidated financial statements

As per our report of even date attached

For R B ROY & CO.

Chartered Accountants

ICAI Firm Regn. No.322805E

**Sd/-**  
**( CA. N. Krishnan )**

Partner

Membership No.062381

UDIN : 22062381AJUTJH4612

Kolkata

28th May, 2022.

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

**Sd/-**  
**( Jaya Bajpai )**  
( Company Secretary )

For and on behalf of Board of Directors

of **Hindcon Chemicals Limited**

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

**Sd/-**  
**( Kashinath Dey )**  
( Chief Financial Officer )

## Consolidated Statement of Cash Flow for the year ended 31 March 2022

(₹ in Lacs)

	Year ended March 31, 2022		Year ended March 31, 2021	
	Amount	Amount	Amount	Amount
<b>A. Cash Flows from Operating Activities</b>				
<b>Net Profit/(Loss) before tax</b>		609.11		644.98
Adjustment for:				
Depreciation	25.28		18.49	
Interest expense	2.24		1.47	
Fair Value Changes in Equity Instruments thru' FVTPL	(2.85)		0.00	
Profit on Sale of Investments	(2.16)		0.00	
Profit on Sale of property, plant & equipment	2.99		(7.63)	
Dividend Income	(4.93)		(1.40)	
Provision for Gratuity	4.32		(1.22)	
Interest Income	(78.02)	(53.13)	(105.54)	(95.83)
<b>Operating cash flows before working capital changes</b>		<b>555.98</b>		<b>549.15</b>
Working capital adjustments:				
(Increase)/Decrease in Inventories	(154.49)		7.95	
(Increase)/Decrease in Trade Receivables	(715.28)		62.65	
(Increase)/Decrease in Other Non-current Financial Assets	2.48		(96.98)	
(Increase)/Decrease in Other Non-current Assets	0.58		(0.32)	
(Increase)/Decrease in Other Bank balances	(214.43)		188.59	
(Increase)/Decrease in Other Current Financial Assets	(76.73)		(60.61)	
(Increase)/Decrease in Other Current Assets	61.52		0.00	
Increase/(Decrease) in Other Non-current Financial Liabilities	1.05		(2.45)	
Increase/(Decrease) in Trade Payables	317.67		(33.48)	
Increase/(Decrease) in Other Current Financial Liabilities	1.14		0.13	
Payment towards Gratuity	(3.58)		0.00	
Increase/(Decrease) in Current Liabilities	(2.73)	(782.80)	6.00	71.48
<b>Cash generated from operations</b>		<b>(226.82)</b>		<b>620.63</b>
Income tax paid (net)	(217.49)	(217.49)	(142.22)	(142.22)
<b>Net Cash from / (used in) Operating Activities (A)</b>		<b>(444.31)</b>		<b>478.41</b>
<b>B. Cash Flows from Investing Activities</b>				
Purchase of Property, plant & equipment	(54.27)		(46.14)	
Sale of Property, plant & equipment	0.00		0.00	
Purchase of Investments	159.60		(169.26)	
Sale of Investments	0.00		179.49	
Dividend Income	4.93		1.40	
Interest Income	78.03	188.29	113.44	78.93
<b>Net Cash used in Investing Activities (B)</b>		<b>188.29</b>		<b>78.93</b>

## Consolidated Statement of Cash Flow for the year ended 31 March 2022

(₹ in Lacs)

	Year ended March 31, 2022		Year ended March 31, 2021	
	Amount	Amount	Amount	Amount
<b>C. Cash Flow from Financing Activities</b>				
Increase/ (Decrease) in Short-term Borrowings	24.83		69.30	
Dividend paid	(192.70)		(69.05)	
Interest Paid	(2.24)	(170.11)	(1.47)	(1.22)
<b>Net Cash from Financing Activities (C)</b>		<b>(170.11)</b>		<b>(1.22)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)</b>		<b>(426.13)</b>		<b>556.12</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>648.81</b>		<b>92.69</b>
<b>Cash and Cash Equivalents at the end of the year</b>		<b>222.68</b>		<b>648.81</b>
( Refer Note No. 12 to the Accounts )				

### Note :

- Consolidated Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013
- Figures in brackets indicate cash outflow.

### Significant accounting policies: Note 4

The accompanying notes form an integral part of these Consolidated financial statements

As per our report of even date attached

For R B ROY & CO.

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

**( CA. N. Krishnan )**

Partner

Membership No.062381

UDIN : 22062381AJUTJH4612

Kolkata

28th May, 2022.

Sd/-

**( Nilima Goenka )**

( Whole Time Director )

( DIN : 00848225 )

Sd/-

**( Jaya Bajpai )**

( Company Secretary )

For and on behalf of Board of Directors

of **Hindcon Chemicals Limited**

Sd/-

**( Sanjay Goenka )**

( Chairman and Managing Director )

( DIN : 00848190 )

Sd/-

**( Kashinath Dey )**

( Chief Financial Officer )



## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 1 Company Overview

The Consolidated Financial Statements comprise financial statements of Hindcon Chemicals Limited (The "Holding Company" or the "Company") and its subsidiary (collectively referred to as "the Group").

The Holding company is a listed entity incorporated in India. 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.

### 2 Basis of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its powers to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Change in ownership status

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit or loss where appropriate.

### 3 Basis of preparation

#### a) Statement of Compliance

These financial statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The Group has adopted all the Ind AS standards and adoption was carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) which was the previous GAAP. Reconciliations and descriptions of the effect of transition has been summarised in Note 54.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### b) Functional and presentation currency

The financial statements are presented in Indian Rupees (₹) which is Group's presentation currency. The functional currency of the Group is also Indian Rupees (₹).

### c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### d) Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-

#### (i) Useful lives of Property, plant and equipment:

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

#### (ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

#### (iii) Defined benefit plans:

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### (iv) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

### e) Measurement of fair values

A number of the Group accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 4 Significant accounting policies

#### a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### i. Financial Assets

###### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

###### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

###### Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### Financial assets at FVTOCI

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

### Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss."

### **Other equity investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'.

### **Derecognition**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

## **ii. Financial liability**

### **Initial recognition and measurement**

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

### Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

### Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

### **Derecognition**

A financial liability (or a part of a financial liability) is derecognized from the Group Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## c) Property, Plant and Equipment

### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

### ii. Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

### iii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

### iv. Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss.

Depreciation on fixed assets are provided on written down value method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act.

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

## d) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a written down value basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

## e) Inventories

Inventories which comprise raw materials, finished goods, stock in trade, packing materials, stores and spares are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out (FIFO) formula, and includes expenditure incurred in acquiring the inventories,

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

production or conversion costs and other costs including octroi and other levies, transit insurance and receiving charges incurred in bringing them to their present location and condition. Excise duty liability is included in the valuation of closing inventory of the finished goods.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

### f) Impairment

#### i. Impairment of financial instruments: financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Group trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

#### ii. Impairment of non-financial assets

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### g) Employee Benefits

#### i. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### iii. Defined benefit plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

### h) Provisions (other than for employee benefits)

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### i) Revenue Recognition

Revenue from sale of goods is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discount to customers. Revenue from sale of goods is recorded after taking into account contractually defined terms of payment and excluding other taxes or duties collected on behalf of the government.

### j) Leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet. Payments made under operating leases are recognized in the Statement of Profit or Loss on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with general inflation.

### k) Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. Interest income or expense is recognised using the effective interest method. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, payment, extension, call and similar options) but does not consider the expected credit losses.

### l) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

#### i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

### m) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

### n) Earnings per Share

Basic earnings 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.

For the purpose of calculating diluted earnings 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.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 5 Property, plant and equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	As At April 1, 2021	As At March 31, 2022	As At April 1, 2021	For the Year	As At March 31, 2022	As At March 31, 2021
<b>Owned Assets</b>						
Freehold Land	44.53	44.53	-	-	44.53	44.53
Building	10.14	13.89	8.14	0.54	5.21	2.00
Factory Shed	39.51	39.51	10.85	2.71	25.95	28.66
Office	18.18	18.18	12.45	0.53	5.20	5.73
Furniture & Fixtures	6.14	6.14	1.89	1.10	3.15	4.25
Plant & Machinery	78.03	105.30	46.75	8.56	49.99	31.28
Motor Car	42.67	54.50	25.39	8.40	31.20	17.28
Motor Cycle	1.20	1.20	1.15	-	0.05	0.05
Electrical Installations	6.72	7.18	5.63	0.33	1.22	1.09
Laboratory Equipments	1.79	1.92	1.44	0.10	0.38	0.35
Office Equipments	16.25	16.43	12.30	1.18	2.95	3.95
Computer & Accessories	5.15	7.47	3.59	1.80	2.08	1.56
Fire Safety Equipments	0.39	0.39	0.25	0.04	0.10	0.14
<b>Total</b>	<b>270.70</b>	<b>316.64</b>	<b>129.83</b>	<b>25.29</b>	<b>172.01</b>	<b>140.87</b>
		<b>57.72</b>	<b>(11.78)</b>	<b>(10.49)</b>	<b>144.63</b>	

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 5 Property, plant and equipment (contd.)

( ₹ in Lacs )

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As At April 1, 2020	Additions/ Adjustments	Deductions/ Adjustments	As At April 1, 2020	For the Year	Deductions/ Adjustments	As At March 31, 2021	As At April 1, 2020
Owned Assets								
Freehold Land	44.53	-	-	-	-	-	44.53	44.53
Building	9.22	0.92	-	8.00	0.14	-	8.14	2.00
Factory Shed	15.04	24.47	-	8.57	2.28	-	10.85	28.66
Office	18.18	-	-	11.86	0.59	-	12.45	5.73
Furniture & Fixtures	1.81	4.33	-	1.64	0.25	-	1.89	4.25
Plant & Machinery	66.39	11.64	-	41.49	5.26	-	46.75	31.28
Motor Car	42.67	-	-	17.51	7.88	-	25.39	17.28
Motor Cycle	1.20	-	-	1.14	0.01	-	1.15	0.05
Electrical Installations	6.05	0.67	-	5.41	0.22	-	5.63	1.09
Laboratory Equipments	1.62	0.17	-	1.37	0.07	-	1.44	0.35
Office Equipments	14.20	2.05	-	11.16	1.14	-	12.30	3.95
Computer & Accessories	3.25	1.90	-	2.98	0.61	-	3.59	1.56
Fire Safety Equipments	0.39	-	-	0.21	0.04	-	0.25	0.14
<b>Total</b>	<b>224.55</b>	<b>46.15</b>	<b>-</b>	<b>111.34</b>	<b>18.49</b>	<b>-</b>	<b>129.83</b>	<b>113.21</b>
								<b>140.87</b>

5.1 Refer Note 23 for hypothecation of property, plant and equipment against borrowing.

5.2 Title deeds for immovable properties are held in the name of the Group.

5.3 Also, refer Note 54. A. 1. for exemption availed under para D7AA of Ind AS 101.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 6 Non-current investments

(₹ in Lacs)

Particulars	Face Value per Share	Quantity ( Nos. )			Amount		
		As at March 31, 2022	As at March 31, 2021	As at April 1, 2020	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Quoted investments</b>							
<b>Investments in equity instruments</b>							
<b>At fair value through other comprehensive income</b>							
Aditya Birla Capital Ltd	10	10,000	10,000	13,500	10.77	11.93	5.79
Adani Ports & Special Economic Zone Ltd	2	6,500	-	-	50.32	-	-
Adani Power Ltd	10	2,000	-	-	3.70	-	-
Apar Industries Ltd	10	-	-	2,772	-	-	8.18
Ashapura Minechem Ltd	2	-	-	12,000	-	-	2.50
Balaji Telefilms Ltd	2	-	1,000	-	-	0.57	-
Balmer Lawrie Investments Ltd	10	-	200	-	-	0.94	-
Bharat Petroleum Corporation Ltd	10	2,000	1,000	-	8.50	4.28	-
Caplin Point Laboratories Ltd	2	-	500	-	-	2.02	-
Castrol India Ltd	5	-	1,000	-	-	1.25	-
CESC Ltd	1	-	1,000	-	-	5.94	-
Crompton Greaves Consumer Electrical Ltd	2	-	500	-	-	1.96	-
Deepak Fertilisers & Petrochemical Corp Ltd	10	-	-	2,000	-	-	1.46
Dollar Industries Ltd	2	13,269	47,500	40,000	72.96	109.46	43.60
Ejecta Marketing Ltd	10	25,000	25,000	25,000	-	0.25	0.25
Emami Ltd	1	-	1,000	2,000	-	4.86	3.43
Emami Realty Ltd	2	15,700	15,700	10,700	9.40	6.23	2.93
Gammon Infrastructure Projects Ltd	2	-	-	-	0.18	0.07	-
Gati Ltd	2	-	1,000	1,000	-	1.03	0.48
GTL Infrastructure Ltd	10	100,000	100,000	100,000	1.47	0.80	0.20
Hathway Cables & Datacom Ltd	2	5,000	-	-	0.86	-	-
HDFC Bank Ltd	1	100	100	150	1.47	1.49	1.24
Hero Motocorp Ltd	2	-	100	-	-	2.91	-
Himachal Futuristic Communications Ltd	1	-	5,000	-	-	1.26	-
Himadri Speciality Chemicals Ltd	1	4,000	8,000	2,000	2.97	5.83	1.05
Hindustan Construction Company Ltd	1	5,000	23,000	14,000	0.79	1.85	0.55
Isgec Heavy Engineering Ltd	1	-	-	1,000	-	-	2.00
Jain Irrigation Systems Ltd	2	-	4,000	4,000	-	0.74	0.13
Jaiprakash Associates Ltd	2	150,000	150,000	200,000	12.48	10.35	2.20
Jaiprakash Power Ventures Ltd	10	25,000	25,000	25,000	1.70	0.81	0.16
Jindal Saw Ltd	2	-	10,000	10,000	-	7.42	4.86
JK Paper Ltd	10	-	-	4,000	-	-	3.08
JSW Energy Ltd	10	-	-	5,000	-	-	2.16
LIC Housing Finance Ltd	2	-	500	-	-	2.14	-
Lanco Infratech Ltd	1	135,000	135,000	135,000	-	-	-
Lincoln Pharmaceuticals Ltd	10	500	500	-	1.56	1.12	-
Lumax Industries Ltd	10	81	-	-	0.72	-	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 6 Non-current investments (contd.)

(₹ in Lacs)

Particulars	Face Value per Share	Quantity ( Nos. )			Amount		
		As at March 31, 2022	As at March 31, 2021	As at April 1, 2020	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Lux Industries Ltd	2	-	200	-	-	3.50	-
Man Industries ( India ) Ltd	5	-	2,500	-	-	1.99	-
Maruti Suzuki India Ltd	5	-	50	-	-	3.43	-
Mawana Sugars Ltd	10	-	4,000	2,000	-	1.43	0.48
Minda Corporation Ltd	2	2,500	9,500	6,500	5.17	9.55	3.69
Mcnally Bharat Engineering Ltd	10	50,000	74,410	74,410	2.58	5.84	1.64
Motherson Sumi Systems Ltd	1	-	1,350	1,350	-	2.72	0.78
NOCIL Ltd	10	-	-	9,000	-	-	6.10
Punjab National Bank Ltd	2	15,000	10,000	-	5.26	3.67	-
Rail Vikas Nigam Ltd	10	5,000	-	-	1.64	-	-
Rain Industries Ltd	2	-	-	4,000	-	-	2.19
Rupa & Co. Ltd	1	-	1,200	2,200	-	3.69	2.61
Sasta Sundar Ventures Ltd	10	-	-	6,025	-	-	3.21
Sintex Plastics Technology Ltd	1	-	5,000	5,000	-	0.17	0.04
Star Cement Ltd	1	2,000	2,000	2,000	1.79	1.93	1.40
Sterling & Wilson Solar Ltd	1	500	500	-	1.59	1.29	-
Technocraft Industries ( India ) Ltd	10	-	1,000	-	-	3.94	-
The Indian Hume Pipe Company Ltd	2	13,000	12,000	9,000	23.16	20.62	10.81
United Spirits Ltd	2	-	500	-	-	2.78	-
U. Y. Fincorp Ltd	5	35,000	60,000	60,000	5.03	1.90	0.97
UCO Bank Ltd	10	10,000	10,000	-	1.19	1.10	-
Universal Cables Ltd	10	-	2,000	2,000	-	2.73	1.60
Vishal Fabrics Ltd	5	2,325	775	-	0.82	0.48	-
Yes Bank Ltd	2	10,000	5,000	-	1.23	0.78	-
Welspun India Ltd	1	-	-	5,000	-	-	1.03
Gail ( India ) Ltd	10	18,300	-	-	28.49	-	-
Aurum Proptech Ltd	5	300	-	-	0.36	-	-
Shree Cements Ltd	10	35	-	-	8.40	-	-
HUDCO Ltd	10	5,000	-	-	1.64	-	-
Tata Steels Ltd	10	200	-	-	2.61	-	-
The Tata Power Company Ltd	1	1,000	-	-	2.39	-	-
Borosil Renewables Ltd	1	1,000	-	-	3.31	-	-
Haldyn Glass Ltd	1	2,000	-	-	0.85	-	-
Orient Cement Ltd	1	18,000	-	-	25.63	-	-
<b>In mutual funds (at fair value through profit or loss)</b>							
Nippon India Tax Saver (ELSS) - Growth	10	5,709	5,709	5,709	4.42	3.57	2.10
Nippon India Large Cap Fund - Growth	10	-	32,230	32,230	-	14.17	8.01
Nippon India - US Equity Opportunities Fund	10	58,889	-	-	13.16	-	-
<b>Total</b>					<b>320.57</b>	<b>278.79</b>	<b>132.91</b>
<b>Aggregate value of quoted investments</b>					<b>320.57</b>	<b>278.79</b>	<b>132.91</b>
<b>Aggregate book value of unquoted investments</b>					<b>-</b>	<b>-</b>	<b>-</b>
<b>Aggregate market value of quoted investments</b>					<b>320.57</b>	<b>278.79</b>	<b>132.91</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 7 Other non-current financial assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Bank deposit*	100.00	100.00	-
Security deposit	0.98	3.46	6.47
<b>Total</b>	<b>100.98</b>	<b>103.46</b>	<b>6.47</b>

\*Represents deposits with original maturity of more than 12 months from the Balance Sheet date.

### 8 Deferred Tax Assets/(Liabilities)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Deferred Tax Assets</b>			
Property, Plant and Equipment and Intangible Assets	5.26	5.45	5.20
Preliminary Expenses	-	4.15	8.30
Investments	2.51	18.08	37.31
Retirement benefit Obligations	1.01	0.54	-
Provision for Expected Credit Loss	25.30	12.36	-
Mat Credit Entitlement	-	10.89	11.68
<b>Deferred Tax Liabilities</b>			
Retirement benefit Obligations	-	-	-0.54
<b>Total</b>	<b>34.08</b>	<b>51.47</b>	<b>61.95</b>

#### Movement in deferred tax liabilities/ (assets) balances during the year ended March 31, 2022

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in OCI	Closing Balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	5.45	-0.19	-	5.26
Provision for Doubtful Debts	12.36	15.10	-	27.46
Provision for employee benefits	0.54	-0.26	0.74	1.02
Investments	18.08	0.40	-18.15	0.33
Others	15.04	-15.03	-	0.01
<b>Total</b>	<b>51.47</b>	<b>0.02</b>	<b>-17.41</b>	<b>34.08</b>

#### Movement in deferred tax liabilities/ (assets) balances during the year ended March 31, 2021

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in OCI	Closing Balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	5.20	0.26	-	5.46
Provision for Doubtful Debts	-	12.35	-	12.35
Provision for employee benefits	-0.54	1.92	-0.85	0.53
Investments	37.30	-0.87	-18.34	18.09
Others	19.18	-4.15	-	15.04
<b>Total</b>	<b>61.14</b>	<b>9.51</b>	<b>-19.19</b>	<b>51.47</b>

Deferred Tax Asset amounting to ₹ 49.86 Lacs as at March 31, 2022 ( March 31, 2021 ₹ 49.46 Lacs, April 1, 2020 ₹ 49.48 Lacs ) on Long Term Capital losses carried forward has not been recognised due to uncertainty surrounding availability of future long term capital gains against which such loss can be offset.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 9 Other non-current assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Advances other than capital advances</b>			
Deposits (Carried at amortised cost)			
– With Statutory Authorities	2.10	2.68	2.34
– Others	0.74	0.74	0.76
<b>Total</b>	<b>2.84</b>	<b>3.42</b>	<b>3.10</b>

### 10 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
(Valued at the lower of cost and net realisable value )			
Raw materials	352.46	202.22	209.47
Work-in-progress	4.96	0.71	1.42
<b>Total</b>	<b>357.42</b>	<b>202.93</b>	<b>210.89</b>

### 11 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
(a) Trade Receivables considered good – Secured	-	-	-
(b) Trade Receivables considered good – Unsecured	2,621.83	1,864.97	1,836.50
(c) Trade receivables which have significant increase in credit risk	123.11	104.69	146.70
Less: Allowance for expected credit loss	-109.11	-49.11	-
(d) Trade Receivables – credit impaired	-	-	-
<b>Total</b>	<b>2,635.83</b>	<b>1,920.55</b>	<b>1,983.20</b>

#### Movement in allowance for expected credit losses of receivables :

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Balance at beginning of the year	49.11	-	-
Charge/(release) during the year	60.00	49.11	-
<b>Balance at end of the year</b>	<b>109.11</b>	<b>49.11</b>	<b>-</b>

**11.1** In determining allowance for credit losses of trade receivables, the Group has used the practical expedient by computing the expected credit loss allowance based on experience, probability of recovery and percentage of recovery of bad debts till date. It takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables.

**11.2** The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2022 to be ₹ 26.36 Lacs ( March 31, 2021 - ₹ 19.21 Lacs and April 1, 2020 ₹ 19.83 Lacs ), which is the carrying value of trade receivables after allowance for credit losses.

**11.3** There are no outstanding receivables due from directors or other officers of the Company.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 11 Trade receivables (contd.)

Trade receivables ageing schedule for the year ended April 1, 2020 were as follows:

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,272.44	156.27	280.01	85.73	42.05	1,836.50
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	82.92	45.27	18.51	146.70
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-
<b>Total</b>						<b>1,983.20</b>

### 12 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Balances with banks			
- In current accounts (Unencumbered)	2.54	5.17	8.56
- In deposits accounts* (Unencumbered)	217.66	642.06	82.00
Cash on hand	2.48	1.58	2.11
<b>Total</b>	<b>222.68</b>	<b>648.81</b>	<b>92.67</b>

\*Represents deposits with original maturity of 3 months or less from the Balance Sheet date

### 13 Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Balances with banks			
- In deposits accounts*	320.21	382.88	221.60
Earmarked balances with Bank			
- Unclaimed dividend	1.28	0.13	-
<b>Total</b>	<b>321.49</b>	<b>383.01</b>	<b>221.60</b>

\*Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date

### 14 Loans

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Loan Given ( unsecured, considered good )			
- To Others	480.00	273.00	623.00
<b>Total</b>	<b>480.00</b>	<b>273.00</b>	<b>623.00</b>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 14 Loans (contd.)

**14.1** Other Loan primarily represents loans given to other entities to be used in the ordinary course of business. ( Please see note no.47 )

**14.2** The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

**14.3** There are no outstanding loans/advances in the nature of loan from promoters, key management personnel or other officers of the Company.

### 15 Other current financial assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Security deposit	2.61	-	-
Interest accrued on deposits and Loans	25.68	20.86	28.77
<b>Total</b>	<b>28.29</b>	<b>20.86</b>	<b>28.77</b>

### 16 Current tax asset

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Advance payment of Tax ( including TDS & TCS )	369.55	148.59	107.28
<b>Total</b>	<b>369.55</b>	<b>148.59</b>	<b>107.28</b>

### 17 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Advances other than capital advances			
- Advance to suppliers	107.06	82.36	38.98
Other advances			
- Balance with Revenue Authorities	90.44	54.87	45.92
- Prepaid Expenses	1.97	2.04	1.00
- Employees	12.52	6.90	0.47
- Excess payment to Gratuity Fund	-	-	2.12
Other Receivables	3.85	-	-
<b>Total</b>	<b>215.84</b>	<b>146.17</b>	<b>88.49</b>

**17.1** Balance with revenue authorities primarily relate to input credit entitlement, refunds and amounts paid under protest in respect of demands and claims from revenue authorities.

**17.2** Other receivables relate to amount due from Share Broker and for Dividend receivable.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 18 Equity Share Capital

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Authorised			
1,10,00,000 Equity Shares of ₹ 10 each (as at March 31, 2021 : 1,10,00,000; as at April 1, 2020: 1,10,00,000 Equity Shares of ₹ 10 each)	1,100.00	1,100.00	1,100.00
	<b>1,100.00</b>	<b>1,100.00</b>	<b>1,100.00</b>
Issued, subscribed and fully paid-up			
76,72,025 Equity Shares of ₹ 10 each (as at March 31, 2021 : 76,72,025; as at April 1, 2020: 76,72,025 Equity Shares of ₹ 10 each)	767.20	767.20	767.20
	<b>767.20</b>	<b>767.20</b>	<b>767.20</b>

#### 18.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of the period

	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	Number	Amount	Number	Amount	Number	Amount
Balance as at the beginning of the year	76,72,025	767.20	76,72,025	767.20	76,72,025	767.20
Add: Issued during the year	-	-	-	-	-	-
<b>Balance as at the end of the year</b>	<b>76,72,025</b>	<b>767.20</b>	<b>76,72,025</b>	<b>767.20</b>	<b>76,72,025</b>	<b>767.20</b>

#### 18.2 Rights, preferences and restrictions attaching to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders of the company are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

**18.3** The Company does not have any holding Company or ultimate holding Company.

**18.4** No shares have been reserved for issue under options and contracts / commitments for the sale of shares / disinvestment as at the balance sheet date.

**18.5** No convertible securities has been issued by the Company during the year.

**18.6** No calls are unpaid by any Director and officer of the Company during the year.

**18.7** 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

Particulars	As At March 31, 2022 No of Shares	As At March 31, 2021 No of Shares	As At April 1, 2020 No of Shares
Equity Shares allotted as fully paid bonus shares **	34,16,400	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 34,16,400 Bonus Shares on 08/08/2017 in the ratio 4:1.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 18 Equity Share Capital (contd.)

#### 18.8 Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	Number	% of total shares in the class	Number	% of total shares in the class	Number	% of total shares in the class
Sanjay Goenka	18,78,500	24.49	18,78,500	24.49	16,62,500	21.67
Nilima Goenka	14,44,500	18.83	14,24,500	18.57	13,72,500	17.89
Radhakrishna Advisors LLP	4,00,000	5.21	5,88,025	7.66	5,87,525	7.66
Vansh Goenka	5,70,000	7.43	5,70,000	7.43	5,70,000	7.43

#### 18.9 Disclosure of share holdings of Promoters as at the end of the year :

Name of the Promoter/Promoter Group	As at March 31, 2022			As at March 31, 2021		
	Number	% of total shares in the class	% change during the year	Number	% of total shares in the class	% change during the year
Sanjay Goenka	18,78,500	24.49	-	18,78,500	24.49	2.82
Nilima Goenka	14,44,500	18.83	0.26	14,24,500	18.57	0.68
Vansh Goenka	5,70,000	7.43	-	5,70,000	7.43	-
Sanjay Goenka & Others ( HUF )	5,11,000	6.66	-	5,11,000	6.66	0.68

Name of the Promoter/Promoter Group	As at March 31, 2021			As at April 1, 2020		
	Number	% of total shares in the class	% change during the year	Number	% of total shares in the class	% change during the year
Sanjay Goenka	18,78,500	24.49	2.82	16,62,500	21.67	0.89
Nilima Goenka	14,24,500	18.57	0.68	13,72,500	17.89	0.21
Vansh Goenka	5,70,000	7.43	-	5,70,000	7.43	0.00
Sanjay Goenka & Others ( HUF )	5,11,000	6.66	0.68	459,000	5.98	0.00

### 19 Other equity

(₹ in Lacs)

Components	Note	As at March 31, 2022	As at March 31, 2021
Securities premium	a	635.02	635.02
General Reserve	b	67.00	67.00
Capital reserve on Consolidation	c	380.64	380.64
Retained Earnings	d	2,084.58	1,808.20
Other comprehensive income	e	(20.63)	(112.90)
<b>Total</b>		<b>3,146.61</b>	<b>2,777.96</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Securities premium</b>		
Balance at the Beginning of the year	635.02	635.02
Changes during the year	-	-
Balance at the end of the year	635.02	635.02

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 19 Other equity (contd.)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>b) General Reserve</b>		
Balance at the Beginning of the year	67.00	67.00
Changes during the year	-	-
Balance at the end of the year	67.00	67.00

Particulars	As at March 31, 2022	As at March 31, 2021
<b>c) Capital Reserve on Consolidation</b>		
Balance at the Beginning of the year	380.64	380.64
Changes during the year	-	-
Balance at the end of the year	380.64	380.64

Particulars	As at March 31, 2022	As at March 31, 2021
<b>d) Retained earnings</b>		
Balance at the Beginning of the year	1,808.20	1,402.35
Profit for the year	422.78	470.15
Dividend	-192.70	-69.07
Transfer within Equity	46.30	4.77
Balance at the end of the year	2,084.58	1,808.20

Particulars	As at March 31, 2022	As at March 31, 2021
<b>e) Other comprehensive income</b>		
Balance at the Beginning of the year	-112.90	-206.45
Changes during the year	138.57	98.32
Transfer within Equity	-46.30	-4.77
Balance at the end of the year	-20.63	-112.90

The description of the nature and purpose of each reserve within equity is as follows:

(a) **Securities premium:** This represents amount received towards issue of equity shares over their face value. This amount can be utilised in accordance with the provisions of Companies Act, 2013.

(b) **Retained earnings:** This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

### 20 Non Controlling Interest

Particulars	For the year March 31, 2022	For the year March 31, 2021
Balance at the Beginning of the year	-2.24	-37.01
Share of Profit/(Loss) for the year	47.96	34.77
<b>Total</b>	<b>45.72</b>	<b>-2.24</b>

Non-controlling interest represent proportionate share held by minority shareholders in the net assets of subsidiaries which are not wholly owned by the Company.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 21 Other non-current financial liabilities

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Security deposit	2.43	1.39	3.84
<b>Total</b>	<b>2.43</b>	<b>1.39</b>	<b>3.84</b>

### 22 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Provision for Gratuity	0.51	-	-
<b>Total</b>	<b>0.51</b>	<b>-</b>	<b>-</b>

### 23 Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Secured</b>			
<b>Repayable on demand from banks :-</b>			
- Cash credit	21.68	-	29.53
- Buyer's credit	101.97	98.83	-
<b>Total</b>	<b>123.65</b>	<b>98.83</b>	<b>29.53</b>

#### 23.1 Nature of security

Working Capital loan and Buyer's Credit from bank are secured by way of hypothecation charge over stock of raw materials, finished goods and book debts ( both present and future ) and also by the personal guarantee of the directors of the Company.

#### 23.2 Repayment Terms and the applicable rate of interest on the above loan during the year:

- Buyer's Credit from Kotak Mahindra Bank Ltd amounting to ₹ 101.97 Lacs is repayable on 06.06.2022.
- Working capital loan from Bank's amounting to ₹ 21.68 Lacs ( March 31, 2021 ₹ Nil and April 1, 2020 ₹ 29.53 Lacs ) is repayable on demand.
- Rate of Interest on Buyer's Credit from Kotak Mahindra Bank Ltd is 3 months libor plus 1.05%.
- Rate of Interest on Cash credit is 8% p.a. as on March 31, 2022

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 24 Trade payables

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Dues to Micro And Small Enterprises</b> (as per the intimation received from vendors)			
a. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	35.78	18.26	28.03
b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-	-
d. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-	-
e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-
<b>Dues to other than micro and small enterprises</b>	-	-	-
- For supply of goods & services	753.77	453.62	477.33
<b>Total</b>	<b>789.55</b>	<b>471.88</b>	<b>505.36</b>

Particulars	As at March 31, 2022				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	35.78	-	-	-	35.78
(ii) Others	753.77	-	-	-	753.77
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>789.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>789.55</b>

Particulars	As at March 31, 2021				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	18.26	-	-	-	18.26
(ii) Others	453.62	-	-	-	453.62
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>471.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>471.88</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 24 Trade payables (contd.)

(₹ in Lacs)

Particulars	As at April 1, 2020				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	28.03	-	-	-	28.03
(ii) Others	477.33	-	-	-	477.33
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>505.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>505.36</b>

### 25 Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Unpaid dividend*	1.28	0.13	-
<b>Total</b>	<b>1.28</b>	<b>0.13</b>	<b>-</b>

\*Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 126 of the Companies Act, 2013 or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.

### 26 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Statutory Dues (including provident fund, tax deducted at source and others)	12.62	24.89	8.29
Advances received from customers	1.88	0.40	4.57
Other payables	8.10	0.04	6.45
<b>Total</b>	<b>22.60</b>	<b>25.33</b>	<b>19.31</b>

### 27 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Provision for Gratuity	3.51	2.15	-
<b>Total</b>	<b>3.51</b>	<b>2.15</b>	<b>-</b>

### 28 Current tax liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Current taxation	358.52	179.30	106.75
<b>Total</b>	<b>358.52</b>	<b>179.30</b>	<b>106.75</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 29 Revenue from operations

(₹ in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Manufactured Goods	4,453.33	3,294.07
Sale of Traded Goods	2,125.80	1,085.81
Sale of Services	82.85	34.51
Other Operating Revenues*	-	12.80
<b>Total revenue from operations</b>	<b>6,661.98</b>	<b>4,427.19</b>

\* Includes duty drawback and claims from parties

#### 29.1 Nature of goods and services

The Group is engaged in the manufacturing of sodium silicates, construction chemicals and trading of pulses and generates revenue from the sale of the same. It is also the only reportable segment of the Group.

#### 29.2 Disaggregation of revenue for the year

In the following table, revenue is disaggregated by primary geographical market and major products lines.

##### Disaggregation of revenue

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Based on major products</b>		
- Sodium Silicates and Construction Chemicals	6,287.47	4,379.88
- Pulses	291.66	-
	<b>6,579.13</b>	<b>4,379.88</b>
<b>Based on Geographical region</b>		
- India	5,565.61	3,530.19
- Outside India	1,013.52	849.69
	<b>6,579.13</b>	<b>4,379.88</b>

### 30 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income	78.03	105.54
Dividend income	4.93	1.40
Other non-operating income		
- Profit on sale of fixed assets	2.16	-
- Net Gain/(loss) on sale of Mutual Funds	2.85	-
- Net Gain/(loss) on Fair Value changes of Mutual Funds	-2.99	7.63
- Recovery of bad debts written off in earlier years	37.89	43.56
- Net foreign exchange gain/(loss)	8.08	24.00
- Others Miscellaneous Income	5.82	32.87
<b>Total</b>	<b>136.77</b>	<b>215.00</b>
Interest income comprises interest from:		
a) Deposits with banks - carried at amortised cost	24.63	31.16
b) Other financial assets measured at amortised cost	53.40	74.38
<b>Total</b>	<b>78.03</b>	<b>105.54</b>
Dividend income comprises Dividend from:		
a) Investments carried at Fair Value through other comprehensive income	4.93	1.40
<b>Total</b>	<b>4.93</b>	<b>1.40</b>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 31 Cost of materials consumed

(₹ in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventory of raw materials at the beginning of the year	202.22	209.47
Add: Purchases	3,509.21	2,345.54
	<b>3,711.43</b>	<b>2,555.01</b>
Less: Inventory of raw materials at the end of the year	352.46	202.22
Cost of materials consumed	<b>3,358.97</b>	<b>2,352.79</b>

### 32 Purchase of stock-in-trade

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of stock-in-trade	2,016.17	1,049.08
<b>Total</b>	<b>2,016.17</b>	<b>1,049.08</b>

### 33 Change in inventories of finished goods and work-in-progress

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening inventories</b>		
Work-in-Progress	0.71	1.42
<b>Closing inventories</b>		
Work-in-Progress	4.96	0.71
<b>Total</b>	<b>(4.25)</b>	<b>0.71</b>

### 34 Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	350.13	276.45
Contribution to provident and other funds	19.43	16.32
Workmen and staff welfare expenses	1.18	0.58
<b>Total</b>	<b>370.74</b>	<b>293.35</b>

### 35 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Borrowings from Banks	1.40	1.12
Interest on Statutory Dues	0.84	0.35
<b>Total</b>	<b>2.24</b>	<b>1.47</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 36 Other Expenses

(₹ in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Manufacturing Expenses</b>		
Calibration Charges	0.33	0.33
Consumable Stores	0.96	0.67
Works Contract Charges	58.22	19.37
<b>Selling &amp; Distribution Expenses</b>		
Advertisement Expenses	2.51	0.34
Carriage Outward	162.07	119.77
Sales Promotion Expenses	3.73	4.15
Seminar Expenses	1.11	0.80
Commission	0.87	0.20
<b>Establishment Expenses</b>		
Electricity Charges	4.14	3.96
Contribution for CSR Activities	9.50	11.01
Directors' Sitting Fees	0.91	0.55
Travelling & Conveyance	22.17	8.02
Repairs & Maintenance	2.77	2.04
Office Rent	3.00	2.88
Bank Charges	13.20	6.93
Security Charges	3.44	3.44
Insurance Charges	2.64	1.74
General Expenses	11.23	5.12
Rates & Taxes	7.95	6.36
Professional Fees	16.04	12.90
Listing/Registrar Fees	8.92	1.25
Provision for Expected Credit Loss	60.00	49.11
Other Expenses	19.99	15.84
Internal Audit Fees	1.80	1.60
Auditors' Remuneration	2.98	2.94
<b>Total</b>	<b>420.48</b>	<b>281.32</b>

#### 36.1 Details of auditors' remuneration and out-of-pocket expenses is as below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
- Statutory Audit fees	2.15	2.00
- Tax audit fees	0.50	0.50
- Other Matters	0.33	0.44
<b>Total</b>	<b>2.98</b>	<b>2.94</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 37 Income taxes

(₹ in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A Amount recognised in Statement of Profit and Loss</b>		
<b>Current tax</b>		
Current period	186.22	179.30
For Earlier Period	(3.40)	(2.13)
<b>a</b>	<b>182.82</b>	<b>177.17</b>
<b>Deferred tax</b>		
Deffered tax for the year	10.86	(9.51)
Mat Credit Reversed	(10.88)	-
<b>b</b>	<b>(0.02)</b>	<b>(9.51)</b>
<b>Income tax expense reported in the Consolidated Statement of Profit and Loss (a+b)</b>	<b>182.80</b>	<b>167.66</b>

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>B Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in Statement of Profit and Loss</b>		
Profit/(loss) before tax	609.11	644.98
Dividend Received within the Group	99.57	23.09
	708.68	668.07
Indian statutory income tax rate	25.168%	25.168%
Estimated Income tax expense	178.36	168.14
<b>Tax Effect of adjustments to reconcile expected tax expenses to reported tax expenses :</b>		
Tax on Capital Gain at different rates	1.78	1.67
Items not deductible	4.16	6.35
Utilisation/credit of deferred expenses and other tax benefits	(13.56)	(11.30)
Adjustment for earlier years	(3.40)	(2.13)
Mat Credit Adjustment	10.88	-
Others	4.58	4.94
<b>Total Income Tax Expense</b>	<b>182.80</b>	<b>167.67</b>
<b>Effective Income Tax Rate</b>	<b>25.79%</b>	<b>25.10%</b>

### 38 Earnings per equity share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Earnings per share has been computed as under:		
(a) Profit for the year	426.31	477.33
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic/diluted earnings per share	76,72,025	76,72,025
(c) Earnings per share on profit for the year		
- Basic EPS [(a)/(b)]	5.56	6.22
- Diluted EPS [(a)/(b)]	5.56	6.22

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 39 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013.

#### (a) Defined contribution plans:

Contribution to defined contribution plans, recognised as expense for the year are as under:

(₹ in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employer's contribution to Provident Fund	11.82	9.54
Employer's contribution to ESIC	3.26	2.88
<b>Total</b>	<b>15.08</b>	<b>12.42</b>

#### (b) Defined benefit plans:

##### (i) Gratuity Plan

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

##### (ii) Provident Fund

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

#### c) Risk Exposure

##### Defined Benefit Plans

Defined benefit plans expose the Group to actuarial risks such as: Interest rate risk, Salary risk and Demographic risk.

- Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.
- Salary risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that includes mortality withdrawal disability and retirement. The effect of these decrements on the defined benefits obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of the short career employee typically costs less per year as compared to a long service employee.

#### d) Details of the Gratuity Plan are as follows

##### i) Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Balance at the beginning of the year	36.27	27.05
Current service cost	4.30	4.28
Interest cost on Defined Benefit Obligation	2.53	1.89
Actuarial gain and losses arising		
Due to change in financial assumptions	(1.55)	3.05
Due to unexpected experience adjustments	2.00	-
Benefits paid	(3.73)	-
<b>Balance at the end of the year</b>	<b>39.82</b>	<b>36.27</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 39 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013.(contd.)

#### ii) Changes in the Fair value of planned assets representing reconciliation of opening and closing balances thereof as follows :

(₹ in Lacs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Fair Value of Planned Assets at the beginning of the year	34.13	29.17
Expected Return on Planned Assets	2.50	2.04
Contribution	3.58	3.23
Benefits Paid	(3.73)	-
Actuarial Gain/(Loss)	(0.67)	(0.31)
<b>Present Value of defined benefit obligation at the end of the year</b>	<b>35.81</b>	<b>34.13</b>

#### iii) Amount recognized in Balance Sheet

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Present value of Defined Benefit Obligation	39.82	36.27
Fair Value of Plan assets	(35.81)	(34.13)
<b>Net (Assets)/ Liability recognised in the Balance Sheet</b>	<b>4.01</b>	<b>2.14</b>

#### iv) Expenses recognized in statement of profit and loss

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Current service cost	4.30	4.28
Interest cost	0.02	1.89
Expected Return on plan asset	-	(2.04)
Net Actuarial Loss/(Gain) recognised in the year	-	3.32
<b>Net Benefit Expense</b>	<b>4.32</b>	<b>7.45</b>

#### v) Remeasurement recognized in Other Comprehensive Income

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Actuarial (gain)/ loss on Defined Benefit Obligation	1.12	3.37

#### vi) Actuarial Assumptions

Particulars	Gratuity (Funded)	
	2021-22	2020-21
<b>Financial Assumptions</b>		
Discount rate	7.34%	7.00%
Salary escalation rate	6.00%	6.00%
<b>Demographic Assumptions</b>		
Mortality rate	IALM 2012-2014 Ultimate	
Withdrawal rate	5.00%	5.00%

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 39 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013.(contd.)

#### vii) Maturity Analysis

Weighted average duration of the retiring gratuity obligation is 15 years ( March 31, 2021 - 16.7 years )

#### viii) Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Variable	Sensitivity Level		Effect on Defined Benefit Obligations			
	March 31, 2022	March 31, 2021	March 31, 2022		March 31, 2021	
			Increase	Decrease	Increase	Decrease
Discount rate	+/- 0.5%	+/- 1%	37.70	42.13	33.37	39.62
Salary escalation rate	+/- 0.5%	+/- 1%	42.13	37.67	39.62	33.32
Attrition rate	+/- 0.5%	+/- 1%	39.83	39.81	36.43	36.09
Mortality rate	+/- 0.5%	+/- 1%	39.83	39.81	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### 40 Related Party Disclosures

#### Subsidiaries

Hindcon Solutions Pvt Ltd ( Formerly - Padmalaya Vinimay Pvt Ltd )

#### Key Managerial Personnel (KMP)

Mr Sanjay Goenka	Managing Director/Director
Mrs Nilima Goenka	Whole Time Director
Mr Ramsanatan Banerjee	Whole Time Director
Mr Krishna Kumar Tantia	Independent Director
Mr Giridhari Lal Goenka	Independent Director
Mr Binay Kumar Agarwal	Independent Director
Mr Kashinath Dey	Chief Financial Officer
Mr Kalyan Ghosh	Director
Ms Jaya Bajpai	Company Secretary

#### Relatives of Key Managerial Personnel

Miss Vidisha Goenka  
Mr Rajiv Goenka  
Mr Ravi Goenka

#### Enterprises over which Key Managerial Personnel are able to exercise significant influence

Bengal Silicates & Chemicals Pvt Ltd  
Chemico International Pvt Ltd  
RG's Fashions Pvt Ltd  
Shipra Commercial Pvt Ltd

**Note:** Related Parties have been identified by the management.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 40 Related Party Disclosures (contd.)

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

(₹ in Lacs)

Nature of transaction	Name of related party	Transaction for the year ended		Balance as on	
		31/03/22	31/03/21	31/03/22	31/03/21
Salary/Perquisites	Sanjay Goenka	87.00	68.49	-	-
	Nilima Goenka	36.00	29.35	-	-
	Ramsanatan Banerjee	8.64	6.64	-	-
	Kashinath Dey	4.92	3.77	-	-
	Vidisha Goenka	-	0.56	-	-
	Kalyan Ghosh	1.18	1.15	-	-
Director Sitting Fees	Binay Kumar Agarwal	0.38	0.25	-	-
	Giridhari Lal Goenka	0.18	0.12	-	-
	Krishna Kumar Tantia	0.35	0.19	-	-
Office Rent	Sanjay Goenka	1.20	1.15	-	-
	Nilima Goenka	1.80	1.73	-	-
Purchases	Chemico International Pvt Ltd	48.00	43.97	-	-
Sales	Bengal Silicates & Chemicals Pvt Ltd	893.18	700.94	-	-
	Chemico International Pvt Ltd	1,480.23	956.16	-	-
	RG's Fashions Pvt Ltd	0.34	0.82	-	-
Dividend Paid	Sanjay Goenka & Other ( HUF )	12.78	4.18	-	-
	Sanjay Goenka	47.86	15.68	-	-
	Nilima Goenka	36.11	12.35	-	-
	Vansh Goenka	14.25	5.13	-	-
Trade Receivables	Bengal Silicates & Chemicals Pvt Ltd	-	-	207.34	154.90
	Chemico International Pvt Ltd	-	-	470.31	261.41
	RG's Fashions Pvt Ltd	-	-	0.09	0.14
Director Sitting Fees Payable	Binay Kumar Agarwal	-	-	-	0.04
Managerial Remuneration Payable	Kalyan Ghosh	-	-	0.10	0.10

#### Terms and conditions of transactions with related parties

The purchase from related party are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

#### Compensation of Key Management Personnel of the Company

Key management personnel compensation comprised the following :

Nature of transaction	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	138.65	110.52
Other long-term benefits	-	-
<b>Total Compensation paid to key management personnel</b>	<b>138.65</b>	<b>110.52</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 41 Financial instruments and related disclosures

#### 41.1 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Group has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

**Level 1:** The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The management assessed that trade receivables, cash and cash equivalent, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

#### 41.2 Financial instruments by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position. The table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lacs)

Particulars	As at March 31, 2022					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>						
(i) Investments	Non Current	17.60	302.99	-	320.59	-
(ii) Other financial assets	Non Current	-	-	100.98	100.98	-
(iii) Trade receivables	Current	-	-	2,635.83	2,635.83	-
(iv) Cash and cash equivalents	Current	-	-	222.68	222.68	-
(v) Other bank balances	Current	-	-	321.49	321.49	-
(vi) Loans	Current	-	-	480.00	480.00	-
(vii) Other financial assets	Current	-	-	28.29	28.29	-
<b>Total</b>		<b>17.60</b>	<b>302.99</b>	<b>3,789.27</b>	<b>4,109.86</b>	<b>-</b>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 41 Financial instruments and related disclosures (contd.)

(₹ in Lacs)

Particulars	As at March 31, 2022					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Liabilities</b>						
(i) Other financial liabilities	Non Current	-	-	2.43	2.43	-
(ii) Borrowings	Current	-	-	123.65	123.65	-
(iii) Trade payables	Current	-	-	789.55	789.55	-
(iv) Other financial liabilities	Current	-	-	1.28	1.28	-
<b>Total</b>		-	-	<b>916.91</b>	<b>916.91</b>	-

Particulars	As at March 31, 2021					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>						
(i) Investments	Non Current	17.74	261.05	-	278.79	-
(ii) Other financial assets	Non Current	-	-	103.46	103.46	-
(iii) Trade receivables	Current	-	-	1,920.55	1,920.55	-
(iv) Cash and cash equivalents	Current	-	-	648.81	648.81	-
(v) Other bank balances	Current	-	-	383.01	383.01	-
(vi) Loans	Current	-	-	273.00	273.00	-
(vii) Other financial assets	Current	-	-	20.86	20.86	-
<b>Total</b>		<b>17.74</b>	<b>261.05</b>	<b>3,349.69</b>	<b>3,628.48</b>	-
<b>Financial Liabilities</b>						
(i) Other financial liabilities	Non Current	-	-	1.39	1.39	-
(ii) Borrowings	Current	-	-	98.83	98.83	-
(iii) Trade payables	Current	-	-	471.88	471.88	-
(iv) Other financial liabilities	Current	-	-	0.13	0.13	-
<b>Total</b>		-	-	<b>572.23</b>	<b>572.23</b>	-

Particulars	As at April 1, 2020					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>						
(i) Investments	Non Current	10.11	122.80	-	132.91	-
(ii) Other financial assets	Non Current	-	-	6.47	6.47	-
(iii) Trade receivables	Current	-	-	1,983.19	1,983.19	-
(iv) Cash and cash equivalents	Current	-	-	92.67	92.67	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 41 Financial instruments and related disclosures (contd.)

(₹ in Lacs)

Particulars	As at April 1, 2020					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
(v) Other bank balances	Current	-	-	221.60	221.60	-
(vi) Loans	Current	-	-	623.00	623.00	-
(vii) Other financial assets	Current	-	-	28.77	28.77	-
<b>Total</b>		<b>10.11</b>	<b>122.80</b>	<b>2,955.70</b>	<b>3,088.61</b>	<b>-</b>
<b>Financial Liabilities</b>						
(i) Other financial liabilities	Non Current	-	-	3.84	3.84	-
(ii) Borrowings	Current	-	-	29.53	29.53	-
(iii) Trade payables	Current	-	-	505.36	505.36	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>538.73</b>	<b>538.73</b>	<b>-</b>

### 41.3 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

#### Risk management framework

The Group's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

#### (i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

#### Trade receivable

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 41 Financial instruments and related disclosures (contd.)

#### Exposure to credit risks

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below :

(₹ in Lacs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	%	Amount	%	Amount
Revenue from top customer	22.88%	1,524.15	21.60%	956.16
Revenue from top five customers	31.05%	2,068.68	38.74%	1,714.90

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per simplified approach, the Group makes provision of expected credit loss on trade receivables on the basis of experience to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk.

#### (ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

#### Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

Particulars	Below 3 months	3-6 months	6-12 months	1-5 years	Above 5 years	Total
<b>As at March 31, 2022</b>						
Borrowings	-	123.65	-	-	-	123.65
Trade payables	-	789.55	-	-	-	789.55
	-	<b>913.20</b>	-	-	-	<b>913.20</b>
<b>As at March 31, 2021</b>						
Borrowings	-	98.83	-	-	-	98.83
Trade payables	-	471.88	-	-	-	471.88
	-	<b>570.71</b>	-	-	-	<b>570.71</b>
<b>As at April 1, 2020</b>						
Borrowings	-	29.53	-	-	-	29.53
Trade payables	-	505.36	-	-	-	505.36
	-	<b>534.89</b>	-	-	-	<b>534.89</b>

**Note:** Security Deposits contained under Other Non Current Financial Liabilities do not have any maturity date. These deposits are against the contract of service for repairs. The said deposits will be released only after the corresponding contract is cancelled. And the company does not foresees the contract to be cancelled in the near future.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 41 Financial instruments and related disclosures (contd.)

#### (iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, receivables, payables and borrowings.

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates related primarily to the Group's short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

#### Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:  
(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Fixed rate instruments</b>			
Financial assets	480.00	273.00	623.00
Financial liabilities	-	-	-
	<b>480.00</b>	<b>273.00</b>	<b>623.00</b>
<b>Variable rate instruments</b>			
Financial assets	-	-	-
Financial liabilities	123.65	98.83	29.53
	<b>123.65</b>	<b>98.83</b>	<b>29.53</b>

#### Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

#### Cash flow sensitivity analysis for variable rate instruments

Since the Group is not having any variable rate debt financial instruments, there will be no effect of change in the market rate of interest on the profitability and the cash flows of the Group. Hence the table given below is not applicable.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2022</b>				
Variable rate instruments	1.24	(1.24)	0.93	(0.93)
<b>Cash flow sensitivity (net)</b>	<b>1.24</b>	<b>(1.24)</b>	<b>0.93</b>	<b>(0.93)</b>
<b>March 31, 2021</b>				
Variable rate instruments	0.99	(0.99)	0.74	(0.74)
<b>Cash flow sensitivity (net)</b>	<b>0.99</b>	<b>(0.99)</b>	<b>0.74</b>	<b>(0.74)</b>

#### (b) Equity price risk

The Group is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade in these investments.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 41 Financial instruments and related disclosures (contd.)

#### (c) Currency risk

The Company has Foreign Currency Exchange Risk on imports of input materials in foreign currency for its business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management using derivative, wherever required, to mitigate or eliminate the risk.

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

#### Unhedged foreign currency exposure as at reporting date

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	USD	Amount	USD	Amount
<b>Financial liabilities</b>				
Borrowings and Trade payables	6.18	469.34	3.86	282.44
<b>Net exposure in foreign currency</b>	<b>6.18</b>	<b>469.34</b>	<b>3.86</b>	<b>282.44</b>

#### Sensitivity analysis

The analysis is based on assumption that the increase/decrease in foreign currency by 5% with all other variables held constant, on the unhedged foreign currency exposure.

Variable	Change	March 31, 2022		March 31, 2021	
		Impact on		Impact on	
		Profit before tax	Other equity	Profit before tax	Other equity
USD sensitivity (Increase)	+ 5%	(23.00)	(17.21)	(14.00)	(10.48)
USD sensitivity (Decrease)	- 5%	23.00	17.21	14.00	10.48

### 42 Interests in other entities

#### (a) Subsidiaries

The group's subsidiaries as at 31st March 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
		%	%	%	%	
Hindcon Solutions Pvt Ltd	India	97.52%	97.52%	2.48%	2.48%	Trading & Investment

Name of the entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		April 1, 2020		April 1, 2020		
		%		%		
Hindcon Solutions Pvt Ltd	India	97.52%		2.48%		Trading & Investment

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 42 Interests in other entities (contd.)

#### (b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts are before inter-company eliminations.

Summarised Balance Sheet	Hindcon Solutions Pvt Ltd		
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Current assets	79.29	149.55	124.48
Current liabilities	23.47	8.07	3.05
<b>Net current assets</b>	<b>55.82</b>	<b>141.48</b>	<b>121.43</b>
Non-current assets	485.91	358.39	316.39
Non-current liabilities	-	-	-
<b>Net non-current assets</b>	<b>485.91</b>	<b>358.39</b>	<b>316.39</b>
<b>Net assets/(liabilities)</b>	<b>541.73</b>	<b>499.87</b>	<b>437.82</b>
<b>Accumulated NCI</b>	45.71	(2.25)	(37.01)

Summarised Statement of Profit and Loss	Hindcon Solutions Pvt Ltd	
	March 31, 2022	March 31, 2021
Revenue	372.50	36.24
Profit for the year	52.87	25.89
Other comprehensive income/ (loss)	25.30	36.16
Total comprehensive income	78.18	62.05
<b>Profit allocated to NCI</b>	5.36	5.92
<b>Dividends paid to NCI</b>	0.90	-

Summarised Statement of Cash Flow	Hindcon Solutions Pvt Ltd	
	March 31, 2022	March 31, 2021
Cash flows from operating activities	71.71	(38.37)
Cash flows from investing activities	(36.98)	29.18
Cash flows from financing activities	(36.32)	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	(1.58)	(9.19)

### 43 Capital management

The Group's management objective are :

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

Particulars		As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Total debt (Bank and other borrowings)	A	123.65	98.83	29.53
Equity	B	3,913.83	3,545.17	3,045.75
Liquid investments including bank deposits	C	222.68	648.81	92.67
<b>Debt to Equity (A / B)</b>		<b>0.03</b>	<b>0.03</b>	<b>0.01</b>
<b>Debt to Equity (net) [(A-C) / B]</b>		<b>(0.03)</b>	<b>(0.16)</b>	<b>(0.02)</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 44 Contingent Liabilities and Commitments

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>i) Contingent Liabilities</b>			
a) Demands/Claims by various government authorities and others not acknowledged as debts by the Company:			
(i) Income Tax Matters	21.56	21.56	21.56
(ii) Other statutory bodies	-	-	-
	<b>21.56</b>	<b>21.56</b>	<b>21.56</b>

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>ii) Commitments</b>			
a) Capital Commitments			
Estimated value of contracts remaining to be executed on capital account	-	-	-
	-	-	-

### 45 Corporate Social Responsibility

As per the Companies Act, 2013, the gross amount required to be spent by the Group during the year ₹ 9.50 Lacs (March 31, 2021 ₹ 8.77 Lacs) and amount spent by the Group during the year ₹ 9.50 Lacs (March 31, 2021 ₹ 8.77 Lacs). Details are as given below :

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1. Amount required to be spent by the Company during the year.	9.50	8.77
2. On purposes other than Construction/acquisition of any asset	9.50	8.78
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	-
5. Reason for shortfall	N.A.	N.A.
6. Nature of CSR activities	Promoting health care, animal welfare, women empowerment and education and eradicating hunger, poverty and malnutrition	
7. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

**46** The Board of Directors at its meeting held on May 28, 2022 have recommended a payment of dividend of ₹ 0.70 per equity share of FV ₹ 10 each for the financial year ended March 31, 2022. The same amounts to ₹ 71.67 Lacs. This is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

**47** Disclosure as per Schedule of the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) regulations, 2015 and Section 186(4) of the Companies Act , 2013

Name of the Company	Principal Outstanding As On			Interest Rate	Repayment Terms
	March 31, 2022	March 31, 2021	April 1, 2020		
i) ANS Developers Pvt Ltd	150.00	-	100.00	12%	Repayable on demand
ii) Nandini Steels & Securities Pvt Ltd	20.00	25.00	25.00	12%/15%	
iii) Raja Shelters Pvt Ltd	100.00	-	75.00	12%	
iv) Shiv Kumar Dudhwewala	-	50.00	50.00	12%	
v) Tyre Arcade	180.00	158.00	158.00	12%	
vi) Manabarrie Tea Company Ltd	-	-	100.00	14%	
vii) RGG Vyapaar Pvt Ltd	-	-	35.00	12%	
viii) RREPL KIPL JV	-	-	50.00	14%	
ix) Star Projects & Infrastructure Pvt Ltd	30.00	30.00	30.00	9%	
x) Bhawani Traders	-	10.00	-	12%	
	<b>480.00</b>	<b>273.00</b>	<b>623.00</b>		

### 48 Financial performance ratios :

	Ref	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance %
<b>A Performance ratios</b>						
Net Profit Ratio	(i)	Profit after tax	Revenue from operations	6.00%	11.00%	-45.45%
Net capital turnover ratio	(ii)	Revenue from operations	Closing working capital	200.00%	149.00%	34.23%
Return on capital employed		Profit before interest and tax	Closing capital employed	15.00%	18.00%	-16.67%
Return on equity ratio	(iii)	Profit after tax	Average Shareholder's Equity	11.00%	15.00%	-26.67%
Debt service coverage ratio	(iv)	Profit before interest , tax and depreciation and amortisation	Debt service = Interest & Lease Payments + Principal Repayments	284.21	452.34	-37.17%
Return on Investment		Dividend + Profit on Sale + Changes in Fair value	Average Investment	69.00%	77.00%	-10.39%
<b>B Leverage Ratios</b>						
Debt - Equity ratio		Total borrowings	Equity	0.03	0.03	0.00%
<b>C Liquidity Ratios</b>						
Current ratio	(v)	Current assets	Current liabilities	3.56	4.81	-25.99%
<b>D Activity Ratios</b>						
Inventory turnover ratio		Cost of good sold	Average inventory	20.71	17.96	15.31%
Trade receivables turnover ratio	(vi)	Revenue from operations	Average trade receivables	2.92	2.27	28.63%
Trade payables turnover ratio	(vii)	***	Average trade payables	8.85	6.99	26.61%

\*\*\* Purchase of raw material, Changes in inventories of finished goods and work-in-progress and Other Expenses (Manufacturing Expenses).



## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 48 Financial performance ratios : (contd.)

#### Note : Explanation for change in ratio by more than 25%

- (i) Net Profit ratio has decreased due to increase in material cost and depreciation during the year.
- (ii) Net Capital turnover ratio has increased due to increase in trading goods turnover of the group during the year.
- (iii) Return on equity ratio has decreased due to increase in material cost and depreciation during the year.
- (iv) Debt service coverage ratio is decreased due to increase in interest cost vis-à-vis decrease in net profit.
- (v) Current ratio has increased due to increase in inventory at the end of the year and due to higher payment of Income Tax by way of TDS and Advance Tax.
- (vi) Trade Receivable turnover ratio has increased due to increase in receivables. Receivables has increased due to non-recovery of dues from some debtors and due to amount which has not become due for realisation for sales made towards the end of Quarter 4.
- (vii) Trade Payable ratio has increased due to increase in payables. Payables has increased due to the amount which has not become due for supply of goods and services received towards the end of Quarter 4

### 49 Other Statutory Information

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - (ii) The company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
  - (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
  - (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (vii) The Group has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.
  - (viii) The Group does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 ( such as, search or survey or any other relevant provisions of the Income Tax Act, 1961 ).
  - (ix) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies ( Restriction on number of Layers ) Rules, 2017.
- 50** Certain Trade Receivables, Loans & Advances and Trade Payables are subject to confirmation. In the opinion of the management, the value of Trade Receivables and Loans & Advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 51 Segment Reporting

There is only one primary business segment i.e. "Sodium silicate, Construction Chemicals and related services" and hence no separate segment information is disclosed in this financials. Secondary information is reported geographically.

#### Geographical segments

The Company primarily operates in India and therefore analysis of geographical segment is demonstrated into Indian and overseas operation as under: (₹ in Lacs)

Particulars	March 31, 2022		March 31, 2021	
	India	Overseas	India	Overseas
Revenue from operations	5,648.46	1,013.52	3,577.50	849.69
Carrying value of Non-current assets* (other than financial instruments)	174.85	-	144.28	-

\*Non-current assets for this purpose consists of Property, plant and equipment and Other non-current assets.

### 52 Code of Social Security

During the previous year ended March 31, 2021, the Central Government has published "The Code on Social Security, 2020" and "Industrial Relations Code, 2020" in the Gazette of India, Inter alia, subsuming various existing labour and industrial laws which deals with employees related benefits including post employment. The effective date of the codes thereunder and the rules are yet to be notified. The impact of the legislative changes, if any, will be assessed and recognised post notification of the relevant provisions.

53 Figures for the previous periods have been regrouped and reclassified to confirm to the classification of the current period, wherever considered necessary.

### 54 Explanation of transition to Ind AS

As stated in note 2(a), these are the Group's first consolidated financial statements prepared in accordance with Ind AS. For the year ended March 31, 2022, the Group had prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in note 4 have been applied in preparing these consolidated financial statements for the year ended March 31, 2022 including the comparative information for the year ended 31 March 2021 and the opening standalone Ind AS balance sheet on the date of transition i.e. April 1, 2020.

In preparing its standalone Ind AS balance sheet as at April 1, 2020 and in presenting the comparative information for the year ended March 31, 2021, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its consolidated financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

#### Optional exemptions available and mandatory exceptions

In preparing these consolidated financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

#### A. Optional exemptions available

##### 1 Property plant and equipment

The Group has elected to avail exemption under Ind AS 101 to use India GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with previous GAAP.

##### 2 Fair value measurement of financial assets or liabilities at initial recognition

The Company has applied the requirements of Ind AS 109, "Financial Instruments: Recognition and Measurement", wherever applicable.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 54 Explanation of transition to Ind AS (contd.)

#### B. Mandatory exceptions

##### 1 Estimates

The estimates at April 1, 2020 and at March 31, 2021 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Determination of the discounted value for financial instruments carried at amortised cost.

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2020, the date of transition to Ind AS and as of March 31, 2021.

##### 2 Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

##### 3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

#### C. Reconciliation of equity

(₹ in Lacs)

Particulars	Note	March 31, 2021			April 1, 2020		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>I. ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, plant and equipment		140.87	-	140.87	113.21	-	113.21
(b) Financial assets							
(i) Investments	(a)	441.83	-163.04	278.79	447.28	-314.37	132.91
(ii) Other Financial Assets		6.88	96.58	103.46	9.57	-3.10	6.47
(c) Deferred Tax Asset		7.93	43.54	51.47	14.05	47.90	61.95
(d) Other non-current assets		100.00	-96.58	3.42	-	3.10	3.10
<b>Total Non-current assets</b>		<b>697.51</b>	<b>-119.50</b>	<b>578.01</b>	<b>584.11</b>	<b>-266.47</b>	<b>317.64</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 54 Explanation of transition to Ind AS (contd.)

(₹ in Lacs)

Particulars	Note	March 31, 2021			April 1, 2020		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>(2) Current assets</b>							
(a) Inventories		202.93	-	202.93	210.89	-	210.89
(b) Financial assets							
(i) Trade receivables		1,920.55	-	1,920.55	1,983.19	0.01	1,983.20
(ii) Cash and cash equivalents		1,031.82	-383.01	648.81	314.27	-221.60	92.67
(iii) Other Bank Balances		-	383.01	383.01	-	221.60	221.60
(iv) Loans		-	273.00	273.00	-	623.00	623.00
(v) Other financial assets		578.64	-557.78	20.86	830.45	-801.68	28.77
(c) Current tax asset (net)		-	148.59	148.59	-	107.28	107.28
(d) Other current assets		20.86	125.31	146.17	28.77	59.72	88.49
<b>Total Current assets</b>		<b>3,754.80</b>	<b>-10.88</b>	<b>3,743.92</b>	<b>3,367.57</b>	<b>-11.67</b>	<b>3,355.90</b>
<b>TOTAL ASSETS</b>		<b>4,452.31</b>	<b>-130.38</b>	<b>4,321.93</b>	<b>3,951.68</b>	<b>-278.14</b>	<b>3,673.54</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity share capital		767.20	-	767.20	767.20	-	767.20
(b) Other equity	(a)	2,849.97	-72.01	2,777.96	2,466.82	-188.26	2,278.56
<b>Equity Attributable to the Owners of the Company</b>		<b>3,617.17</b>	<b>-72.01</b>	<b>3,545.16</b>	<b>3,234.02</b>	<b>-188.26</b>	<b>3,045.76</b>
Non- Controlling Interests		28.00	-30.24	-2.24	23.88	-60.89	-37.01
<b>Total Equity</b>		<b>3,645.17</b>	<b>-102.25</b>	<b>3,542.92</b>	<b>3,257.90</b>	<b>-249.15</b>	<b>3,008.75</b>
<b>Liabilities</b>							
<b>(1) Non-current liabilities</b>							
(a) Deferred tax liabilities (net)		1.39	-	1.39	3.84	-	3.84
(b) Other Financial Liabilities		28.12	-28.12	-	28.98	-28.98	-
<b>Total Non-current liabilities</b>		<b>29.51</b>	<b>-28.12</b>	<b>1.39</b>	<b>32.82</b>	<b>-28.98</b>	<b>3.84</b>
<b>(2) Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		98.83	-	98.83	29.53	-	29.53
(ii) Trade payables		442.24	29.64	471.88	498.62	6.74	505.36
(iii) Other Financial Liabilities		-	0.13	0.13	-	-	-
(b) Other current liabilities		55.11	-29.78	25.33	26.06	-6.75	19.31
(c) Provisions		181.45	-179.30	2.15	-	-	-
(d) Current tax liabilities		-	179.30	179.30	106.75	-	106.75
<b>Total Current liabilities</b>		<b>777.63</b>	<b>-0.01</b>	<b>777.62</b>	<b>660.96</b>	<b>-0.01</b>	<b>660.95</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,452.31</b>	<b>-130.38</b>	<b>4,321.93</b>	<b>3,951.68</b>	<b>-278.14</b>	<b>3,673.54</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 54 Explanation of transition to Ind AS (contd.)

#### D. Reconciliation of total equity as at March 31, 2021 and April 1, 2020

(₹ in Lacs)

Particulars	As at March 31, 2021	As at April 1, 2020
Total Equity under previous IGAAP	3,617.19	3,234.02
<b>Adjustments increasing/(decreasing) Net Profit After Tax as reported under previous GAAP</b>		
a) Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	3.30	(4.33)
b) Tax Adjustment on Above Items	(0.38)	0.50
c) Impact of measuring equity instruments, at fair value through OCI	(161.49)	(310.04)
d) Tax Adjustment on Above Items	46.89	65.24
e) Impact of actuarial gains / losses arising in respect of employee benefit schemes recognised in Other Comprehensive Income	(3.37)	-
f) Tax effect on Reclassification of actuarial gains / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)	0.54	(0.53)
g) Tax Adjustment on Provision for Expected Credit Loss	12.36	-
h) Effect of Share of Profit/loss allocated to Non-controlling Interest	30.13	60.89
<b>Total Effect of conversion to Ind AS</b>	<b>(72.02)</b>	<b>(188.27)</b>
<b>Total Equity under Ind AS</b>	<b>3,545.17</b>	<b>3,045.75</b>

#### E. Reconciliation of total comprehensive income for the year ended March 31, 2021

Particulars	Note	Year ended March 31, 2021		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I. Revenue from operations		4,438.66	(11.47)	4,427.19
II. Other income		212.13	2.87	215.00
<b>III. Total income (I + II)</b>		<b>4,650.79</b>	<b>(8.60)</b>	<b>4,642.19</b>
<b>IV. Expenses</b>				
Cost of materials consumed		2,318.86	33.93	2,352.79
Purchase of stock-in-trade		1,049.08	-	1,049.08
Changes in inventories of finished goods and work-in-progress		0.71	-	0.71
Employee benefits expense		296.72	(3.37)	293.35
Finance costs		1.47	-	1.47
Depreciation and amortisation expense		18.49	-	18.49
Other expenses		326.72	(45.40)	281.32
<b>Total expenses (IV)</b>		<b>4,012.05</b>	<b>(14.84)</b>	<b>3,997.21</b>
<b>V. Profit/ (loss) before tax (III-IV)</b>		638.74	6.24	644.98
<b>VI. Tax expenses</b>				
Current tax		(179.30)	-	(179.30)
Deferred tax		(5.26)	14.77	9.51
Short Provision for Tax Adjustments in respect of earlier years (Net)		2.13	0.01	2.14

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 54 Explanation of transition to Ind AS (contd.)

(₹ in Lacs)

Particulars	Note	Year ended March 31, 2021		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>VII. Profit / (loss) for the year (V-VI)</b>		<b>456.31</b>	<b>21.02</b>	<b>477.33</b>
<b>VIII. Other comprehensive income (net of tax)</b>				
<b>A. Items that will not be reclassified subsequently to profit or loss</b>				
(a) Remeasurements of the defined benefit plan		-	(3.37)	(3.37)
(b) Equity instruments through other comprehensive income - net change in fair value (net of taxes)	(a)	-	148.47	148.47
(c) Income taxes relating to items that will not be reclassified to profit or loss	(b)	-	(19.19)	(19.19)
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>125.91</b>	<b>125.91</b>
<b>B. Items that will be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>-</b>	<b>125.91</b>	<b>125.91</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>456.31</b>	<b>146.93</b>	<b>603.24</b>

\*The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

### F. Reconciliation of total comprehensive income for the year ended March 31, 2021

Particulars	Year ended March 31, 2021
Net profit after tax as per previous IGAAP	456.33
<b>Adjustments increasing/(decreasing) Net Profit After Tax as reported under previous GAAP</b>	
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	7.63
Tax Adjustment on Above Item	3.27
Impact of measuring equity instruments, at fair value through OCI	(4.77)
Tax Adjustment on Above Item	(0.86)
Deferred Tax on Provision for Doubtful Debts not recognised earlier	12.36
Reclassification of actuarial gains / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)	3.37
<b>Net profit after tax as per Ind AS</b>	<b>477.33</b>
Other Comprehensive Income, Net of Tax	125.91
<b>Total Comprehensive Income</b>	<b>603.24</b>

G. There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

### 54 Explanation of transition to Ind AS (contd.)

#### H. Notes to the reconciliations of equity as at April 1, 2020 and March 31, 2021 and total comprehensive income for the year ended March 31, 2021

##### (a) Fair valuation of investments

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries have been fair valued. The Group has designated certain investments classified as fair value through profit or loss with certain others equity investments designated as at fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost.

##### (b) Deferred Taxes

Under previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

The accompanying notes form an integral part of these Consolidated financial statements

As per our report of even date attached

For R B ROY & CO.

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

( CA. N. Krishnan )

Partner

Membership No.062381

UDIN : 22062381AJUTJH4612

Kolkata

28th May, 2022.

For and on behalf of Board of Directors

of **Hindcon Chemicals Limited**

Sd/-

( Nilima Goenka )

( Whole Time Director )

( DIN : 00848225 )

Sd/-

( Jaya Bajpai )

( Company Secretary )

Sd/-

( Sanjay Goenka )

( Chairman and Managing Director )

( DIN : 00848190 )

Sd/-

( Kashinath Dey )

( Chief Financial Officer )

# Corporate Information

## Board of Directors

Mr. Sanjay Goenka	<i>Chairman &amp; Managing Director</i>
Mrs. Nilima Goenka	<i>Whole-time Director</i>
Mr. Ramsanatan Banerjee	<i>Whole-time Director</i>
Mr. Binay Kumar Agarwal	<i>Independent Director</i>
Mr. Girdhari Lal Goenka	<i>Independent Director</i>
Mr. Krishna Kumar Tantia	<i>Independent Director</i>

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## Chief Financial Officer

Mr. Kashi Nath Dey

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## Company Secretary

Ms. Jaya Bajpai

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## Main Banker

Kotak Mahindra Bank Limited

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## Auditors

M/s R B Roy & Co.  
Chartered Accountants  
49, Deshapran Sashmal Road, 3rd Floor, Room No. 3B,  
Kolkata – 700 033

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## Secretarial Auditor & Legal Advisor

Mr. Santosh Kumar Tibrewalla  
Practicing Company Secretary  
5A, N.C. Dutta Sarani, 3rd Floor Kolkata-700 001

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## Registrar & Share Transfer Agents

Link Intime India Pvt Ltd  
Room Nos. 502 & 503, 5th Floor, Vaishno Chamber, 6 Brabourne Road,  
Kolkata- 700 001

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## Registered Office

62B, Braunfeld Row, 1st Floor, Kolkata – 700 027.

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## Manufacturing Facilities

Jalan Complex, Gate No. 3, Baniyara, Domjur, Howrah- 711 411.

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**Hindcon Chemicals Limited**

Registered office:

Vasudha, 62B, Braunfeld Row  
Mominpore, Kolkata 700 027  
West Bengal

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**F:** 91 33 24490849

**E:** [contactus@hindcon.com](mailto:contactus@hindcon.com)

**W:** [www.hindcon.com](http://www.hindcon.com)