

Protection Pays



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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 Pays

At Hindcon Chemicals, we built our business around a single premise: that as the infrastructure sector grew, there would be a bigger premium on protection.

Individuals would seek to build homes with a nominal incremental investment that would reinforce the life of their asset.

The government would seek to build endurance into contracts given out to infrastructure builders.

Customers would appraise architecture not only by aesthetics or construction speed but how long the assets lasted without major repairs.

Hindcon Chemicals (through its promoters) enjoys a multi-decade exposure to the infrastructure protection niche through the manufacture of speciality construction chemicals.

The growth of the company has been sustained around a simple conviction marketed to consumers and trade partners.

Protection pays.



There is a growing respect for 'Return on Assets' in the Indian infrastructure sector.

RoA is becoming increasingly relevant at a time when the cost of infrastructure building is rising.

There is a greater respect for protection that makes the subsequent maintenance cost lower on the one hand and extending asset life on the other.

Hindcon Chemicals is one of the most exciting companies engaged in the development and marketing of chemicals that protect.

*Extending asset longevity.
Enhancing infrastructure viability.
Helping take India ahead.*



Background

The company was promoted by Mr. Sanjay Goenka in 1998 as Hind Silicates Private Limited (renamed Hindcon Chemicals Limited in 2012) following a 38 year experience in the sector. The Company has grown its presence in the specialised end of construction chemicals and sodium silicates.

Location

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

Portfolio

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

Customers

The company works with prominent construction companies like Gayatri Projects, HCC and AFCONS, Jaiprakash Associates Ltd., Larsen & Toubro Ltd., Navayuga Engineering, Patel Engineering, Reliance Infrastructure Ltd., S.P. Singla Constructions and Tata Projects. The company also worked closely with the multinational Hindustan Unilever.

67.88

Promoters' holding,
31st March, 2021 (%)

NIL

Institutional holding,
31st March, 2021 (%)

2,492.98

Market capitalisation,
31st March, 2021
(₹ lakhs)

100

Team size, 31st March,
2021**Capacity**

The Company manufactures products in a state-of-the-art facility at Jalan Industrial Complex, Howrah. The installed capacity of sodium silicate was 18,000 tonnes per annum and of cement additives was 12,000 tonnes per annum. The manufacturing facility was operated at a capacity utilisation of 47.90% in FY 2020-21.

Certified

The Company is accredited for ISO 9001:2015, ISO 22716:2007 and BIS 9103 and BIS 2645 covering quality control and management processes. The Company is a member of FOSMI, Merchant Chamber of Commerce, Indian Chamber of Commerce. The Company is also a member of Indian Green Building Council, emphasising the manufacture of environment-friendly products.

Customers

The Company addresses B2B and B2C clients; B2B customers accounted for 82.95% of revenues in FY 2020-21.

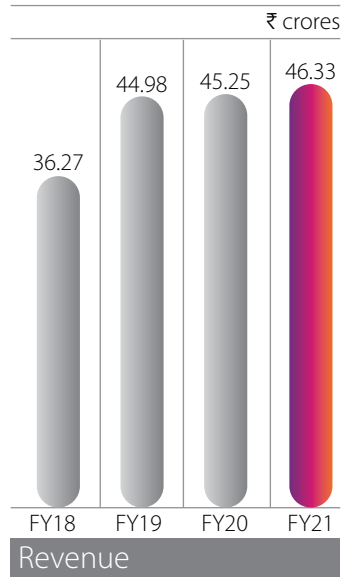
People

Hindcon comprises of high quality and specialised R&D team credited with the development of cutting-edge products. As on 31st March, 2021, Hindcon comprised 100 permanent employees.

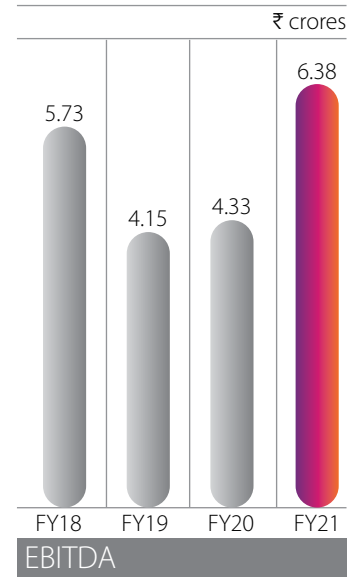
Listing

The Company was listed on the main board of NSE from the second quarter of FY 2021-22; market capitalisation was ₹24.93 crores as on 31st March, 2021.

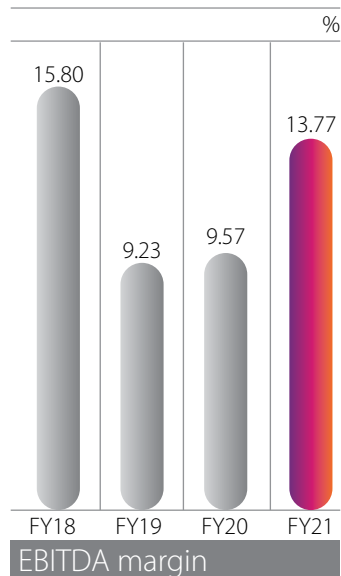
Enhancing value



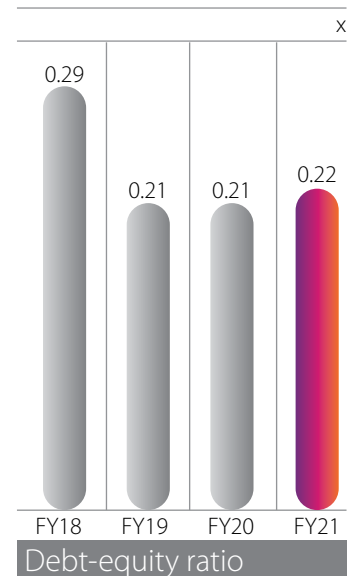
Performance: Aggregate revenues grew 2.39% to ₹46.33 crores during FY 2020-21 following an increase in retail sales, wallet share and customers



Performance: EBITDA increased by 47.34% to ₹6.38 crores in FY 2020-21 on account of an increase in revenues and effective cost management



Performance: The Company's EBITDA margin increased by 420 bps during FY 2020-21 on account of an increase in the offtake of value-added products, superior cost amortisation and opex cost management.



Performance: The Company's gearing moderated from 0.73 during FY 2016-17 to 0.22 during FY 2020-21 following net worth infusion and profit reinvestment

₹50 trillion.

That is what India intends to spend on creating new infrastructure by 2022.

The priority will not just be to build; it will be to build, protect and endure.

This is expected to create an unprecedented opportunity for specialised construction chemicals.

Hindcon is one of the most respected players in the field; it expects to protect national assets and report sustainable growth.

Validating the conviction that protection pays.

Overview

The Indian real estate sector was valued at around US\$ 180 billion in 2020 and is forecasted to reach a value of US\$ 650 billion, representing 13% of India's GDP by 2025. This will be catalyzed by urbanisation, Smart Cities Mission, fresh affordable housing stock across the country by 2022 and a revived economic growth.

The country's real estate sector reported a dramatic revival during the second half of the year under review, decisively ending nearly seven years of a sectoral decline.

The Indian real estate attracted US\$ 5 billion institutional investments in 2020, equivalent to 93% of transactions recorded in the previous year. Housing sales in seven cities increased by 29% and new launches by 51% in Q4 FY21 over Q4 FY20.

The revival of India's real estate sector in FY 2020-21 was catalysed by record low interest rates, GST reduction, interest subvention, tax benefits, alternative investment fund, concession to real estate transactions, rise in nuclear families, increase in incomes, demographic dividend, changing lifestyles, rising investments and improved loan affordability.

What is driving India's real estate sector

Record low interest rates

GST reduction

Interest subvention

Tax benefits

Alternative Investment Fund

Rise in nuclear families

Increase in disposable incomes

Demographic dividend

Changing lifestyle

Rising investments

Improved loan affordability

Climate change.

The two words driving the construction chemicals market.

New and existing structures need to adapt to climate change by improving material quality and technology.

Hindcon expects to capitalise through research-led product development.





Overview

Temperatures

During 2020, the average temperature recorded in India was 25.78 degrees Celsius, a slight decrease from the previous year's 25.86 degrees Celsius. If the impact of climate change continues, average surface air temperatures could rise by up to 4.4 degrees Celsius by the end of the century. This increase will alter the way structures are designed, constructed and protected.

Cyclones

The year 2020 marked the first pre-monsoon cyclone in a century- Cyclone Amphan. Amid the second wave of the COVID-19 pandemic, India witnessed two cyclones, Tauktae and Yaas, leaving behind a trail of 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.

Precipitation

The 2020 Indian monsoon seasonal rainfall between 1st June, 2020 and 30th September, 2020 was 95.8 cms (109% against its long period average). The 2020 monsoon was its third highest after 112% LPA (1994) and 110% LPA (2019). The swings in monsoonal outbursts are warranting a stronger protection of structures through the use of speciality chemicals.

Verticalisation

Rising population, shrinking space and a desire to remain close to the city have led to the increased phenomenon of multi-storied buildings. With increasing pressure on Indian cities to grow vertically, the share of high-rises increased. During the year, over 52% of all buildings across seven Indian cities were high-rises with ground plus 20-floor structure. The increased verticalisation warranted a higher use of protection chemicals.

(Source: TribuneIndia, ETimes, Business Springer.com)

The Chairman's message





Overview

I am pleased to present a year of credible performance of our company.

During the financial year under review, Hindcon Chemicals reported profitable growth: even as revenues increased only 2.39%, EBITDA increased 47.34% to ₹6.38 crores (the highest in our existence and 11.34% higher than our previous best) and profit after tax increased 44.13% to ₹4.42 crores.

The fact that the company selected its most challenging year in existence to deliver a record performance indicates the spirit of our company to address challenges and prevail.

The performance would have been better but for the fact that the company lost more than a quarter during the last financial year to the pandemic, which prevented the company from amortising fixed expenses and generating procurement economies.

Challenges and initiatives

The year under review was segregated in two parts – in the first part, the company was affected like most players in its sector on account of demand destruction caused by the lockdown. The company had two options: wait for the lockdown to end or engage in initiatives to service customers even during the lockdown. I am pleased to state that the company selected to activate its networks and supply even when most manufacturers in the sector were closed following the inability to get adequate workers or working capital from banks or logistical connectivity.

The fact that the company could keep its service lines running did two things:

strengthen revenues in an unusually weak quarter and enhance respect among customers as a passion-driven company. I am happy to communicate that the relationships that we strengthened during this unprecedented quarter set the tone for the company's performance during the latter part of the year, marked by repeat and referral business.

Besides, the company leveraged every possible way to mutate in the circumstances. Even as manufacturing volumes could not be enhanced beyond a point on account of pandemic restrictions, the company utilised its extensive understanding of market realities to source products and supply to customers. As a result, in one of its most challenging phases, the company reinforced its respect as a solutions provider.

Growing the business

The company capitalised on its long-standing research pipeline during a challenging year. During the last few years, the company had developed a handful of new products; during the year under review, the company launched these products, generating additional revenues. The launch of products during the year was a validation of its commitment to seed the business with new products and strengthen its brand recall around customer commitment. The result is that when the construction sector revived during the second half, the company was at the right place at the right time.

Over the years, the company had consistently focused on graduating towards the value end of its portfolio over the volume. The result is that the

company focused on the development of quality-driven products that addressed niche applications. This was in line with the company's commitment to be respected as a value-added solutions provider as opposed to enhancing visibility as a commodity-driven products manufacturer.

This aspiration was reflected in the company's profitability during the year under review. Average realisation per tonne strengthened 14.79% to ₹30,256; EBITDA margin improved 420 bps to 13.77% and Return on Capital Employed improved 447 bps to 18.04%.

Seeding the business

During the last few years, the company had consistently invested in its business with the objective to rejuvenate revenues with income from newly launched products. This commitment was validated during the year under review; the company leveraged its chemicals understanding to diversify into consumer-oriented pharmaceuticals. These products comprised high-end sanitisers for medical applications on the one hand and consumer needs on the other.

We believe that the differentiated nature of the products is the result of our understanding of the excess supply in the marketplace of me-too sanitisers. By the virtue of launching products that extended beyond generic applications, the company reinforced its brand and value-addition. The company is in the process of seeking necessary regulatory clearances and graduate to manufacture during the current financial year. Going ahead, the company will seek to manufacture chemicals that address relatively unmet needs in the pharmaceuticals and other niche areas, strengthening our respect and realisations.

The two guideposts for this business comprise a proposed alliance with Anna University in the area of chemical

productisation, strengthening our pipeline and our commitment to enhance revenues derived from new product introductions. Besides, the company is in the process of strengthening its marketing team to build this new division into as a profitability driver.

We believe that this approach will enhance our capacity utilisation without additional infrastructure investments, strengthening our Return on Capital Employed from this point onwards. We believe that that the interplay of research, product positioning and infrastructure cum procurement economies should translate into enhanced value across the foreseeable future.

Optimism

At Hindcon Chemicals, we are optimistic of our prospects for various reasons.

The outbreak of the pandemic in March 2020 prompted the Indian government to announce a nationwide lockdown from 24th March, 2020. There was an apprehension that when incomes were impaired and earnings outlook hazy, most intending home buyers would defer decisions related to the biggest purchase of their lives.

Interestingly, as the pandemic turned individuals homebound, the reverse began to happen. The one asset class that found favour with a large number of people was real estate. There was a renewed focus on living better, living in larger homes and living in homes where one room (or even a part of one room) could be transformed into a place from where one could work.

What started as a moderate improvement in demand translated into a full-blown demand recovery from the third quarter onwards. The sector posted a handsome turnaround with a larger number of homes being sold, inventories declining across most micro-markets and the emergence of price stability in

a sector that had witnessed a sustained downtrend for nearly eight years.

The improvement in sectorial health was the result of various realities converging around the same time. We believe that the extended downtrend in the country's real estate sector was coupled with some potent demand drivers: growing disposable incomes, decline in interest rates to probably the lowest they have ever been in India, growing pent-up demand and the most affordable price-value proposition for real estate in around two decades.

During the year under review, there was a decisive shift in market sentiment with consumers finally committing to make purchases, increasingly convinced that the sector had turned around and the time had arrived when they needed to translate their intent into action. What catalysed the sentiment turnaround was the decision of the Maharashtra government to reduce stamp duty and construction premiums in the state. Besides, the Indian government delivered a growth-oriented Union Budget 2021, marked by a focus on infrastructure creation, stable tax regime and extension of affordable housing benefits by a year. These realities catalysed the sentiment for real estate purchases in the country.

Infrastructure push

The key to India achieving its goal of becoming a US\$ 5 trillion economy by 2025 is derived from its infrastructure growth story. The Indian government proposed setting up National Infrastructure Pipeline in 2019; the number of infrastructure projects rose to 7,400 in 2021 from 6,835 and 217 projects worth ₹110,000 crores. Sectors such as roads, urban development, railways and energy accounted for ~71% of the projected infrastructure investments.

In spite of battling the COVID-19 outbreak, India maintained its second position in the Agility Emerging Logistics Index. In FY20, FDI in the

infrastructure sector was US\$ 2.04 billion. The government prepared a National Monetisation Pipeline for FY21-24, seeking to monetise public infrastructure and finance new infrastructure spending. The Indian government plans to invest US\$ 1.4 trillion in infrastructure from 2019 to 2023. (Source: ibef.org)

Roads: The Indian road network is the second largest in the world, spanning over 6.21 million km covering over 90% of passenger traffic and 64.5% of freight traffic. Since the last few years, there has been a significant improvement in the road connectivity across the country. The increasing production of commercial and passenger vehicles catalysed the demand for wider and more connected road network. In spite of the COVID-19 crisis and months' long lockdown, national highways were constructed at a speed of 29.81 km per day - the fastest in five years. From 2016 to 2019, highway construction reported a CAGR of 21.44%. In FY 2020-21, the government decided to complete all ongoing projects awarded up to FY 2015-16 and aimed to construct at least 11,000 kms of national highways during the year under review (road projects spanning 55,000 km with an investment outlay of ₹6.26 lakhs crores are in progress).

The key government initiatives to catalyse the sector comprised the following:

- The National Highway Authority of

India (NHAI) aims to award 4,500 km of projects in FY21

- Ministry of Road Transport and Highways (MoRTH) announced a plan to develop an additional 60,000 kms of national highways in five years.
- Mr. Nitin Gadkari, the Union Minister of Road Transport and Highways, released a financial relief package of ₹8,000 crores to address the working capital requirements of contractors.

The Budgetary 2021-22 provisions comprised the following: allocation of ₹1.18 lakhs crores for capital expenditure to the Ministry of Road, Transport and Highways; more than 13,000 km of roads worth ₹3.3 lakhs crores awarded (3,800 km constructed) under the Bharatmala Pariyojana project; five operational roads with an enterprise value of ~₹5,000 crores are being transferred to the NHAI infrastructure investment trust. (Source: ibef.org, MoRTH Annual Report)

Conclusion

At Hindcon Chemicals, we believe that these investments should strengthen our revenues by 25% during the current financial year with a disproportionately higher profit growth in percentage terms. The company is attractively placed to capitalise; nearly 85% revenues are generated from outside Bengal. Besides, the first quarter of the current financial year has been better than the corresponding period in the previous

year, enhancing our prospects for the current financial year.

The sum and substance of my communication is that your company is entering a virtuous cycle of free cash flows starting from the current financial year. We believe that this liquidity will be reinforced through the value-added side of our business comprising our extension into sanitisers and other value-added products.

This underlines an important transformation in our existence: of a company moving from business-to-business products to an increasing proportion of business-to-consumer products.

This transition will accelerate our evolution towards the non-commodity, transforming the DNA of business that could, in turn, enhance value for all those who own shares in our company.

Sanjay Goenka

Chairman & Managing Director

Strengthening the construction chemicals market in India

Amid COVID-19, increasing demand of commercial spaces for remote-working

Urbanisation

Governmental regulations like 'Green Cement' promoting eco-friendly construction

Increase in FDI inflows



What makes the Indian market attractive is the coming together of multiple trends



Formalisation of the Indian economy

- > Increased competitiveness of the organised players over the unorganised
- > Large users procuring construction chemicals from organised and branded private players
- > Large and widening market for established players like Hindcon

Growing need for all-weather structural protection standards

- > Use of superior and evolved cement grades
- > Increasing demand for quality additives
- > Greater focus on certifications and standards

Shrinking construction tenure

- > Preference for builders using pre-cast construction chemicals
- > Pre-cast construction warrants larger use of construction chemicals
- > Larger addressable market for Hindcon

Bigger premium on getting construction right first time

- > Home owners focusing on lower maintenance costs
- > Enhanced use of construction chemicals
- > Wider market for Hindcon

Increasingly erratic climatic patterns

- > Growing focus on superior water-proofing
- > Priority on one-time high expense than later expense
- > Increased use of construction chemicals

Premium on quicker and safer construction

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

More growth in India's cement industry will mean a larger offtake of construction chemicals ...and a wider market for Hindcon Chemicals



2

The rank of India among the largest cement producers

7

% share of India in the global installed capacity

195

Kgs, India's per capita cement consumption

530

Kgs, Global per capital cement consumption

262

Million tonnes, size of India's cement sector, FY 2020-21

550

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

5.89

million Km, length of India's road network today

23

Projected number of new national highways by 2025

14,569

(US\$) Wealth per adult in India (2019).

(Source: Credit Suisse research Institute, Business Standard)

70,850

(US\$) The average wealth per adult globally

2

(%) India's share of dollar millionaires (2019)

(Source: The Times of India)

40

(%) US share of dollar millionaires (2019)

1.39

Billion, population of India in 2021

1.51

Billion, projected population of India in 2030

68.8

Years, total life expectancy in India in 2018. 46.37 years was the total life expectancy of India in 1968.

(Source: WHO, countryeconomy.com)

71

Years, projected total life expectancy in India in 2030

15

Million, numbers added to India's population per year

1.2

(%) Average annual rate at which India's population grew between 2010 and 2019. 0.5% is the average annual rate at which China's population grew between 2010 and 2019.

(Source: The Hindu Business Line)

The Hindcon business model



The macro realities behind our business

Income growth

The India's per capita income reached US\$ 1,947.4 in March 2021 compared to US\$ 2,140.3 in March 2020. It is expected that the growth can accelerate, driving higher purchasing power, living standards and consumption

Rising population

India is the second-most populous country (1.36 billion), following China with a population of around 1.39 billion in 2019. The average age of homebuyers in India has plunged to 25-40 age bracket which drives the real estate and infrastructure industry in the country, in turn, driving the growth of the construction chemical industry.

Cement consumption

The per capita consumption of cement is pegged at 195 kgs in India compared to the global average of 530 kgs.

Infrastructure

India is expected to invest US\$ 1.4 trillion on infrastructural development by 2023, creating a large market for construction chemicals.

Affordable housing

The housing for all initiative- 'Pradhan Mantri Awas Yojana' by the government aims to provide affordable housing for 20 million Indians by 2022.

Repair and refurbishment

Amid the COVID-19 pandemic, the demand for dedicated work space at homes is likely to gain traction due to remote-working, 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 of cement additives. The Company reported an average capacity utilisation of 47.90% in FY 2020-21.

Location

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

Diversified portfolio

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

Financial

The Company maintained a deleveraged Balance Sheet, assuring liquidity.

De-risked business

Direct B2B business increased from 74% to 83%

How the company positioned its business

Focus

Core focus on sodium silicate

Economies

Economies of scale and brand

Competitiveness

Cost leadership

Brand recall

Product and service dependability

Product-plus

Consultancy, product delivery and service commitment

Repairs

Specialised advice

What we have generated from our business

Revenue visibility

60% revenues from customers of 3+ years

Sectoral broadbasing

Customers across construction, food and paper sectors

Geographic broadbasing

43.19% offtake from outside Bengal

The outcomes

The Company grew its revenues from ₹33.48 crores during FY 2015-16 to ₹46.33 crores in FY 2020-21.

The Company's margins declined moderately from 15.80% in FY 2017-18 to 13.77% in FY 2020-21 on account of the pandemic.

The debt-equity ratio of the company moderately increased to 0.22 during the year.

Hindcon. Responding with competence and commitment



Utkal Aluminium International in Odisha had been operating its alumina plant for ten years, before a large cooling tower warranted repair and rehabilitation.

The deteriorated RCC structure experienced vibrations each time the fan operated. The result: production loss, increased operational risk and safety concerns.

Utkal appointed M/s Bureau Veritas for non-destructive testing; based on the results, Hindcon was pressed in to frame the specification. Hindcon examined

the structure and concluded that more detailed work needed to be carried out on the structure than had been initially estimated.

The challenges were extensive: there was no protective layer over the RCC; this warranted a deeper technical engagement; the structure was critical to the client's business continuity.

Hindcon designed an engineered solution; it proposed the retrofitting of RCC beams, columns and walls.

Even as the work is still in progress, the client has been impressed enough by Hindcon's commitment to award projects ten times the current value.

How Hindcon repaired four bridges on NH-2 (Durgapur Expressway)



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

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

Hindcon not only provided materials for re-construction

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

slurry was used for the honeycombed portions.

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

Hindcon brands used

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

How we waterproofed Nuclear Fuel Centre in Kota



The Nuclear Fuel Centre in Kota needed a waterproofing solution.

Tata Projects, the principal contractor, turned to Hindcon.

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

It laid brickbats of 110 mm average thickness

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

The project was completed and the client was delighted.

The last of their worries is water leaking into their facilities.

Hindcon brands used

- Hind Plast IWA

How we water-proofed leaking railway tunnel joints on the Silchar-Imphal railway link



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

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

NF Railway turned to Hindcon for assistance.

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

The technologies comprised sealing the leaking joint with an epoxy sealant to make them permanently water

tight following cement slurry injection and plugging with relevant compounds.

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

Hindcon brands used

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

Why Hindcon's market appears positive

A combination of economic growth, increased incomes, urbanisation, preference for larger homes and the millennial impact



Projection of GDP growth

3.05

US\$ trillion, India's GDP value, FY 2020-21

6.4

US\$ trillion, India's GDP value, 2030 (estimated)

Source: Morgan Stanley

10

Million houses, India's affordable housing shortage (2018)

Source: Ministry of Housing and Urban Affairs

Average cost of home pricing

38

% increase in average property prices in top seven India cities, 2010-2020

Source: Anarock

5

%, existing GST rate for under-construction property

12

%, erstwhile GST rate for under-construction property

Average age of millennials buying homes

~50

Average age of home buyers in India, three decades ago

~30

Average age of home buyers in India today

49

% of buyers that were millennial



Average family size

4.4

Average household size in India, 2020

Source: NoBroker

4.9

Average global household size, 2021

Urbanisation in India

~34

% of the total population of India that resides in cities, 2021

Source: McKinsey

40

% of India's population likely to live in urban centres by 2030

13

Million, households with true discretionary spending power, 2005

90

Million, households with true discretionary spending power, 2025

Average home size in India

1,050

Square feet, average size of an apartment in India, 2019

1,150

Square feet, average size of an apartment in India, 2020

2,032

Square feet, global average home size, 2019

63

% of buyers that are millennial

Source: Livemint, World economic forum

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of **M/s. HINDCON CHEMICALS LIMITED** will be held on **Saturday, the 4th September, 2021**, 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, 2021**, Audited Statement of Profit and Loss and the Cash Flow Statement for the year ended as on that date together with Report of Directors' and Auditors' thereon.
2. To declare a Dividend on Equity Shares for the financial year ended 31st March, 2021.
3. To appoint a Director in place of **Mr. Ramsanatan Banerjee (DIN: 05191594)**, who retires by rotation and being eligible, offers him self for re-appointment.

SPECIAL BUSINESS:

4. RE-APPOINTMENT OF MR. SANJAY GOENKA (DIN: 00848190) AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members be and is hereby accorded for the re-appointment of **Mr. Sanjay Goenka (DIN: 00848190)**, as Chairman & Managing Director (designated as Key Managerial Personnel) of the Company for a period of 5 (five) years with effect from 1st April, 2021, on such terms and conditions including remuneration, as set out in the statement annexed to the Notice convening this meeting as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board), with the liberty to the Board to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Goenka, subject to the same not

exceeding the limits specified under Sections 196 and 197 read with Schedule V (Section II of Part I) of the Companies Act, 2013.

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

5. RE-APPOINTMENT OF MR. BINAY KUMAR AGARWAL (DIN: 01342065) AS AN INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to Section 149(8) and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Binay Kumar Agarwal (DIN: 01342065), be and is hereby reappointed as an Independent Director of the Company w.e.f. 8th August, 2022 to hold office for 5 (five) consecutive years for a term upto 7th August, 2027 and shall not be liable to retire by rotation.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are 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."

6. RE-APPOINTMENT OF MR. KRISHNA KUMAR TANTIA (DIN: 00315796) AS AN INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to Section 149(8) and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Krishna Kumar Tantia (DIN: 00315796), be and is hereby reappointed as an Independent Director of the Company w.e.f. 8th August, 2022 to hold office for 5 (five) consecutive years for a term upto 7th August, 2027 and shall not be liable to retire by rotation.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are 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."

7. RE-APPOINTMENT OF MR. GIRDHARI LAL GOENKA (DIN: 00613725) AS AN INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to Section 149(8) and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Girdhari Lal Goenka (DIN: 00613725), be and is hereby reappointed as an Independent Director of the Company w.e.f. 8th August, 2022 to hold office for 5 (five) consecutive years for a term upto 7th August, 2027 and shall not be liable to retire by rotation.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are 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.”

8. APPROVAL OF LOANS, INVESTMENTS, GUARANTEE OR SECURITY UNDER SECTION 185 OF COMPANIES ACT, 2013

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

“RESOLVED THAT pursuant to Section 185 of the Companies Act 2013 other applicable provisions of the Companies Act 2013 (“the Act”) read with Companies (Meeting of Board and its Powers) Rules, 2014 and all other rules, regulations notifications and circular issued (including any statutory modifications, clarifications, exemptions or re-enactments thereof, from time to time) and the relevant provisions of Memorandum and Articles of Association of the Company and in addition to the existing loans given, the consent of the member be and is hereby accorded for grant of loan or issue of Corporate Guarantee of providing Security for an amount not exceeding ₹2.00 Crores (Rupees Two Crores)

in aggregate to M/s. Hindcon Solutions Private Limited, a Subsidiary of the Company on such terms and conditions as may be mutually agreed upon between the Company and the borrower.

FURTHER RESOLVED THAT for the purpose of giving effect to above, the Board of Directors be and is hereby authorised to take such steps, from time to time, as may be necessary and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate.”

9. APPROVAL OF CHARGES FOR SERVICE OF DOCUMENTS ON THE SHAREHOLDERS

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

“RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules made thereunder and as amended from time to time, consent of the members be and is hereby accorded to charge and receive in advance along with the request such fees which shall be equivalent to the actual expenses as estimated for dispatch of the documents in the desired mode as may be requested by a member.

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

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

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

Date: 20.07.2021

**sd/-
Jaya Bajpai
Company Secretary**

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 23rd 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.31) and available at the Company’s Website www.hindcon.com

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

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

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 **30th July, 2021**.
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. The members are requested to write to the Company on or before 28th August, 2021, through Email on cs@hindcon.com. However, it is requested to raise the queries precisely and in short at the time of meeting to enable to answer the same.
8. Corporate members are requested to send at kolkata@linkintime.co.in before e-voting/attending annual general meeting, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting, pursuant to Sec 113 of the Companies Act, 2013.
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 Corporates.
 A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
11. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
12. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
13. The profile of the Directors seeking appointment/re-appointment, as required in terms of applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange is annexed hereto and forms part of this Notice.
14. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the said Circulars issued by the MCA and said SEBI Circular, the Annual Report including Notice of the 23rd AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by Email, to all the Shareholders whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes to the Shareholders and to all other persons so entitled.
 Members (Physical/ Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting in member updation form by sending an email to kolkata@linkintime.co.in and cs@hindcon.com. Please submit duly filled and signed member updation form to the above mentioned email. Upon verification of the Form the email will be registered with the Company.
 Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and said SEBI Circular, the Annual Report including Notice of the 23rd AGM of the Company will also be available on the website of the Company at www.hindcon.com. The same can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and on the website of CDSL i.e. www.evotingindia.com
15. In terms of the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 (as amended from time to time) and Regulation 44 of the SEBI Listing Regulations and the said Circulars, the Company is pleased to provide the facility of "e-voting" to its Shareholders, to enable them to cast their votes on the resolutions proposed to be passed at the AGM, by electronic means. The instructions for e-voting are given herein below. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), who will provide the e-voting facility of casting votes to a Shareholder using remote e-voting system (e-voting from a place other than venue of the AGM) ("remote e-voting") as well as e-voting during the proceeding of the AGM ("e-voting at the AGM").

16. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 29th August, 2021 to Saturday, 4th September, 2021, 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 Saturday, 28th August, 2021 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. Saturday, 28th August, 2021, 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. 28th August, 2021 are requested to send the duly signed written/email communication to the Company at cs@hindcon.com and to the RTA at kolkata@linkintime.co.in by mentioning their Folio No./DP ID and Client ID to obtain the Login-ID and Password for e-voting.
19. Those Shareholders, who will be present at the AGM through VC/OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
20. The Company has appointed Mr. S. K. Tibrewalla, Membership No. F3811 & Certificate of Practice No. 3982, Company 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 with a copy mark to helpdesk.evoting@cdslindia.com on or before 28th August, 2021 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 31st March, 2021, 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. Saturday, 28th August, 2021. Members can submit details with the company for receiving dividend directly in their bank accounts through Electronic Clearing Services (ECS) by writing an email at cs@hindcon.com. In case any member is unable to submit their details for remittance of dividend through ECS, there 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 31st March, 2021 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 7th September, 2016, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more would be transferred to the Investor Education and Protection Fund (IEPF) Suspense Account. The Company has no such shares on which dividend has not been claimed or paid for a consecutive period of seven years.
27. The Register of Directors' and Key Managerial Personnel and their shareholding maintained of the Companies Act, under Section 189 of the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to cs@hindcon.com.
28. Members who are present in meeting through video conferencing facility and have not casted their vote on resolutions through remote e- voting, shall be allowed to vote through e-voting system during the meeting.
29. **THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**
 - (i) The voting period begins on **1st September, 2021 at 9:00 A.M.** and ends on **3rd September, 2021 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 28th August, 2021 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 9th December, 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 CDSL	<ol style="list-style-type: none"> 1) 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) 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. 3) If the user is not registered for Easi /Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/Easi Registration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) 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: https://eservices.nsdl.com 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 & voting during the meeting

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 above mentioned 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 CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in 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.

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 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:

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

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.

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

- 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.

31. 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 or call on **022-23058542/43**.

32. 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.

33. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- ◆ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- ◆ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- ◆ The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- ◆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- ◆ Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. santibrewalla@gmail.com and 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, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor,

Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

Other Information:

1. Those persons, who have acquired shares and have become members of the Company after the dispatch of Notice of the AGM by the Company and whose names appear in the Register of Members or Register of beneficial holders as on the cut-off date i.e. Saturday, 28th August, 2021 shall view the Notice of the 23rd AGM on the Company's website or on the website of CDSL. Such persons may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can cast his/her vote by using existing User ID and password and by following the procedure as mentioned above or by voting at the AGM.
2. Voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Saturday, 28th August, 2021. 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 and on the website of CDSL i.e. www.evotingindia.com. The Company shall simultaneously forward the results to National Stock Exchange of India Limited, where the shares of the Company are listed.

Dividend:

1. The Board of Directors has recommended for consideration of the Shareholders a dividend of 15% i.e. ₹1.50 per Equity share of the nominal value of ₹10/- each for the year ended 31st March, 2021.
2. The Register of Members and Share Transfer books of the Company will remain closed from Sunday, 29th August, 2021 to Saturday, 4th September, 2021 (both days inclusive), for the purpose of AGM and Dividend. The Dividend, if declared, will be payable on or after Saturday, 4th September, 2021, to those Shareholders whose names are registered as such in the Register of Members of the Company as on Saturday,

28th August, 2021 and to the beneficiary holders as per the beneficiary list as on Saturday, 28th August, 2021 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 by 28th August, 2021. Effective 1st April, 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 by 28th August, 2021. Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an Email to cs@hindcon.com. The aforesaid declarations and documents need to be submitted by the Shareholders by 28th August, 2021. The aforesaid Form No. 15G/15H can be downloaded from website of the Company i.e. www.hindcon.com
4. In terms of the provisions of Sections 124 and 125 of the Act, dividend which remains unpaid/unclaimed for a period of 7 (seven) years from the date of declaration is required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, in terms of the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), Equity Shares, in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more from the date of declaration, are also required to be transferred to an account viz. IEPF Suspense Account, which is operated by the IEPF Authority pursuant to the IEPF Rules. All equity shares of the Company on which dividend has not been paid or claimed for 7 (seven) consecutive years or more, shall be transferred by the Company to the IEPF from time to time. Details of unpaid / unclaimed dividend and equity shares transferred to IEPF are uploaded on the website of the Company as well as that of the Ministry of Corporate Affairs, Government of India ("MCA"), if any. No claim shall lie against the Company in respect of unclaimed dividend amount and equity shares transferred to the IEPF and IEPF Suspense Account, respectively, pursuant to the IEPF Rules. Shareholders can however claim both the unclaimed dividend amount and the equity shares from the IEPF Authority by making an online application in web Form No. IEPF-5, the details of which are available at www.iepf.gov.in.
- In terms of the provisions of Regulation 40 of SEBI Listing Regulations and various notifications issued in that regard, requests for effecting transfer of securities (except in case of transmission or transposition of securities) could not be processed since 1st April, 2019 unless the securities are held in the dematerialized form with the depositories. In view of the same, Shareholders

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

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

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

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

Item No. 4

The present terms of appointment of **Mr. Sanjay Goenka (DIN: 00848190)** as Chairman & Managing Director have expired on 31st March, 2021. The Nomination & Remuneration Committee at its adjourned meeting held on 10th March, 2021 had recommended his re-appointment for a further period of 5 (five) years with effect from 1st April, 2021 and the same was also approved by the Board of Directors in its adjourned meeting held on 10th March, 2021 subject to the approval of members in the ensuing Annual General Meeting of the Company. The remuneration, perquisites payable to Mr. Goenka and other terms & conditions as recommended by the Nomination and Remuneration Committee, subject to provisions of section 197 and Schedule V of the Companies Act, 2013 are as follows :-

1. **Salary:** ₹7,25,000/- per month and such increments may be decided by the Board from time to time and subject to the permissible limit as provided in Schedule - V of the Companies Act, 2013.
2. **Performance Bonus:** As may be decided by the Board from time to time.
3. **Perquisites:** The Chairman & Managing Director, in addition to Salary and Performance Bonus, if any, shall be entitled to the following perquisites :
 - a. **Medical Reimbursement:** Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of five years.
 - b. **Leave Travel Concession:** For self and his family, once in a year, incurred in accordance with the rules of the Company.
 - c. **Clubs Fees:** Fees of Clubs subject to a maximum of three clubs. This will not include admission and life membership fees.
 - d. **Personal Accident Insurance:** Premium not to exceed ₹50,000/- per annum.
 - e. **Gas, Electricity and Water:** Expenses incurred on gas, electricity and water at the Residence will be reimbursed by the Company.
 - f. **Provident Fund / Superannuation Fund / Gratuity:**
 - i) Contribution to provident fund, super-annuation fund or annuity fund in accordance with the rules of the Company, so that these either singly or put together are not taxable under the IT Act, 1961.
 - ii) Gratuity payable shall not exceed half of a month's salary for each completed year of service.

g. Car & Telephone: Car with Driver for use of Company's business and telephone at residence will be provided. They will, however, not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Chairman & Mg. Director.

h. Other Benefits:

- (i) Leave: On full pay and allowances as per the rules of the Company but not more than one month's leave for every eleven months' of services. However, leave accumulated but not availed of shall be dealt with as per the Income Tax Rules, 1962, casual and sick leave on full pay and allowance as per rules of the Company.
- (ii) The Chairman & Mg. Director shall be entitled to reimbursement of travelling, entertainment and all other expenses actually and properly incurred for legitimate business need of the Company but subject to rules of the Company framed from time to time.
- (iii) The Chairman & Mg. Director shall be reimbursed actual out of pocket expenses incurred by him in the course of discharging his duties in the capacity of Chairman & Mg. Director.

4. Other Terms

- (i) The Chairman & Managing Director, as long as he functions as such, shall not be paid any sitting fee for attending meeting of the Board of Directors of any Committee thereof.
- (ii) The Chairman & Managing Director shall not, so long as he functions as such, be subject to retirement by rotation.
- (iii) Either party may terminate the agreement by giving 3 (Three) month notice to other party in writing or remuneration in lieu thereof without showing any reason.
- (iv) In the absence of or inadequacy of profit of the Company in any financial year, he shall be entitled to receive aforesaid remuneration as minimum remuneration or such higher remuneration as is permissible under Section 197 read with Schedule V of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and approved by the Board.

Mr. Goenka holds 18,78,500 equity shares of the Company in his own name.

Besides, as per the provision of section 197(3) and Part II of Schedule V of the Companies Act, 2013 where in any financial year during the currency of tenure of a managerial

person, a Company has no profit or its profit are inadequate, the maximum quantum of remuneration as permissible can be paid to such managerial personnel with due approval of the members by means of special resolution.

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

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

The Board recommends the resolution as set forth in Item no.4 for the approval of the members of the Company.

Pursuant to Section 190 of the Companies Act, 2013, a copy of the letter of appointment issued to Mr. Sanjay Goenka, Chairman & Managing Director is open for inspection at the Registered office of the Company during business hours till the conclusion of the ensuing Annual General Meeting.

Item No. 5

The present terms of appointment of Mr. Binay Kumar Agarwal as an Independent Director would expire on 7th August, 2022, pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Board at its meeting held on 26th June, 2021, in accordance to performance evaluation report and on the recommendation of Nomination and Remuneration Committee has re-appointed Mr. Binay Kumar Agarwal as an Independent Director for a further period of 5 (five) years commencing from 8th August, 2022, subject to the approval of members in the ensuing Annual General Meeting of the Company.

The Board considers that his continued association would be immense beneficial to the Company and it is desirable to continue to avail services of Mr. Binay Kumar Agarwal as an Independent Director.

As per the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, the re-appointment of an Independent Director for the 2nd term of 5 years can be done on approval of the shareholders by means of special resolution. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr. Agarwal as an Independent Director for a further period of 5 (five) years upto 7th August, 2027, for approval by the shareholders of the Company by means of special

resolution. Further, he shall not be liable to retire by rotation. Mr. Agarwal has given his consent to act as an Independent Director of the Company and has furnished requisite declaration confirming that he meet the criteria of Independence as laid down in Section 149(6) of the Act and regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and that he is not disqualified to be reappointed under Section 164 of the Act.

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(s) pursuant to any SEBI Order.

In the opinion of the Board, Mr. Binay Kumar Agarwal is independent of the management and fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (LODR) Regulations, 2015 for his re-appointment as an Independent Director.

A brief profile of Mr. Binay Kumar Agarwal including nature of his expertise and shareholding in the Company are annexed to the notice.

Except Mr. Binay Kumar Agarwal, no Director, Key Managerial Personnel of your Company and their relatives, are in any way, financially or otherwise, directly or indirectly interested or concerned in the above resolution.

Accordingly, the Board recommends the Special Resolution set forth in Item no. 5, in relation to re- appointment of Mr. Binay Kumar Agarwal as an Independent Director, for approval by the shareholders.

Copy of draft letter of appointment setting out the terms of his reappointment is open for inspection at the Registered Office of the Company by any members during business hours on all working days till the conclusion of the ensuing Annual General Meeting.

Item No. 6

The present terms of appointment of Mr. Krishna Kumar Tantia as an Independent Director would expire on 7th August, 2022, pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Board at its meeting held on 26th June, 2021, in accordance to performance evaluation report and on the recommendation of Nomination and Remuneration Committee has re-appointed Mr. Krishna Kumar Tantia as an Independent Director for a further period of 5 (five) years commencing from 8th August, 2022, subject to the approval of members in the ensuing Annual General Meeting of the Company.

The Board considers that his continued association would be immense beneficial to the Company and it is desirable to continue to avail services of Mr. Krishna Kumar Tantia as an Independent Director.

As per the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, the re-appointment of an Independent Director for the 2nd term of 5 years can be done on approval of the shareholders by means of special resolution.

Accordingly, the Board recommends the resolution in relation to re-appointment of Mr. Krishna Kumar Tantia as an Independent Director for a further period of 5 (five) years upto 7th August, 2022, for approval by the shareholders of the Company by means of special resolution. Further, he shall not be liable to retire by rotation. Mr. Tantia has given his consent to act as an Independent Director of the Company and has furnished requisite declaration confirming that he meet the criteria of Independence as laid down in Section 149(6) of the Act and regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and that he is not disqualified to be reappointed under Section 164 of the Act.

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(s) pursuant to any SEBI Order.

In the opinion of the Board, Mr. Krishna Kumar Tantia is independent of the management and fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (LODR) Regulations, 2015 for his re-appointment as an Independent Director.

A brief profile of Mr. Krishna Kumar Tantia including nature of his expertise and shareholding in the Company are annexed to the notice.

Except Mr. Krishna Kumar Tantia, no Director, Key Managerial Personnel of your Company and their relatives, are in any way, financially or otherwise, directly or indirectly interested or concerned in the above resolution.

Accordingly, the Board recommends the Special Resolution set forth in Item no. 6, in relation to re- appointment of Mr. Krishna Kumar Tantia as an Independent Director, for approval by the shareholders.

Copy of draft letter of appointment setting out the terms of his reappointment is open for inspection at the Registered Office of the Company by any members during business hours on all working days till the conclusion of the ensuing Annual General Meeting.

Item No. 7

The present terms of appointment of Mr. Girdhari Lal Goenka as an Independent Director would expire on 7th August, 2022, pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Board at its meeting held on 26th June, 2021, in accordance to performance evaluation report and on the recommendation of Nomination and Remuneration Committee has re-appointed Mr. Girdhari Lal Goenka as an Independent Director for a further period of 5 (five) years commencing from 8th August, 2022, subject to the approval of members in the ensuing Annual General Meeting of the Company.

The Board considers that his continued association would be immense beneficial to the Company and it is desirable to continue to avail services of Mr. Girdhari Lal Goenka as an Independent Director.

As per the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, the re-appointment of an Independent Director for the 2nd term of 5 years can be done on approval of the shareholders by means of special resolution. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr. Girdhari Lal Goenka as an Independent Director for a further period of 5 (five) years upto 7th August, 2027, for approval by the shareholders of the Company by means of special resolution. Further, he shall not be liable to retire by rotation. Mr. Goenka has given his consent to act as an Independent Director of the Company and has furnished requisite declaration confirming that he meet the criteria of Independence as laid down in Section 149(6) of the Act and regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and that he is not disqualified to be reappointed under Section 164 of the Act.

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(s) pursuant to any SEBI Order.

In the opinion of the Board, Mr. Girdhari Lal Goenka is independent of the management and fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (LODR) Regulations, 2015 for his re-appointment as an Independent Director.

A brief profile of Mr. Girdhari Lal Goenka including nature of his expertise and shareholding in the Company are annexed to the notice.

Except Mr. Girdhari Lal Goenka, no Director, Key Managerial Personnel of your Company and their relatives, are in any way, financially or otherwise, directly or indirectly interested or concerned in the above resolution.

Accordingly, the Board recommends the Special Resolution set forth in Item no. 7, in relation to re- appointment of Mr. Girdhari Lal Goenka as an Independent Director, for approval by the shareholders.

Copy of draft letter of appointment setting out the terms of his reappointment is open for inspection at the Registered Office of the Company by any members during business hours on all working days till the conclusion of the ensuing Annual General Meeting.

Item No. 8

The Company is currently in the phase of growth by itself and through its subsidiaries, for which there is an ongoing requirement for funds, loans by the subsidiaries. Also, for various loans

obtained by subsidiaries require the holding Company to provide security or give guarantee for these said loans. On request of Hindcon Solutions Private Limited and in order to meet the fund requirements of the Company for accomplishing its main objects and to ensure necessary compliances of the provisions of the Act, the Board of Directors, hereby proposes to grant loans or provide guarantee/security to its subsidiary viz. Hindcon Solutions Private Limited (formerly known as Padmalaya Vinimay Private Limited) upto an aggregate amount of ₹2.00 crores.

The money as may advanced would be utilized by the aforesaid Company for the following purpose:

- a. to meet fund requirements for buying and selling of different products in various segments of industries being the principal business activities; and
- b. to meet its working capital requirement meeting (which may include re-payment of their borrowings).

Therefore, the Board recommends for approval of the resolution by the shareholders of the Company.

Mr. Sanjay Goenka, being the Chairman & Managing Directors and / or relatives of the Directors of the Company would deem to be concerned or interested, financially or otherwise in the resolution.

No other Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No 8 of the notice.

Item No. 9:

As per the provisions of sections 20 of the Companies Act, 2013, a document which are required to be served under the Act, may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering to his address, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its annual general meeting. The Board has proposed to charge actual estimated expenses for the purpose.

Accordingly, the Board of Directors recommends the resolution for your approval by an ordinary resolution.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

ANNEXURE TO NOTICE OF AGM

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

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

Sl. No.	Name of the Director	Mr. Ramsanatan Banerjee	Mr. Sanjay Goenka	Mr. Binay Kumar Agarwal	Mr. Krishna Kumar Tantia	Mr. Girdhari Lal Goenka
1.	DIN	05191594	00848190	01342065	00315796	00613725
2.	Date of Birth and Age	2nd October, 1956; 64 Years	24th May, 1965; 56 years	30th September, 1966; 54 years	15th August, 1963; 58 years	6th January, 1964; 57 years
3.	Nationality	Indian	Indian	Indian	Indian	Indian
4.	Date of appointment on Board	4th February, 2012	15th December, 1999	8th August, 2017	8th August, 2017	8th August, 2017
5.	Remuneration last drawn / Past Remuneration	6.64 lakhs	68.49 lakhs	-	-	-
6.	No. of shares held in the Company	Nil	18,78,500	Nil	Nil	Nil
7.	Qualification & Expertise in specific functional area / Background details /Job profile and his suitability	Bachelor of Commerce from University of Burdwan and expertise in purchase, production, marketing, finance and accounts.	Bachelor of Commerce from Xavier's College of Calcutta. He has over 38 years of experience in the business of sodium silicates, construction chemicals and cement additives	He has vast experience in various business fields. He is professionally qualified Chartered Accountant	He has graduated in Commerce. He has 33 years of experience in various business fields.	He has around 33 years of experience in various business fields. He is a professionally qualified Chartered Accountant and has gained his expertise in specific functional areas of Corporate Finance, Investments, Taxation, Audit & Corporate Laws and real estate business.
8.	Recognitions / Awards	-	He has been awarded with "National Award – 2010" in the year 2011 from Ministry of Micro, Small & Medium Enterprises for Outstanding Entrepreneurship	-	-	-
9.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Board is of the opinion that the proposed remuneration is commensurate with his role and responsibility as an Executive Director of the Company	The Board is of the opinion that the proposed remuneration is commensurate with his role and responsibility as Chairman & Managing Director of the Company	-	-	-

Sl. No.	Name of the Director	Mr. Ramsanatan Banerjee	Mr. Sanjay Goenka	Mr. Binay Kumar Agarwal	Mr. Krishna Kumar Tantia	Mr. Girdhari Lal Goenka
10.	Pecuniary relationship directly or indirectly with the Company	No pecuniary relationship with the Company except Managerial Remuneration.	Mr. Goenka has no other pecuniary relationship with the Company except his managerial remuneration. Mr. Goenka is spouse of Mrs. Nilima Goenka.	-	-	-
11.	No. of Board Meetings Attended	4 (Four)	4 (Four)	4 (Four)	3 (Three)	3 (Three)
12.	List of other listed Companies in which Directorships held as on 31st March, 2021	NIL	NIL	Dollar Industries Ltd.	NIL	NIL
13.	List of other Companies in which Directorships held as on 31st March, 2021	NIL	1. Bengal Silicates & Chemicals Private Limited 2. Hindcon Solutions Private Limited 3. Federation of Small & Medium Industries West Bengal	1. Fast Commodity Markets Limited 2. Saltee Projects Pvt Ltd 3. Fast Capital Markets Limited 4. FurlpineIntrade Pvt. Ltd. 5. Online Share Broking Services Private Limited 6. Dhanush Enclave Private Limited 7. Shivam industrial parks & estates ltd. 8. Akashganga Advisory Private Limited	1. Chemico International Private Limited	1. N.C. Shaw & Co. Beverages Pvt. Ltd. 2. Beauty Builders Pvt. Ltd. 3. Golden Goenka Commerce Pvt. Ltd. 4. Golden Goenka Credit Pvt. Ltd. 5. Aristro Capital Markets Ltd. 6. Beegeey Realters Pvt. Ltd. 7. Karni Projects Pvt. Ltd. 8. Karni Realtors Pvt. Ltd 9. Balakrishna Infrastructure 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, 2021	NIL	-	1	-	-
15.	Disclosure of relationship between Directors inter-se/Managerial Personnel	NIL	Mr. Goenka is spouse of Mrs. Nilima Goenka	NIL	NIL	NIL

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

I. General Information:

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

	(₹ in Lakhs)		
	31.03.2021	31.03.2020	31.03.2019
Turnover (Gross):	4,438.66	4,427.88	4,452.42
Net Profit/(Loss) :	441.64	306.41	278.87

- 5) Foreign investments or collaborations, if any: No Foreign investment is made by the Company during financial year 2020-21.

II. Information about the appointee:

Name of the appointee	Sanjay Goenka
Background details	Bachelor of Commerce from Xavier's College of Calcutta. He has over 38 years of experience in the business of sodium silicate, construction chemicals and cement additives.
Past remuneration (₹ In Lakhs)	₹68.49 lakhs
Recognition or awards	He has been awarded with "National Award – 2010" in the year 2011 from Ministry of Micro, Small & Medium Enterprises for Outstanding Entrepreneurs
Job profile and his suitability	Overall Management of the Company.
Remuneration proposed	As per the Notice attached
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Board is of the opinion that the proposed remuneration is commensurate with his role and responsibility as Chairman & Managing Director of the Company
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr. Goenka has no other pecuniary relationship with the Company except his managerial remuneration. Mr. Goenka is spouse of Mrs. Nilima Goenka

III. Other information:

- i) **Reasons of loss or inadequate profits:** Presently there is no inadequacy of profit in terms of Section 198 read with schedule V of the Companies Act, 2013. However, in case during the currency of his terms, if inadequacy occurs, the approval is sought from the shareholders to enable the Company to meet the terms of his appointment.
- ii) **Steps taken or proposed to be taken for improvement:** Presently not applicable since the Company is adequately earning profits.
- iii) **Expected increase in productivity and profitability in measurable terms:** Presently not applicable since the Company has adequate turnover and earning profits.

IV. Disclosures:

The requisite disclosure with respect to Mr. Sanjay Goenka has been set out in item no. 4 of the Explanatory Statement annexed to the notice convening this meeting.

BOARD'S REPORT

Dear Shareowners,

Your Directors take pleasure in presenting the 23rd (Twenty third) Annual Report together with the Audited Annual Accounts of your Company for the year ended 31st March, 2021.

FINANCIAL RESULTS

(₹ in Lakhs)

	STANDALONE		CONSOLIDATED	
	FY-2020-21	FY 2019-20	FY-2020-21	FY 2019-20
i. Gross Turnover	4,438.66	4,427.88	4,438.66	4,427.88
ii. Other Income	194.21	97.37	212.13	109.04
iii. Total Revenue	4,632.87	4,525.25	4,650.79	4,536.92
iv. Expenses other than Finance Cost and Depreciation	3,994.97	4,092.60	3,992.08	4,093.18
v. Earnings Before Interest, Depreciation, Taxation and Amortization (EBIDTA)	637.90	432.65	658.71	443.74
vi. Finance Cost	1.47	0.31	1.47	0.31
vii. Depreciation	18.49	14.02	18.49	14.02
viii. Profit/(Loss) before Tax & Exceptional Item	617.94	418.32	638.75	429.41
ix. Exceptional Items	0.00	0.00	0.00	0.00
x. Profit before Taxation (PBT)	617.94	418.32	638.75	429.41
xi. Tax including Deferred Tax	(176.30)	(111.91)	(182.42)	(143.39)
xii. Profit after Taxation (PAT)	441.64	306.41	456.33	286.02
xiii. (Profit) / Loss of minority interest	-	-	(4.11)	(1.74)

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

During the year under review, your Company has achieved a Total Turnover of ₹4,438.66 lakhs which is 0.24% higher as compared with the previous financial year. The EBIDTA of the Company has increased by **47.44%** as compared with the previous financial year. Further, the Company has earned a net profit of **₹441.64** lakhs in the financial year 2020-21. The Company has produced 14370.42 MT of Sodium Silicate and Construction Chemicals during the financial year as compared to 16,243.71MT of Sodium Silicate and Construction Chemicals in the previous financial year which is 11.53 % lower as compared with the corresponding previous financial year.

During the year, the ongoing pandemic coerced us to reflect back as well as compelled us to be very stringent with our operations as it has taught us a very important lesson of becoming truly agile and able to adapt with extreme rapidity and keeping in view of the same.

OUTLOOK

The Company has a diverse portfolio of more than 100 products which has helped us strengthen our position as a one-stop shop for construction chemicals. We strive to aid our customers with best-in-class products and our ISO 9001:2015 and ISO 22716:2007

certification speaks volumes about our compliance with stringent quality management norms. A very small proportion of our revenues are generated from the retail segment. Our superior quality products coupled with long standing relationships with retailers, the Company is optimistic of growing its revenue contribution from the retail segments 10-folds in the next 5 years. We further intend to widen 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 to achieve 18000 MT of Sodium Silicates and 12000 MT of Construction Chemicals in the upcoming years.

CHANGE IN NATURE OF BUSINESS, IF ANY

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

DIVIDEND

The Board of Directors has recommended a dividend of ₹1.50 per equity share (15% of the paid up value of the shares) for the financial year ended 31st March, 2021 amounting to ₹153.57 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 31st March, 2021 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, 2021, 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, 2021;
- 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, 2021 on a going concern basis;
- v) The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES AND MANAGERIAL REMUNERATION

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

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

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

COMPANY'S WEBSITE

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

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

LISTING OF SECURITIES IN STOCK EXCHANGES

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

The Board of Directors at its meeting held on 19th April, 2021 approved for 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.

Requisite application was made to NSE for its migration and the approval for listing & trading was granted by NSE on 5th July, 2021.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

i) Retirement by Rotation:

Mr. R.S. Banerjee (DIN: 05191594), 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 himself for re-appointment.

ii) Appointment / Re-appointment of Executive Directors / Independent Directors:

- a. The terms of appointment of Mr. Sanjay Goenka (DIN: 00848190) as the Chairman & Managing Director of the Company, has expired on 31st March, 2021. The Nomination & Remuneration Committee in its adjourned meeting held on 10th March, 2021 had recommended his re-appointment for a further period of 5(five) year with effect from 1st April, 2021 and the same was approved by the Board of Directors in its adjourned meeting held on 10th March, 2021, subject to the approval of shareholders in the ensuing Annual General Meeting, in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- b. The existing terms of Mr. Binay Kumar Agarwal (DIN: 01342065), who was appointed as an Non-Executive Independent Director of the Company would expire on 7th August, 2022 and the Board has re-appointed him as an Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. 8th August, 2022, subject to approval of the shareholders by passing Special Resolution at the ensuing Annual General Meeting of the Company as per Section 149(10) read with schedule IV of the Companies Act, 2013 and hence his re-appointment has been proposed in the ensuing Annual General Meeting of the Company, accordingly.
- c. The existing terms of Mr. Girdhari Lal Goenka (DIN: 00613725), who was appointed as an Non-Executive Independent Director of the Company would expire on 7th August, 2022 and the Board has re-appointed him as an Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. 8th August, 2022, subject to approval of the shareholders by passing Special Resolution at the ensuing Annual General Meeting of the Company as per Section 149(10) read with schedule IV of the Companies Act, 2013 and hence his re-appointment has been proposed in the ensuing Annual General Meeting of the Company, accordingly.
- d. The existing terms of Mr. Krishna Kumar Tantia (DIN: 00315796), who was appointed as an Non-Executive Independent Director of the Company would expire on 7th

August, 2022 and the Board has re-appointed him as an Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. 8th August, 2022, subject to approval of the shareholders by passing Special Resolution at the ensuing Annual General Meeting of the Company as per Section 149(10) read with schedule IV of the Companies Act, 2013 and hence his re-appointment has been proposed in the ensuing Annual General Meeting of the Company, accordingly.

iii) Appointment and Resignation of Whole-time Key Managerial Personnel (KMP):

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

- i. Mr. Sanjay Goenka– Chairman & Managing Director
- ii. Mr. KashiNathDey– 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' Data bank 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 financial year 2020-21 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 2021-22 and the Board has re-appointed them accordingly.

(iii) Secretarial Auditors:

Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary (Peer Reviewed), continued to be the Secretarial Auditor of the Company to carry out the Secretarial Audit for the financial year 2020-21 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 2020-21 is enclosed as **Annexure 'C'** 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 2021-22 and the Board has re-appointed him accordingly.

CORPORATE GOVERNANCE

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

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

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

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

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

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

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

i) Related Party Transactions:

All transactions entered with related parties during the F.Y. 2020-21 were on arm's length basis and were in the ordinary course of business and provisions of Section 188(1) are not attracted. There have been no materially significant related party transactions with the Company's Promoters, Directors and others as defined in section 2(76) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 which may have potential conflict of interest with the Company at large. Details of contracts which are not on arm's length basis and **material transaction** on arm's length basis are detailed in **Form AOC 2** and annexed as "**Annexure -E**" to the Boards' Report.

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

ii) Number of Board Meetings:

During the financial year ended 31st March, 2021, 4 (four) Board Meetings were held on 25th June, 2020, 12th November, 2020, 3rd March, 2021 and 30th March, 2021. The Board meeting dated 3rd March, 2021 was adjourned and was concluded on 10th March, 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:

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

**All the directors except Mr. Binay Kumar Agarwal attended the adjourned meeting held on 10.03.2021*

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.

iii) Committees of the Board:

As on 31st March, 2021 the Board had four Committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder's Relationship Committee and Corporate Social Responsibility Committee.

a. Audit Committee:

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI-LODR Regulations, 2015. The Committee comprises of Mr. Binay Kumar Agarwal being the Chairman and Mr. Krishna Kumar Tantia and Mr. Sanjay Goenka being the members of the Committee as on 31st March, 2021.

During the financial year ended 31st March, 2021, 3 (three) Audit Committee meeting was held on 25th June, 2020, 12th November, 2020 and 3rd March, 2021. The attendance details of each member at the Audit Committee meetings are given below:

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

Recommendation by Audit Committee

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

Vigil Mechanism 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.

b. Nomination and Remuneration Committee:

The Board of Directors of your Company has constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, 2015. The Committee comprises of Mr. Girdhari Lal Goenka being the Chairman and Mr. Krishna Kumar Tantia and Mr. Binay Kumar Agarwal being the members of the Committee as on 31st March, 2021.

During the financial year ended 31st March, 2021, 2 (two) meeting was held 25th June, 2020 and 3rd March, 2021. The Committee meeting dated 3rd March, 2021 was adjourned and was concluded on 10th March, 2021.

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

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

**All the members except Mr. Binay Kumar Agarwal attended the adjourned meeting held on 10.03.2021.*

Nomination, Remuneration and Evaluation Policy:

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

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

c. Composition of Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee comprises of Mr. Binay Kumar Agarwal being the Chairman and Mr. Krishna Kumar Tantia and Mrs.Nilima Goenka being the members of the Committee as on 31st March, 2021.

During the financial year ended 31st March, 2021, 3 (three) meeting was held on 25th June, 2020, 12th November, 2020 and 3rd March, 2021. The attendance details of each member at the Committee meetings are given below:

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

d. Composition of Corporate Social Responsibility Committee:

Pursuant to Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee presently comprises of Mr. Sanjay Goenka being the Chairman and Mr.Binay Kumar Agarwal and Mrs. Nilima Goenka being the members of the Committee as on 31st March, 2021.

During the financial year ended 31st March, 2021, 2 (two) meeting was held on 25th June, 2020 and 3rd March, 2021.

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

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

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

iv) Meeting of Independent Directors for FY 2020-21:

During the year under review, the Independent Directors of the Company met once on 3rd March, 2021 to carry out the evaluation of the Non-Independent Director and of the Board as a whole.

v) Extracts of Annual Return:

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

Pursuant to Section 134(3)(a) of the Companies Act, 2013 and amendments thereof, the Annual Return for the financial year 2019-20 is placed on the website of the Company at the following link www.hindcon.com

vi) Risk Analysis:

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

vii) Internal Financial Control:

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

viii) Disclosure Relating To Material Variations:

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

ix) Loans, Guarantees and Investments:

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

The particulars of loans, guarantees and investments have been disclosed in the notes of the Financial Statements for the year ended 31st March, 2021 and form a part of this Annual Report.

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

The financials of the Company may be affected to the extent of ongoing COVID pandemic 2nd wave in the 1st quarter of financial year 2021-22 and as may occur in the rest of the quarters. However, business activities is being normalised and not much of financial impact is envisaged.

xi) Subsidiaries, Associates or Joint Ventures:

As on 31st March, 2021 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-H" to this Board's Report.

xii) 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.

xiii) Internal Complaint Committee

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

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

INDUSTRIAL RELATIONS

The industrial relation during the financial year 2020-21 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: 20.07.2021

Sd/-

Sanjay Goenka

Chairman & Managing Director

DIN: 00848190

Sd/-

Nilima Goenka

Whole time Director

DIN: 00848225

ANNEXURE –‘A’

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

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director / KMP for financial year 2020-21 (₹ in lakhs)	% increase/ decrease in Remuneration in the financial year 2020-21	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Sanjay Goenka Managing Director	68.49	(18.46)	48.45:1
2	Mrs. Nilima Goenka Whole-time Director	29.35	(18.47)	20.76:1
3	Mr. Ramsanatan Banerjee Whole-time Director	6.64	(7.00)	4.70:1
4	Mr. KashiNath Dey Chief Financial Officer	3.77	(11.29)	-
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 2020-21
- ii) The median remuneration of employees of the Company during the financial year was ₹11,780/- compared to the previous year of ₹9,360/-.
- iii) In the financial year 2020-21, there was an increase of 25.85% in the median remuneration of employees;
- iv) There were 100 permanent employees on the rolls of Company as on 31st March, 2021;
- v) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2021 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 2020-21 (₹ 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	9.61	Permanent	B.SC	01.08.2019	43 years	NA	NO	NO
2	DILLIP KUMAR SAHOO	FACTORY MANAGER	5.27	Permanent	B.COM	01.12.2002	44 years	NA	NO	NO
3	BUJAVA KUMAR SAHOO	ASST. MANAGER- PRODUCTION & QC	4.68	Permanent	B.SC	01.12.2002	40 years	NA	NO	NO
4	SATYAJIT DEY	SR.GENERAL MANAGER	4.53	Permanent	B.SC	03.05.2011	56 years	NA	NO	NO
5	KASHINATH DEY	CHIEF FINANCIAL OFFICER	3.77	Permanent	B.COM	01.05.2006	43 years	NA	NO	NO
6	SHILADITYA BASU	MANAGER TECHNICAL	3.75	Permanent	B.SC	01.02.2017	54 years	NA	NO	NO
7	SANTANU ADHIKARI	MANAGER TECHNICAL	3.65	Permanent	B.SC	01.12.2018	50 years	NA	NO	NO
8	SUBRAT KUMAR KUARN	MANAGER MARKETING	3.59	Permanent	B.COM	01.07.2010	43 years	NA	NO	NO
9	PRABHAT JHA	ASST. GENERAL MANAGER	3.22	Permanent	B.SC	01.03.2017	54 years	NA	NO	NO
10	SOMNATH KAR	SALES ENGINEER	3.04	Permanent	B.SC	01.06.2008	56 years	NA	NO	NO

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

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

- C. There is no employee in employment throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Executive Chairman or Manager and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the Company.
- D. There is no employee posted and working outside India not being directors or their relatives, drawing more than sixty lakhs rupees per financial year or five lakhs rupees per month.

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

Date: 20.07.2021

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

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Sd/-
Nilima Goenka
Whole time Director
DIN: 00848225

ANNEXURE –‘B’

Particulars pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014:

A) Conservation of Energy

(i) Steps taken or impact on conservation of energy

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

- ◆ Up gradation and modernization of 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 3 years reckoned from the beginning of the financial year)

a) Details of technology imported	}	
b) Year of import	}	
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 –

	(₹ in lakhs)	
	FY 2020-21	FY 2019-20
Total foreign Exchange Used and Earned:		
Earned (F.O.B.)	34.52	3.61
Used	1,335.36	1,013.98

On behalf of the Board of Directors
For Hindcon Chemicals Limited

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

Date: 20.07.2021

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

Sd/-
Nilima Goenka
Whole time Director
DIN: 00848225

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

[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, 2021**, 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, 2021, **to the extent Acts / provisions of the Acts applicable**, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’), to the extent applicable:-

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

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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with the National Stock Exchange Ltd.

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

I further report that -

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

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

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

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

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

Sd/-

Santosh KumarTibrewalla
Practicing Company Secretary
Membership No.: 3811
Certificate of Practice No.: 3982
UDIN: F003811C000519656

Place: Kolkata
Date: 26.06.2021

Management Discussion and Analysis

Global economic overview

The global economy reported de-growth of 3.5% in 2020 compared to a growth of 2.9% in 2019, the sharpest contraction since World War II. This steep decline in global economic growth was largely due to the outbreak of the novel corona virus and the consequent suspension of economic activities across the world. This led to global supply chain disruptions, resulting in a de-growth in some of the largest global economies.

Consequently, global FDI reported a significant decline from \$1.5 trillion in 2019 to \$859 billion in 2020, the lowest since the 1990s and more than 30% below the investment trough that followed the 2008-09 global financial meltdown.

Regional growth %	2020	2019
World output	(3.5)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. (Source: IMF)

Indian economic review

The Indian economy passed through one of the volatile periods in living memory in FY 2020-21.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slumping economy as 1.38 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9 per cent in the first quarter of FY 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, as controls relaxed what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel

was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's GDP contracted 7.3% during FY 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery - one of the most decisive among major economies - validated India's robust long-term consumption potential.

Y-o-Y growth of the Indian economy

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	-7.3

Growth of the Indian economy, FY 2020-21

	Q1, FY21	Q2, FY21	Q3, FY21	Q4, FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Indian economic reforms and recovery

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

India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY 2020-21 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy.

The per capita income was estimated to have declined by 5% from ₹1.35 lakhs in FY 2019-20 to ₹1.27 lakhs in FY 2020-21, which was considered moderate in view of the extensive demand destruction in the first two quarters of FY 2020-21.

The gap between government expenditure and revenue was estimated at ~ ₹12 trillion due to increased borrowing by the government in May 2020 to address the COVID-19 outbreak.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and was the only country in the emerging market basket that received positive FPIs of \$23.6 billion in 2020; the country ranked eighth among the world's top stock markets with a market capitalisation of \$2.5 trillion in 2020.

The Indian government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to empower MSMEs increase employment, enhance labour productivity and wages.

India extended the Partial Credit Guarantee Scheme by relaxing the criteria and allowing state-owned lenders more time to purchase liabilities of shadow banks. Under the ₹ 45,000 crores partial credit guarantee scheme, announced as a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies.

The government approved amendments to the Essential Commodities Act and brought an ordinance to allow farmers to sell their crop to anyone; the changes to the Essential Commodities Act, 1955, were intended to 'deregulate' agricultural commodities (cereals, pulses, oilseeds, edible oils, onions and potatoes from stock limits). The government approved the Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020, to ensure barrier-free trade in agriculture produce.

The Government relaxed foreign direct investment (FDI) norms for sectors like defence, coal mining, contract manufacturing and single-brand retail trading.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products, advanced chemistry cell batteries, textile, food products, solar modules, white goods and specialty steel. These incentives could attract outsized investments, catalysing India's growth journey.

India's foreign exchange reserves continue to be in record setting mode – FY21 saw \$101.5 billion dollars accretion in reserves, the steepest rise in foreign exchange reserves in any financial year; India's forex reserves are ranked third after Japan and China and can cover more than a year's import payments.

Outlook

The Indian economy is projected to grow in single digits in FY22 following the impact of the second pandemic surge.

Global construction chemicals market

Construction chemicals like asphalt additives, concrete admixtures are being used actively in buildings and other construction activities. A number of significant advantages such as enhanced strength, more durability and overall systems cost reduction of construction project were offered by the construction chemicals industry. The global construction chemicals market was pegged at \$47.9 billion and is expected to reach \$79.8 billion by 2027. The global construction chemicals market size was valued at US\$ 42.32 billion in 2018 and projected to reach US\$ 70.91 billion by 2026, exhibiting a CAGR of 6.7% during the forecast period. In case of the concrete admixtures segment, the construction chemicals market is projected to occupy a majority of the industry, generating revenue of \$12.7 million by 2026, at a CAGR of 4.6. This growth is majorly accounted by the concrete admixtures used extensively for the production of super-strong concrete. Moreover, concrete admixtures work as shrinkage reducers and offer key benefits such as sustainability, overall systems cost reduction, and reduction in project delivery time.

The infrastructure segment of the construction chemicals market is expected to grow on a massive scale globally, which shall result in a revenue generation of \$12.8 million by the year 2026, recording a CAGR of 6.2%. The key factors behind this rise would be highly advanced construction chemicals assisting in the reduction of overall project costs and speeding up the project completion rate. Therefore, the builders and developers prefer construction chemicals for the infrastructure construction. Adding up to these factors, rapid increase in urbanization and population, the exponential growth in the middle-class segment of residential housing and initiatives funded by the government in the infrastructural segment, are the prime factors that push the infrastructure segment forward in the construction chemicals market.

The construction chemicals market in Asia-Pacific has experienced the fastest growth in the global market, and is estimated to generate a revenue of \$11.3 million by 2026, increasing at a profitable rate of 6.2%. An increase in the average age of the population and the exponentially rising urbanization rate has been the major growth catalyst for the construction industry; this rise in the number of construction projects has made a significant impact on the demand of construction chemicals in the Asian countries, especially in India and China.

The largest share in the global construction chemicals market is occupied by North America, and this shall generate a revenue of \$14.2 million by the year 2026. Market essentials for commercial real estate projects accompanied by an expected rise in the economy are expected to boost the demand for construction chemicals in North America. Furthermore, a rise in government funding for institutional infrastructures, increasing population, and high availability of advanced materials have proved to be driving factors in the growth of the North America construction chemicals market. *(Source: Businesswire, Researchdive)*

Indian construction chemicals industry overview

The India construction chemicals market is divided into a number of segments, which are admixtures, flooring chemicals, waterproofing compounds, adhesives & sealants and repair and rehabilitation and more. The adhesives, sealants and admixtures segment own the majority of the share in this market, preceded by repair and rehabilitation segment. The demand in the Indian construction chemical industry is expected to grow in the coming times with the growing demand for repair and rehabilitation in the past few years due increasing focus on repair and maintenance in the infrastructure department by the Government.

The Indian construction chemical market was valued at US\$ 6 billion in 2018 and is estimated to grow at a CAGR of 13.3% by 2029, with increase in spending in the construction industry across the nation. The Indian government had planned the construction of 15,000 km of roads by March 2021 while in the financial year 2019-20, 10,237 kilometres of roads were constructed. However, it is the highest construction figure in terms of km of road constructed till date. Significant demand for infrastructure and development across states in the country is projected to drive the demand for construction chemicals, primarily admixtures.

The optimism in the sector is due to the easy availability of raw materials like cement and additives, which is further expected to push the demand forward for adhesives, sealants and admixtures, which accounts for the biggest share of revenue in the construction chemical sector. Moreover, the growing attention of Government on repair and maintenance is expected to drive the demand for repair and rehabilitation products in the construction chemicals sector in the upcoming years.

In addition, more attention is being given to the housing sector recently, with Government's affordable housing initiative being one of the main reasons and is expected to drive the construction chemical market even more. Governmental regulations formulated for promoting the concept of eco-friendly construction, rise in foreign investments, growing urbanisation and growing preference for utilisation of ready-mix concrete are some of the key drivers for growth in the construction chemicals market in India.

Growth drivers

Urbanisation: India's population is estimated to reach 1.52 billion by the year 2036, with 70% increase in the urban areas. This increase in urban population is expected to create higher demand for housing and commercial units, which in turn is expected to boost the construction chemicals industry forward.

Interest rates: The interest rate on home loans set by RBI, stood at 7% as on July 2020 compared to 8.4% in July 2019. This low rate of interest on home loans is expected to invite more number of purchases in the real estate sector, which will further drive demand in the construction chemicals market.

GDP per capita: India's GDP per capita income reached \$1,947.4 in march 2021 compared to \$2,140.3 in march 2020 and is expected to trend around US\$ 2,100 in 2021 and US\$ 2,320 in 2022. Also, India is at 148th position out of 193 economies in terms of GDP per capita income.

Increase in nuclear families: In 2020, the average household size in India in a multi-scale map is 4.4 people per household. This could result to be a major factor in the growth of the Indian real estate sector and thus, the growth of the construction chemicals market.

Smart City Mission: With the finance minister adding 5 more cities in the Smart City Mission as of February 2020, totaling the Smart City Mission at 100 since the inauguration of the mission in 2015.

Employment rate: The employment rate in India grew from 30.2% in May 2020 to 37.8% in October 2020. This increase in employment is an indicator that people are becoming financially independent to contribute in buying or buy a real estate property, which further indicates higher activity in the construction chemicals industry and the growth of it.

Demographic dividend: India is projected to become the country with the youngest population with a median age of 28 by the year 2022.

Availability of raw materials: Raw materials like cement, additives, sand, etc. are available at very affordable and cheap prices. This

low cost availability of raw materials is expected to bring a rise in demand in the construction chemicals industry.

High use of concrete and admixtures: Substantial amounts of concrete and admixtures are being put to use for infrastructural projects. This use of resources is also expected to drive the demand for construction chemicals industry.

(Source: The Wire, Economic Times, Trading Economics, Yahoo finance)

Michael Porter's Five Forces Analysis

Bargaining Power of Suppliers: Large number of suppliers in the global industry exists, accompanied with high price sensitivity. Even the switching costs stand at low prices.

The bargaining power of suppliers is high.

Bargaining Power of Buyer: There is high availability and high range of construction chemicals in the global market.

The buyers have high bargaining power.

Threat of New Entrants: The high cost in the marketing and R&D segment coupled with high distribution and maintenance cost provides less threat from new entrants.

The threat of new entrants is low.

Threat of Substitutes: In the global construction chemicals market, threat of alternative products is at a minimum.

The threat of substitutes is very low.

Competitive Rivalry in the Market: Construction chemicals market has huge number of small and large established companies. These industry players have key focus on product development and technological advances.

The competitive rivalry in the market is very strong.

(Source: Researchdive.com)

Commercial sector

Commercial real estate stood as one of the worst hit markets due to the corona virus pandemic. The real estate sector is mainly classified into two sectors- residential and commercial. Residential real estate was not affected majorly as it is not optional and people were successful at maintaining it. Commercial real estate on the other hand, one of the top expenditure overheads for a company, has lost its purpose with globally workforce going fully remote. With remote work now conducted for the past few years, companies space priorities reached a new norm, especially coming from substantial savings for both workforce with time money and for companies with rental expenditure and maintenance costs. (Source: Times of India)

Real estate housing sector

Like every other industry, the construction sector was also majorly impacted by the lockdown across the country, which was imposed in late March. The unavailability of workers (mainly

migrants) along with the rising cost of materials also acted as key factors for the downfall. Projects were stalled, delivery dates pushed and majority of the buyers decided to postpone their decision to buy a property.

Sales in the sector witnessed a decline of almost 30% in Q1 2020 on a YoY basis. Market sentiment was at the lowest with 31 in Q4 FY20, but due to the coronavirus pandemic in the first quarter of FY21, there was an optimistic sentiment in the real estate housing sector. 71,963 units were sold during Q1 2021, 44% more than in Q1 2020. This healthy growth in sales also encouraged developers to launch new projects which is reflected in the 76,006 units launched during the quarter, a substantial growth of 38% YoY in Q1 of FY21.

(Source: *The Hindu, Jones Lang La Lasse, Knight Frank, FICCI NAREDCO*)

Government initiatives

Pradhan Mantri Awas Yojana (Urban) (PMAY (U)): 1.12 crores houses have been given sanction in urban areas, which has created a substantial amount of 1.20 crores jobs, under the Pradhan Mantri Awas Yojana (Urban) (PMAY (U)). This scheme that is responsible for the growth of the real estate sector, is also expected to push the construction chemicals market forward.

Reduction in GST: With a GST reduction announced by the government, the rates stood at 1% on affordable residential properties and 5% on residential properties other than affordable residential properties (after deducting land cost).

Alternative Investment Fund: The Union Cabinet approved the setting up of alternative investment fund (AIF) worth ₹25,000 crores (US\$ 3.58 billion) in order to revive around 1,600 stalled housing projects across top cities in the country,

Affordable Housing Fund: An Affordable Housing Fund (AHF) in the National Housing Bank (NHB) is created by the government with an initial corpus of ₹10,000 crores (US\$ 1.43 billion), 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): Projects supported by this initiative, have benefitted from fresh sales and collection of dues from existing buyers causing a rise in the real estate market and thus, resulting in a growth in the construction chemicals industry.

Special Economic Zones (SEZs): 423 SEZs were formally approved by India as of 31st July, 2020, out of which 248 were already in operation. Most of these special economic zones (SEZs) are in the IT/ BPM sector.

(Source: *IBEF, Economic Times*)

SWOT analysis

Strengths: A state-of-the-art chemical manufacturing value-chain has been put in place by India, and hence, helping in producing innovated and quality products.

Weaknesses: The whole of construction chemicals market is occupied by a number of small scale suppliers and therefore, is largely unorganised. This has resulted in a highly fragmented industry with the people being less aware of it.

Opportunities: Repair and rehabilitation have gained a high rise of attention recently and are expected to drive the construction chemicals market forward.

Threats: Organised players in the construction chemicals market are threatened by the rising imports from China and the basic unorganisation in this market.

Risk management

Economy risk: The economic slowdown due to the coronavirus pandemic could have an adverse impact on the Company's performance.

Mitigation: India's economy recorded a decline of 4.2% in FY 2020-21, with the Company reporting a 0.24% increase in revenue and an increase of 44.13% in PAT, indicating how robust the Company's business model is.

Competition risk: Business may witness a decline in profits due to increased competition.

Mitigation: The Company's key targets are to expand its geographic footprint and gaining new B2B clients to work with. The Company continues to hold its longstanding relationships,

which accounts for more than 60% of the Company's revenues. A wide range of products are offered by the Company in order to address the growing needs of the clients. B2B customers accounted for 82.95% of revenues in FY 2020-21.

Environment risk: The risk of not being able to meet with the en

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

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

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

Demand risk: The development in the infrastructure industry pushes the demand in the construction chemicals industry and any fall in it can adversely affect the demand for construction chemicals.

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

Portfolio risk: Any decline in sales of Sodium silicate, which earns the most revenue in the market, could have an adverse impact on the operations and profitability of the Company.

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

Financial review

Revenues: Revenues during the year under review were valued at ₹46.33 crores, recording a growth of 2.39% over ₹45.25 crores during FY2019-20.

Profit after tax: The Company registered a profit after tax of ₹4.42 crores during FY 2020-21 compared to ₹3.06 crores during FY2019-20, which is 44.13% higher 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 believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive compensations, an amiable work environment and acknowledges employee performance through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas. As on 31st March, 2021 the employee strength of the Company stood at 100.

Cautionary statement

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

ANNEXURE –‘E’

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

a.	Name(s) of the related party and nature of relationship	Mr. Sanjay Goenka, 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

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

Sd/-
Nilima Goenka
Whole time Director
DIN: 00848225

Date: 20.07.2021

Annexure – ‘F’

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.

2. Composition of CSR Committee:

Sl. 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

- 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>
- 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**
- 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**
- Average net profit of the company as per section 135(5): **₹438.55 Lakhs**
- Two percent of average net profit of the company as per section 135(5): **₹8.77 Lakhs**
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Not Applicable**
 - Amount required to be set off for the financial year: **Not Applicable**
 - Total CSR obligation for the financial year (7a+7b-7c): **₹8.77 Lakhs**
- CSR amount spent or unspent for the financial year: **The entire amount of ₹8.77Lakhs including ₹2.23 lakhs unspent CSR amount of previous year was spent for the Financial Year 2020-21**
 - 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 Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				State.	District.			Name	CSR registration number
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implementation -Direct (Yes/No)	Mode of implementation -Through implementing agency	
1.	Healthcare	Promoting healthcare including preventive health care	Yes	West Bengal	Kolkata	2.90	No	1. Lion Club 2. Dawn Chakraborty 3. Calcutta Pinjapole Society 4. Panna Devi Jeevanram Goenka Trust	
2.	Contribution made to goshala for protection and welfare of cows	Animal Welfare	Yes	West Bengal	Kolkata	6.70	No	1. Akhil Bharat Goseva Sansthan	
3.	Education	Women empowerment	Yes	West Bengal	Kolkata	0.49	No	1. Friends Of Tribals Society 2. Chhatar Paul	
4.	Providing Essentials & food	Eradicating hunger, poverty and malnutrition	Yes	West Bengal	Kolkata	0.62	No	1. Iskcon 2. Shree Goenka Kalyan Trust 3. Sewa Sadhana 4. Shree Shakti Goenka Trust	
5.	Providing clean drinking water	Making available safe drinking Water	Yes	West Bengal	Kolkata	0.05	No	1. Iskcon	
6.	Distribution of sanitizer, mask & gloves	Providing essentials for covid-19 pandemic	Yes	West Bengal	Kolkata	0.24	Yes	-	
TOTAL						11.00			

(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): **₹11.00 Lakhs (Includes unspent amount for earlier years)**(g) Excess amount for set off: **NIL**

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

(₹ in Lakhs)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6)			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1.	FY 2019-20	NA	2.23	-	-	-	-
		TOTAL	2.23	-	-	-	-

(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**

On behalf of the Board of Directors
For Hindcon Chemicals Limited

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

Date: 20.07.2021

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

Sd/-
Nilima Goenka
Whole time Director
DIN: 00848225

ANNEXURE –‘G’

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31st March, 2021

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

I. REGISTRATION AND OTHER DETAILS :

1.	CIN	L24117WB1998PLC087800
2.	Registration Date	25th August, 1998
3.	Name of the Company	Hindcon Chemicals Limited
4.	Category/Sub-category of the Company	Public Company Limited By Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	62B, Braunfeld Row, 1st Floor, Kolkata- 700 027 e- mail ID – contactus@hindcon.com Phone No. -(033)-2449 0839 Fax – (033)-2449 0849
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar and Share Transfer Agent, if any.	Link Intime India Private Limited Room Nos. 502 & 503, 5th Floor, Vaishno Chamber, 6 Brabourne Road, Kolkata- 700001. Tel: +91-33-4004 9728/ 4073 1698 Fax: +91- 33 - 4073 1698

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Sodium Silicate, Cement Additive, etc	20299	97.96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	40,64,000	-	40,64,000	39.70	43,84,000	-	43,84,000	42.82	3.12
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	25,66,100	-	25,66,100	25.06	25,66,100	-	25,66,100	25.06	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total A(1)	66,30,100	-	66,30,100	64.76	69,50,100	-	69,50,100	67.88	3.12
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Others - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total A(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	66,30,100	-	66,30,100	64.76	69,50,100	-	69,50,100	67.88	3.12
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Foreign Portfolio Investor)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 2 lakhs	7,25,000	-	7,25,000	7.08	9,23,000	-	9,23,000	9.02	1.94
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	8,09,500	-	8,09,500	7.91	2,68,000	-	2,68,000	2.62	(5.29)
c) Others (specify)									
Hindu Undivided Family	2,41,500	-	2,41,500	2.36	1,17,000	-	1,17,000	1.14	(1.22)
Non Resident Indians (Re-pat)	8,000	-	8,000	0.08	4,000	-	4,000	0.04	(0.04)
Non Resident Indians (Non Re-pat)	-	-	-	-	-	-	-	-	-
Clearing Members	4,000	-	4,000	0.04	4,000	-	4,000	0.04	-
Body Corporate	18,20,025	-	18,20,025	17.78	19,72,025	-	19,72,025	19.26	1.48
Sub-total (B)(2):-	36,08,025	-	36,08,025	35.24	32,88,025	-	32,88,025	32.12	(3.12)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	36,08,025	-	36,08,025	35.24	32,88,025	-	32,88,025	32.12	(3.12)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,02,38,125	-	1,02,38,125	100.00	1,02,38,125	-	1,02,38,125	100.00	0.00

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	SANJAY GOENKA	16,62,500	16.24	-	18,78,500	18.34	-	2.10
2.	NILIMA GOENKA	13,72,500	13.41	-	14,24,500	13.91	-	0.51
3.	VANSH GOENKA	5,70,000	5.57	-	5,70,000	5.57	-	-
4.	SANJAY GOENKA & OTHERS (HUF)	4,59,000	4.48	-	5,11,000	4.99	-	0.51
5.	HINDCON SOLUTIONS P. LTD. (FORMERLY KNOWN AS PADMALAYA VINIMAY P. LTD.)	25,66,100	25.06	-	25,66,100	25.06	-	-
	Total	66,30,100	64.76	-	69,50,100	67.88	-	3.12

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

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/20] end of the year [31/Mar/21]		Cumulative Shareholding during the year [01/Apr/20 to 31/Mar/21]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SANJAY GOENKA				
	1st April, 2020	16,62,500	16.24	-	-
	Transfer-03.04.2020	4,000	0.04	16,66,500	16.28
	Transfer-14.08.2020	52,000	0.51	17,18,500	16.79
	Transfer-21.08.2020	84,000	0.82	18,02,500	17.61
	Transfer-20.11.2020	4,000	0.04	18,06,500	17.65
	Transfer-27.11.2020	12,000	0.11	18,18,500	17.76
	Transfer-04.12.2020	4,000	0.04	18,22,500	17.80
	Transfer-11.12.2020	20,000	0.19	18,42,500	17.99
	Transfer-18.12.2020	16,000	0.16	18,58,500	18.15
	Transfer-31.12.2020	12,000	0.11	18,70,500	18.26
	Transfer-08.01.2021	4,000	0.04	18,74,500	18.30
	Transfer-29.01.2021	4,000	0.04	18,78,500	18.34
	31st March, 2021	18,78,500	18.34	18,78,500	18.34
2.	NILIMA GOENKA				
	1st April, 2020	13,72,500	13.41	-	-
	Transfer- 09.10.2020	36,000	0.35	14,08,500	13.76
	Transfer- 18.12.2020	16,000	0.15	14,24,500	13.91
	31st March, 2021	14,24,500	13.91	14,24,500	13.91
3.	VANSH GOENKA				
	1st April, 2020	5,70,000	5.57	-	-
	Changes during the year	-	-	-	-
	31st March, 2021	5,70,000	5.57	5,70,000	5.57
4.	SANJAY GOENKA & OTHERS (HUF)				
	1st April, 2020	4,59,000	4.48	-	-
	Transfer- 10.07.2020	4,000	0.04	4,63,000	4.52
	Transfer- 11.12.2020	24,000	0.23	4,87,000	4.75
	Transfer- 08.01.2021	4,000	0.04	4,91,000	4.79
	Transfer- 15.01.2021	8,000	0.08	4,99,000	4.87
	Transfer- 05.02.2021	12,000	0.12	5,11,000	4.99
	31st March, 2021	5,11,000	4.99	5,11,000	4.99
5.	HINDCON SOLUTIONS PRIVATE LIMITED (formerly known as Padmalaya Vinimay Private Limited)				
	1st April, 2020	25,66,100	25.06	-	-
	Changes during the year	-	-	-	-
	31st March, 2021	25,66,100	25.06	25,66,100	25.06

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

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/20]/end of the year [31/Mar/21]		Cumulative Shareholding during the year [01/Apr/20 to 31/Mar/21]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Radhakrishna Advisors LLP				
	1st April, 2020	587525	5.74	-	-
	Transfer-16.10.2020	500	0.00	588025	5.74
	31st March, 2021	588025	5.74	588025	5.74
2	J. N. B. Sidhu Finance Pvt Ltd				
	1st April, 2020	320000	3.13	-	-
	Changes during the year		No Changes		
	31st March, 2021	320000	3.13	320000	3.13
3	Sri Salasar Suppliers Private Limited				
	1st April, 2020	240000	2.34	-	-
	Changes during the year		No Changes		
	31st March, 2021	240000	2.34	240000	2.34
4	Abhishek Stock Investments Private Limited				
	1st April, 2020	0	0.00	-	-
	Transfer-02.10.2020	24000	0.23	24000	0.23
	Transfer-09.10.2020	4000	0.04	28000	0.27
	Transfer-23.10.2020	8000	0.08	36000	0.35
	Transfer-30.10.2020	16000	0.15	52000	0.50
	Transfer-13.11.2020	8000	0.08	60000	0.58
	Transfer-20.11.2020	8000	0.08	68000	0.66
	Transfer-27.11.2020	44000	0.43	112000	1.09
	Transfer-04.12.2020	12000	0.12	124000	1.21
	Transfer-11.12.2020	16000	0.15	140000	1.36
	Transfer-18.12.2020	12000	0.12	152000	1.48
	Transfer-25.12.2020	8000	0.08	160000	1.56
	Transfer-31.12.2020	12000	0.12	172000	1.68
	Transfer-08.01.2021	8000	0.07	180000	1.75
	Transfer-15.01.2021	4000	0.04	184000	1.79
	Transfer-26.02.2021	4000	0.04	188000	1.83
	Transfer-05.03.2021	20000	0.20	208000	2.03
	Transfer- 31.03.2021	20000	0.19	228000	2.22
	31st March, 2021	228000	2.22	228000	2.22
5	Jajodia Finance Limited				
	1st April, 2020	228000	2.23	-	-
	Changes during the year		No Changes		
	31st March, 2021	228000	2.23	228000	2.23
6	Naina Commosale Private Limited				
	1st April, 2020	0	0.00	-	-
	Transfer-23.10.2020	40000	0.39	40000	0.39
	Transfer-13.11.2020	24000	0.23	64000	0.62
	Transfer-27.11.2020	28000	0.27	92000	0.89
	Transfer-04.12.2020	4000	0.04	96000	0.93

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/20]/end of the year [31/Mar/21]		Cumulative Shareholding during the year [01/Apr/20 to 31/Mar/21]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer-18.12.2020	4000	0.04	100000	0.97
	Transfer-31.12.2020	8000	0.08	108000	1.05
	31st March, 2021	108000	1.05	108000	1.05
7	Mainland Finance Private Limited				
	1st April, 2020	88000	0.86	-	-
	Changes during the year		No Changes		
	31st March, 2021	88000	0.86	88000	0.86
8	Manoj Agarwal				
	1st April, 2020	72000	0.70	-	-
	Changes during the year		No Changes		
	31st March, 2021	72000	0.70	72000	0.70
9	Hem Securities Limited				
	1st April, 2020	0	0.00	-	-
	Transfer-12.08.2020	40000	0.39	40000	0.39
	Transfer-09.10.2020	60000	0.58	100000	0.97
	Transfer-11.12.2020	(16000)	(0.15)	84000	0.82
	Transfer-19.02.2021	(8000)	(0.08)	76000	0.74
	Transfer-05.03.2021	(4000)	(0.04)	72000	0.70
	Transfer-13.03.2021	(4000)	(0.04)	68000	0.66
	31st March, 2021	68000	0.66	68000	0.66
10	Deepinder Singh Poonian				
	1st April, 2020	0	0.00	-	-
	Transfer-16.10.2020	20000	0.19	20000	0.19
	Transfer-30.10.2020	8000	0.08	28000	0.27
	Transfer-06.11.2020	32000	0.31	60000	0.58
	Transfer-13.11.2021	4000	0.04	64000	0.62
	Transfer-20.11.2021	28000	0.27	92000	0.89
	Transfer-26.02.2021	(28000)	(0.27)	64000	0.62
	31st March, 2021	64000	0.62	64000	0.62
11	Hem Finlease Private Limited				
	1st April, 2020	140000	1.36	-	-
	Transfer- 21.08.2020	(40000)	(0.39)	100000	0.97
	Transfer-09.10.2020	(68000)	(0.66)	32000	0.31
	Transfer-06.11.2020	(4000)	(0.04)	28000	0.27
	Transfer-13.11.2020	(4000)	(0.04)	24000	0.23
	Transfer-20.11.2020	(8000)	(0.08)	16000	0.15
	Transfer-27.11.2020	(8000)	(0.08)	8000	0.07
	Transfer-25.12.2020	4000	0.04	12000	0.11
	Transfer-31.12.2020	(4000)	(0.04)	8000	0.07
	Transfer-19.02.2020	12000	0.12	20000	0.19
	Transfer-05.03.2021	(4000)	(0.04)	16000	0.15
	Transfer-12.03.2021	(8000)	(0.08)	8000	0.07
	31st March, 2021	8000	0.08	8000	0.08

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/20]/end of the year [31/Mar/21]		Cumulative Shareholding during the year [01/Apr/20 to 31/Mar/21]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	Ramanuj Realty Projects LLP				
	1st April, 2020	124000	1.21	-	-
	Transfer-23.10.2020	(48000)	(0.47)	76000	0.74
	Transfer-06.11.2020	(16000)	(0.16)	60000	0.58
	Transfer-13.11.2020	(16000)	(0.16)	44000	0.42
	Transfer-20.11.2020	(44000)	(0.42)	0	0.00
	31st March, 2021	0	0.00	-	-
13	Santosh Tibrewalla (HUF)				
	1st April, 2020	100000	0.98	-	-
	Transfer-14.08.2020	(60000)	(0.59)	40000	0.39
	Transfer-21.08.2020	(24000)	(0.24)	16000	0.15
	Transfer-28.08.2020	(4000)	(0.04)	12000	0.11
	Transfer-02.10.2020	(12000)	(0.11)	0	0.00
	31st March, 2021	0	0.00	-	-
14	Sangita Tibrewalla				
	1st April, 2020	100000	0.97	-	-
	Transfer-24.07.2020	(8000)	(0.08)	92000	0.89
	Transfer-14.08.2020	(20000)	(0.19)	72000	0.70
	Transfer-21.08.2020	(44000)	(0.43)	28000	0.27
	Transfer-28.08.2020	(28000)	(0.27)	0	0.00
	31st March, 2021	0	0.00	-	-

v. Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/20]/end of the year [31/Mar/21]		Cumulative Shareholding during the year [01/Apr/20 to 31/Mar/21]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SANJAY GOENKA				
	1st April, 2020	16,62,500	16.24	-	-
	Transfer-03.04.2020	4,000	0.04	16,66,500	16.28
	Transfer-14.08.2020	52,000	0.51	17,18,500	16.79
	Transfer-21.08.2020	84,000	0.82	18,02,500	17.61
	Transfer-20.11.2020	4,000	0.04	18,06,500	17.65
	Transfer-27.11.2020	12,000	0.11	18,18,500	17.76
	Transfer-04.12.2020	4,000	0.04	18,22,500	17.80
	Transfer-11.12.2020	20,000	0.19	18,42,500	17.99
	Transfer-18.12.2020	16,000	0.16	18,58,500	18.15
	Transfer-31.12.2020	12,000	0.11	18,70,500	18.26
	Transfer-08.01.2021	4,000	0.04	18,74,500	18.30
	Transfer-29.01.2021	4,000	0.04	18,78,500	18.34
	31st March, 2021	18,78,500	18.34	18,78,500	18.34

Sl. No.	Shareholder's Name	Shareholding at the beginning [01/Apr/20]/end of the year [31/Mar/21]		Cumulative Shareholding during the year [01/Apr/20to 31/Mar/21]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	NILIMA GOENKA				
	1st April, 2020	13,72,500	13.41	-	-
	Transfer- 09.10.2020	36,000	0.35	14,08,500	13.76
	Transfer- 18.12.2020	16,000	0.15	14,24,500	13.91
	31st March, 2021	14,24,500	13.91	14,24,500	13.91

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	29,53,148.24	-	-	29,53,148.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	29,53,148.24	-	-	29,53,148.24
Change in Indebtedness during the financial year				
* Addition	69,29,729.26	-	-	69,29,729.26
* Reduction	-	-	-	-
Total	69,29,729.26	-	-	69,29,729.26
Indebtedness at the end of the financial year				
i) Principal Amount	98,82,877.50	-	-	98,82,877.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	98,82,877.50	-	-	98,82,877.50

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Sanjay Goenka Managing Director	Mrs. Nilima Goenka Whole-time Director	Mr. Ramsanatan Banerjee Whole-time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	68.49	29.35	6.64	104.48
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Sanjay Goenka Managing Director	Mrs. Nilima Goenka Whole-time Director	Mr. Ramsanatan Banerjee Whole-time Director	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission - as % of profit - others, specify	-	-	-	
5	Others, please specify - Gratuity	-	-	-	
	Total (A)	68.49	29.35	6.64	104.48
	Ceiling as per the Act	10% of the Net Profit of the Company			

B. Remuneration to other Directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Binay Kumar Agarwal	Mr. Girdhari Lal Goenka	Mr. Krishna Kumar Tantia	
1	Fee for attending Board & Committee meetings	0.25	0.11	0.19	0.55
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.25	0.11	0.19	0.55
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.25	0.11	0.19	0.55
	Overall Ceiling as per the Act	₹1,00,000 per Board/Committee Meeting			
	- Fee for attending Board/Committee Meeting	1% of the net profit of the Company			
	- Commission				

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Kashi Nath Dey Chief Executive Officer	Ms. Jaya Bajpai Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.77	2.16	5.93
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	3.77	2.16	5.93

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Registered Office:
62B, Braunfeld Row
Kolkata – 700 027
Date: 20.07.2021

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

Sd/-
Nilima Goenka
Whole time Director
DIN: 00848225

ANNEXURE - 'H'

Form AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures

PART A: SUBSIDIARIES

The Company has 1 (One) Subsidiary Company as on 31st March, 2021.

Sl. No.	Particulars	
1.	Name of Subsidiary Company	Hindcon Solutions Private Limited (Formerly known as Padmalaya Vinimay Private Limited)
2.	Latest audited Balance Sheet Date	31.03.2021
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	1st April, 2020 to 31st March, 2021
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Rupees
6.	Share Capital	₹40,35,000/-
7.	Reserves and Surplus	₹4,64,26,803.04
8.	Total Assets	₹5,40,80,611.04
9.	Total Liabilities	₹5,40,80,611.04
10.	Investments	₹3,80,37,295.49
11.	Turnover	NIL
12.	Profit before Taxation	₹43,90,703.95
13.	Provision for Taxation	₹(-)6,11,691.00
14.	Profit after Taxation	₹37,79,012.95
15.	Proposed Dividend	₹36,31,500/-
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, 2021.

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: 20.07.2021

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 **31st March, 2021**, the Statement of Profit and Loss and statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We invite attention to Note 31 of the Standalone Financial Statements as regards the Management's evaluation of uncertainties related to COVID-19, a global pandemic and its consequential effects on the carrying value of the assets as at 31st March, 2021 and operations of the Company.

Our opinion is not qualified in respect of above matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial

statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

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

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

Responsibility of Management for Standalone Financial Statements

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

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors as on 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company does not have any pending litigations which would impact its financial position, subject to note 33 of the Standalone financial statements.
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-
(CA. N. Krishnan)
Partner

Kolkata
June 26, 2021.

Membership No.062381
UDIN: 21062381AAAAC9668

ANNEXURE – ‘A’ TO THE AUDITORS’ REPORT

(Referred to in our report of even date to the members of **Hindcon Chemicals Limited** on the Accounts for the year ended 31st March, 2021)

- (1) a. The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b. The Fixed Assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable having regard to the size of the company and the nature of its Fixed Assets. No material discrepancies have been noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- (2) Physical verification of the finished goods, stores, spare parts and raw materials have been conducted by the management at reasonable intervals, except in case of stocks lying with third parties for which certificates have been obtained. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company has maintained proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records, were not material and have been properly dealt with in the books of accounts.
- (3) The company has not granted loan to any party covered in the register maintained under section 189 of the Companies Act, 2013.
- (4) According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (5) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been maintained.
- (7) a) According to the books and records of the company produced to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales-tax, wealth tax, goods and services tax, custom duty, value added tax, excise duty, cess and other statutory dues as applicable.
- b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:-

Sl. No.	Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates (F. Y.)	Forum where Dispute is pending
1.	Income Tax Act, 1961	Tax and Interest	21,19,224/=	2013-14	CIT (A)
2.	Income Tax Act, 1961	Tax and Interest	37,030/=	2017-18	DCIT/CPC

- (8) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (9) a) According to the records of the company, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- b) On the basis of review or utilization of funds pertaining to term loans on overall basis and related information as made available to us, we are of the opinion that the Company has applied the term loans for the purpose for which they were obtained during the year.
- (10) Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no material fraud by the Company or no fraud on the company by its officers or employees has been noticed or reported during the year.
- (11) Based upon the audit procedures performed and information and explanations given by the management, we report that the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the companies Act, 2013.
- (12) In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a nidhi company. Hence, in our opinion, the requirements of clause 3(xii) of the Order is not applicable to the company.
- (13) According to the information and explanations given to us and on the basis of our examination of the records of the company,

all transactions with the related parties during the year are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.

- (14) According to information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (15) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with them, during the year. Accordingly paragraph 3(xv) of the Order is not applicable to the Company.
- (16) According to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
(CA. N. Krishnan)

Kolkata
June 26, 2021

Partner
Membership No.062381

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, 2021** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R B ROY & CO.**

Chartered Accountants
Firm Regn. No.322805E

Sd/-

(**CA. N. Krishnan**)

Partner

Membership No.062381

Kolkata

June 26, 2021

Balance Sheet

as at 31st March, 2021

(Amount in ₹)

	Notes	As at 31st March, 2021	As at 31st March, 2020
I). EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	3	10,23,81,250	10,23,81,250
b. Reserve & Surplus	4	24,09,88,330	20,60,38,915
		34,33,69,580	30,84,20,165
2. Non-Current Liabilities			
a. Other Long Term Liabilities	5	1,38,565	3,83,819
		1,38,565	3,83,819
3. Current Liabilities			
a. Short Term Borrowings	6	98,82,878	29,53,148
b. Trade Payables	7	4,42,23,626	4,98,61,882
c. Other Current Liabilities	8	54,03,368	25,50,210
d. Short Term Provisions	9	1,74,44,841	1,04,25,000
		7,69,54,713	6,57,90,240
	Total	42,04,62,858	37,45,94,224
II). ASSETS			
1. Non-Current Assets			
a. Property, Plant & Equipment	10	1,40,86,647	1,13,21,073
b. Non-Current Investments	11	3,54,58,376	3,77,70,532
c. Deferred Tax Asset	12	7,92,802	14,04,847
d. Long Term Loans and Advances	13	6,87,589	9,57,479
e. Other Non Current Assets	14	1,00,00,000	-
		6,10,25,414	5,14,53,931
2. Current Assets			
a. Inventories	15	2,02,93,225	2,10,88,516
b. Trade Receivables	16	19,20,54,992	19,83,19,494
c. Cash and Cash Equivalents	17	9,99,02,048	2,92,87,440
d. Short Term Loans and Advances	18	4,53,91,961	7,18,16,235
e. Other Current Assets	19	17,95,218	26,28,608
		35,94,37,444	32,31,40,293
	Total	42,04,62,858	37,45,94,224

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

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

For R B ROY & CO.

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

(CA. N. Krishnan)

Partner

Membership No.062381

Sd/-

(Sanjay Goenka)

(Chairman and Managing Director)

(DIN : 00848190)

Sd/-

(Nilima Goenka)

(Whole-Time Director)

(DIN : 00848225)

Kolkata

June 26, 2021

Sd/-

(Kashinath Dey)

(Chief Financial Officer)

Sd/-

(Jaya Bajpai)

(Company Secretary)

Statement of Profit And Loss for the Year ended 31st March, 2021

(Amount in ₹)

	Notes	Current Year 2020-2021	Previous Year 2019-2020
I). INCOME			
Revenue from Operations	20	44,38,66,079	44,27,87,983
Other Income	21	1,94,21,397	97,37,257
Total Income		46,32,87,476	45,25,25,240
II). EXPENDITURE			
Cost of Materials Consumed	22	23,18,85,545	27,28,74,923
Purchase of Stock-in-Trade		10,49,08,355	6,13,03,141
Change in Inventories of Finished Goods, Stock in-Process and Stock-in-Trade	23	70,830	10,18,858
Employee Benefits Expense	24	2,94,55,870	3,32,79,651
Finance Costs	25	1,47,299	31,414
Depreciation and Amortisation Expense		18,48,521	14,01,385
Other Expenses	26	3,31,76,632	4,07,83,449
Total Expenses		40,14,93,052	41,06,92,821
Profit Before Tax		6,17,94,424	4,18,32,419
Tax Expenses			
Current Tax		(1,72,30,000)	(1,04,25,000)
Deferred Tax		(6,12,045)	(7,21,727)
Short Provision for Tax Adjustments in respect of Earlier Years (Net)		2,11,348	(44,568)
Total Tax Expenses		(1,76,30,697)	(1,11,91,295)
Profit After Tax		4,41,63,727	3,06,41,124
Earnings per equity share of face value of ₹10/= each			
- Basic & Diluted (in ₹)		4.31	2.99
The number of shares used in computing Earnings per share			
- Basic & Diluted	28	1,02,38,125	1,02,38,125

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

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

For R B ROY & CO.

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

(CA. N. Krishnan)

Partner

Membership No.062381

Kolkata

June 26, 2021

Sd/-

(Sanjay Goenka)

(Chairman and Managing Director)

(DIN : 00848190)

Sd/-

(Kashinath Dey)

(Chief Financial Officer)

Sd/-

(Nilima Goenka)

(Whole-Time Director)

(DIN : 00848225)

Sd/-

(Jaya Bajpai)

(Company Secretary)

Cash Flow Statement for the Year ended 31st March, 2021

(Amount in ₹)

	Current Year 2020 - 2021		Previous Year 2019 - 2020	
A. Cash flow from operating activities :				
Profit / (Loss) before tax		6,17,94,424		4,18,32,419
Adjustments for :				
Depreciation	18,48,521		14,01,385	
Interest Income	(92,79,739)		(68,15,209)	
Dividend Income	(1,00,050)		(2,15,376)	
Loss/(Profit) on Sale of Investments	6,26,933		10,24,218	
Profit on Sale of Fixed Assets	-		(4,25,320)	
Gratuity (Adjusted with reserves & Gratuity Premium paid)	2,14,841		(50,000)	
Financial Charges	1,47,299	(65,42,195)	31,413	(50,48,889)
Operating profit before working capital changes		5,52,52,229		3,67,83,530
Adjustments for changes in working capital :				
(Increase)/Decrease in Trade Receivables	62,07,509		(42,39,550)	
(Increase)/Decrease in Inventories	7,95,291		60,14,624	
(Increase)/Decrease in Long Term Loans & Advances	2,69,889		30,36,586	
(Increase)/Decrease in Short Term Loans & Advances	3,11,87,350		(1,88,01,187)	
(Increase)/Decrease in Other Non-Current Assets	(1,00,00,000)		-	
Increase/(Decrease) in Trade Payables	(56,38,255)		81,50,090	
Increase/(Decrease) in Other Current Liabilities	28,53,158		(21,80,838)	
Net changes in working capital		2,56,74,942		(80,20,275)
Cash generated from operations		8,09,27,171		2,87,63,255
Taxes (Payment)/Refund	(1,42,20,154)	(1,42,20,154)	(1,01,19,730)	(1,01,19,730)
Net cash used (in)/from operating activities		6,67,07,017		1,86,43,525
B. Cash flow from Investing activities :				
Additions to fixed assets (Nett)	(46,14,095)		(22,51,177)	
(Increase)/Decrease in Non Current Investments	16,85,223		19,56,113	
Dividend Received	92,547		2,15,377	
Interest Received	94,21,053		49,45,133	
Net cash used in/from investing activities		65,84,728		48,65,446

Cash Flow Statement for the Year ended 31st March, 2021

(Amount in ₹)

	Current Year 2020 - 2021		Previous Year 2019 - 2020	
C. Cash flow from Financing activities :				
Interest & Financial Charges	(1,47,299)		(31,414)	
Dividend Paid to Shareholders (Including DDT)	(92,14,313)		(74,18,187)	
Proceeds from Long Term Borrowings/Liabilities	(2,45,254)		(3,16,566)	
Proceeds from Short Term Borrowings	69,29,729		15,67,452	
Net cash used in/from financing activities		(26,77,137)		(61,98,715)
Net Increase/(Decrease) in Cash & Cash Equivalents		7,06,14,608		1,73,10,256
Cash and Cash Equivalents at the beginning of the year		2,92,87,440		1,19,77,184
Cash and Cash Equivalents at the end of the year		9,99,02,048		2,92,87,440

Note : i) The above Cash Flow has been prepared under "Indirect Method" as set out in Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

ii) This is the Cash Flow Statement referred to, in our report of even date.

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

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

For **R B ROY & CO.**

Chartered Accountants
ICAI Firm Regn. No.322805E

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

Kolkata
June 26, 2021

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

Sd/-
(Kashinath Dey)
(Chief Financial Officer)

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

Sd/-
(Jaya Bajpai)
(Company Secretary)

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 1 - Corporate Information

Hindcon Chemicals Limited (the "Company") is a public limited company incorporated in India on 25.08.1998 vide CIN No. L24117WB1998PLC087800. The share of the Company is listed on the SME Platform of 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.

Note: 2 - Significant Accounting Policies

(A) Basis of preparation of Financial Statements

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

(B) Use of Estimates

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

(C) Property, Plant & Equipment

(i) Recognition and Measurement

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

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

In case of self constructed assets, cost includes the cost of all materials used in construction, direct labour, allocation of directly attributable overheads and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether

the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self constructed asset.

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

(ii) Subsequent Expenditure

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

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

(iii) Depreciation and Amortisation

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

(iv) Disposal of Assets

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

(v) Capital work-in-progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

Notes on Financial Statements for the Year ended 31st March, 2021

(D) Impairment of Assets

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

(E) Investments

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

(F) Inventories

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

(G) Foreign Currency Transactions

- (i) Initial Recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency as at the date of the transaction.
- (ii) Conversion: Foreign currency monetary items are reported using the closing rate. Non-monetary items which are

carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

- (iii) Exchange Differences: Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the period in which they arise.

(H) Revenue Recognition

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

(I) Employee Benefits

(i) Short Term Benefits

Short Term employee benefit obligations are measured on an undiscounted basis and are charged to statement of Profit & Loss as and when the related services are provided. Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employee render the related services are recognised in respect of employee services upto the end of the reporting period.

(ii) Post Employment Benefits

The Company operates the following post employment schemes:

a) Defined Contribution Plans

Contributions are made to Provident Fund and Employees State Insurance as per the provisions

Notes on Financial Statements for the Year ended 31st March, 2021

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

b) Defined Benefit Plans

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

The Liability recognised for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustment for unrecognised actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

The benefits are discounted using the rate of interest of Government Securities at the end of the reporting period that have terms approximating to the terms of related obligation.

Re-measurement of the net defined benefit obligation, which comprise actuarial gains and losses, return on plan assets (excluding interest) and the effect of the asset ceiling, are recognised in the Statement of Profit and Loss.

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

(J) Borrowing Costs

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

(K) Taxation

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

(L) Provisions, Contingent Liabilities and Contingent Assets

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

(M) Leases

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

Notes on Financial Statements for the Year ended 31st March, 2021

(ii) Company as a Lessee

Finance Lease: Finance leases, which effectively transfer to the lessee substantially all the risks and rewards incidental to ownership of the leased item are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as lease assets. Lease payments under such leases are apportioned between the finance charges and reduction of the leased liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating Lease: Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified Lease rental are charged to the statement of Profit and Loss on straight line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary cost.

(N) Research & Development Expenses

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

(O) Government Grants

- (i) Grants and subsidies from the government are recognized when there is reasonable assurance that the company will comply with the conditions attached to them, and the grant/subsidy will be received.
- (ii) When the grant or subsidy relates to revenue, it is recognized as income on systematic basis in the statement

of profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant or subsidy relate to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

(P) Segment Reporting

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

(Q) Earning Per Share

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

(R) Corporate Social Responsibility

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

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 3 - Share Capital

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
3.1 Authorised Share Capital		
1,10,00,000 Equity Shares of ₹10/= each	11,00,00,000	11,00,00,000
Issued, Subscribed & Paid Up Share Capital		
1,02,38,125 Equity Shares of ₹10/= each	10,23,81,250	10,23,81,250

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the Year	1,02,38,125	10,23,81,250	1,02,38,125	10,23,81,250
Movement during the year	-	-	-	-
Equity Shares at the end of the Year	1,02,38,125	10,23,81,250	1,02,38,125	10,23,81,250

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

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

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

	As at 31st March, 2021	As at 31st March, 2020
	No of Shares	No of Shares
Equity Shares allotted as fully paid bonus shares **	59,82,500	59,82,500
Equity Shares allotted as fully paid for consideration other than cash	-	-
Equity Shares bought back	-	-

** The Company has issued 59,82,500 Bonus Shares on 08/08/2017 in the ratio 4:1.

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

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No of Shares	% Held	No of Shares	% Held
Hindcon Solutions Pvt Ltd	25,66,100	25.06	25,66,100	25.06
Sanjay Goenka	18,78,500	18.35	16,62,500	16.24
Nilima Goenka	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

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

3.6 The Company does not have any holding company or ultimate holding Company.

3.7 No shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

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

3.9 No calls are unpaid by any Director and officer of the Company during the year.

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 4 - Reserve & Surplus

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
4.1 Securities Premium Account		
Balance as at the beginning of the year	6,35,02,374	6,35,02,374
Balance at the end of the year	6,35,02,374	6,35,02,374
4.2 Surplus i.e Balance in the Statement of Profit and Loss		
Balance as per last Balance Sheet	14,25,36,541	11,93,63,603
<u>Add:</u> Profit/Loss (-) during the year	4,41,63,727	3,06,41,125
<u>Less:</u> Appropriations		
Adjustment relating to Gratuity	-	(50,000)
Adjustment relating to Dividend Payment	(92,14,312)	(61,42,875)
Adjustment relating to Dividend Distribution Tax	-	(12,75,312)
Net surplus in the Statement of Profit and Loss	17,74,85,956	14,25,36,541
Total	24,09,88,330	20,60,38,915

Note: 5 - Other Long Term Liabilities

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
(Unsecured, considered good)		
Security Deposits		
- Other than Related Parties	1,38,565	3,83,819
Total	1,38,565	3,83,819

Note: 6 - Short Term Borrowings

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
6.1 Secured		
Cash Credit From Bank	-	29,53,148
Buyer's Credit From Bank	98,82,878	-
Total	98,82,878	29,53,148

6.2 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.

6.3 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 ₹ 98.82 lakhs is repayable on 23.06.2021.
- Rate of Interest on Buyer's Credit from Kotak Mahindra Bank Ltd is 3 months libor plus 1.05%.

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 7 - Trade Payables

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Total Outstanding Dues of Micro and Small Enterprises		
- Creditors for supply of Goods and Services	18,25,959	28,03,452
Total Outstanding Dues of Creditors other than Micro and Small Enterprises		
- Creditors for supply of Goods and Services	4,23,97,667	4,70,58,430
Total	4,42,23,626	4,98,61,882

Note: 8 - Other Current Liabilities

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Unpaid/Unclaimed Dividends (to be credited to Investor	13,320	-
Education and Protection Fund as and when due)		
Statutory Dues	24,83,960	8,24,557
Expenses Payable	28,62,126	6,23,443
Advance From Customers	39,962	4,57,007
Payable to Managerial Personnel	4,000	-
Bank Balances (Cheques Overdrawn)	-	6,45,203
Total	54,03,368	25,50,210

Note: 9 - Short Term Provisions

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Provision for Income Tax	1,72,30,000	1,04,25,000
Provision for Employee Benefits	2,14,841	-
Total	1,74,44,841	1,04,25,000

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 10 - Property, Plant & Equipment

(Amount in ₹)

Sl No.	Description	Gross Block			Depreciation			Net Block		
		As at 01/04/2020	Addition	Deductions/ Adjustments	As at 31/03/2021	For the Year	Deductions/ Adjustments	Upto 31/03/2021	As at 31/03/2021	As at 31/03/2020
	Tangible Assets :									
1.	Freehold Land	44,52,661	-	-	44,52,661	-	-	-	44,52,661	44,52,661
2.	Building	9,21,854	90,502	-	10,12,356	13,784	-	8,13,909	1,98,447	1,21,729
3.	Factory Shed	15,03,875	24,46,690	-	39,50,566	2,29,300	-	10,86,322	28,64,244	6,46,853
4.	Office	18,17,683	-	-	18,17,683	58,570	-	12,44,473	5,73,210	6,31,780
5.	Furniture & Fixtures	1,80,744	4,33,074	-	6,13,818	24,860	-	1,89,070	4,24,748	16,534
6.	Plant & Machinery	66,39,431	11,64,690	-	78,04,121	5,26,088	-	46,74,645	31,29,474	24,90,874
7.	Motor Car	42,67,418	-	-	42,67,418	7,87,679	-	25,38,372	17,29,046	25,16,725
8.	Motor Cycle	1,20,396	-	-	1,20,396	790	-	1,14,396	6,000	6,790
9.	Electrical Installations	6,05,494	66,964	-	6,72,458	21,544	-	5,62,742	1,09,716	64,296
10.	Laboratory Equipments	1,61,929	16,850	-	1,78,778	7,352	-	1,44,242	34,537	25,038
11.	Office Equipments	14,19,523	2,05,212	-	16,24,735	1,14,228	-	12,30,659	3,94,077	3,03,093
12.	Computer & Accessories	3,24,566	1,90,113	-	5,14,679	61,087	-	3,58,833	1,55,846	26,820
13.	Fire Safety Equipments	38,630	-	-	38,630	3,239	-	23,989	14,641	17,880
Total		2,24,54,204	46,14,095	-	2,70,68,299	18,48,521	-	1,29,81,652	1,40,86,647	1,13,21,073
Previous Year		2,25,34,601	29,05,867	(29,86,263)	2,24,54,204	14,01,385	(27,56,893)	1,11,33,131	1,13,21,073	1,00,45,962

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 11 - Non-Current Investments

(Amount in ₹)

Particulars	Face Value	As at 31st March, 2021 (No.)*	As at 31st March, 2020 (No.)*	As at 31st March, 2021 Amount	As at 31st March, 2020 Amount
Other Investments (Valued at Cost unless stated Otherwise)					
<u>Investment in Equity Instruments of Subsidiary Company</u>					
<u>Unquoted :</u>					
Hindcon Solutions Pvt Ltd	10	3,93,500	3,93,500	39,35,000	39,35,000
(Formerly - Padmalaya Vinimay Pvt Ltd)					
<u>Investment in Equity Instruments</u>					
<u>Quoted :</u>					
Aditya Birla Capital Ltd	10	4,500	4,500	6,59,445	6,59,445
Ashapura Minechem Ltd	2	-	4,000	-	2,75,559
CESC Ltd	10	500	-	3,15,409	-
Dollar Industries Ltd	2	47,500	40,000	1,57,43,778	1,51,56,380
Ejecta Marketing Ltd	10	25,000	25,000	2,50,000	2,50,000
Emami Ltd	1	1,000	2,000	3,31,897	6,63,794
Emami Realty Ltd	2	10,000	7,000	12,61,340	11,19,140
Gati Ltd	2	1,000	1,000	68,825	1,07,410
Hero Motocorp Ltd	2	100	-	3,28,297	-
Himadri Speciality Chemicals Ltd	1	8,000	2,000	4,42,858	1,69,456
Hindustan Construction Company Ltd	1	17,000	14,000	1,20,905	1,53,777
Jain Irrigation Systems Ltd	2	4,000	4,000	4,55,604	4,55,603
Jaiprakash Associates Ltd	2	1,50,000	2,00,000	15,61,913	20,82,550
Jaiprakash Power Ventures Ltd	10	25,000	25,000	1,54,050	1,54,050
Jindal Saw Ltd	2	10,000	10,000	8,66,439	8,66,440
JK Paper Ltd	10	-	4,000	-	5,63,800
Lanco Infratech Ltd	1	1,35,000	1,35,000	13,55,200	13,55,200
Mawana Sugars Ltd	1	4,000	2,000	1,50,384	87,721
Mcnally Bharat Engineering Ltd	10	74,410	74,410	51,76,803	51,76,803
Motherson Sumi Systems Ltd	1	1,350	1,350	2,05,104	2,05,104
NOCIL Ltd	10	-	9,000	-	11,25,102
Rupa & Co. Ltd	1	1,200	2,200	3,49,700	7,44,819
Sasta Sundar Ventures Ltd	10	-	6,025	-	7,33,467
United Spirits Ltd	2	500	-	2,81,200	-
Welspun India Ltd	1	-	5,000	-	2,85,687
<u>Investment in Mutual Funds</u>					
<u>Quoted :</u>					
Nippon India Tax Saver (ELSS) - Growth	10	5,709.42	5,709.42	3,00,000	3,00,000
Nippon India Large Cap Fund - Growth	10	32,229.52	32,229.52	11,44,225	11,44,225
Total				3,54,58,376	3,77,70,532
Aggregate Carrying Value of Quoted Investments				3,15,23,376	3,38,35,532
Aggregate Carrying Value of Unquoted Investments				39,35,000	39,35,000
Aggregate Market Value of Quoted Investments				1,90,83,059	95,19,192

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

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 12 - Deferred Tax Asset

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
<u>Fixed Assets</u> : Impact of difference between depreciation as per Income Tax and depreciation charged for the financial reporting	5,45,335	5,19,775
Impact of Deferred Preliminary Expenses	4,15,090	8,30,179
<u>Investments</u> : Impact of difference between value of Investments as per Income Tax and value of Investments as per Books of Accounts	(1,67,623)	54,893
Total	7,92,802	14,04,847

Note: 13 - Long Term Loans & Advances

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
(Unsecured, considered good)		
Security Deposits		
- Other than Related Parties	6,87,589	9,57,479
Total	6,87,589	9,57,479

Note: 14 - Other Non Current Assets

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Fixed Deposit with Banks		
- Term Deposits having remaining maturity of more than 12 months	1,00,00,000	-
Total	1,00,00,000	-

Note: 15 - Inventories

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
<u>As at cost or net realisable value which ever is lower</u>		
Raw Materials	2,02,22,395	2,09,46,856
Work In Progress	70,830	1,41,660
Total	2,02,93,225	2,10,88,516

Note: 16 - Trade Receivables

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
<u>Unsecured, considered good</u>		
Debts outstanding for a period exceeding six months from the date they became due for payment	5,91,05,954	7,10,80,707
Other debts	13,78,59,646	12,72,38,787
<u>Less</u> : Provision for Bad and Doubtful Debts	(49,10,608)	-
Total	19,20,54,992	19,83,19,494

16.1 Outstanding dues receivable from Entities in which Directors of the Company are interested amounts to ₹4,16,45,027.
(Previous Year : ₹2,20,41,852)

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 17 - Cash and Cash Equivalents

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
a) <u>Cash and Cash Equivalents</u>		
Cash on hand	24,206	48,195
Balances with Banks		
- Current Accounts	2,30,803	6,49,000
	2,55,009	6,97,195
b) <u>Other Bank Balances</u>		
- Term Deposits having remaining maturity of more than 3 months but not more than 12 months	3,54,41,177	2,13,60,000
- Term Deposits having remaining maturity of less than 3 months	6,42,05,862	72,30,245
Total	9,99,02,048	2,92,87,440

Note: 18 - Short Term Loans and Advances

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Loan and Advances to Other than Related Parties		
- Unsecured, considered good	1,65,00,000	5,25,00,000
Advances (Recoverable in cash or in kind or for value to be received) :		
Income Tax	1,72,05,850	1,24,42,774
Custom Duty (Advance)	45,973	4,85,551
Goods & Service Tax Credit	17,78,379	4,19,639
Goods & Service Tax (Refundable)	7,29,549	17,05,136
Professional Tax (Excess Paid)	-	5,710
Advance to Employees	6,90,000	47,000
Advance to Suppliers	82,36,499	38,97,797
Excess Payment to Gratuity Fund	-	2,11,680
Pre-paid Expenses	2,04,356	99,739
Provident Fund Subsidy Receivable	1,355	1,209
Total	4,53,91,961	7,18,16,235

Note: 19 - Other Current Assets

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Interest Accrued And Due		
- On Loans	7,35,754	18,88,341
- On Bank's F. D.	10,59,464	7,40,267
Total	17,95,218	26,28,608

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 20 - Revenue From Operations

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Sale of Products	43,47,94,777	42,81,47,557
Sale of Services	34,51,256	95,97,863
<u>Other Operating Revenue</u>		
Freight Received	56,09,909	50,42,563
Duty Drawback	10,137	-
Total	44,38,66,079	44,27,87,983

Note: 21 - Other Income

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Interest On Loans	62,44,416	55,34,035
Interest On Banks' F. D.	30,35,323	12,44,323
Interest On I. T. Refund	-	36,851
Profit On Sale of Fixed Assets	-	4,25,320
Profit On Sale of Long Term Investments in Shares	-	2,43,186
Dividend On Long Term Investments	1,00,050	2,15,377
Insurance Claim Received	32,84,491	1,41,580
Bad Debts/Sundry Balances Recovered	43,56,284	16,60,846
Other Income	1,073	9,249
Applicable Net Gain/Loss on Foreign		
Currency Transactions	23,99,760	2,26,490
Total	1,94,21,397	97,37,257

Note: 22 - Cost of Materials Consumed

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
22.1 Inventory at the beginning of the year	2,09,46,857	2,59,42,622
<u>Add: Purchases (Net of Returns)</u>	<u>23,11,61,083</u>	<u>26,78,79,157</u>
<u>Less: Inventory at the end of the year</u>	<u>2,02,22,395</u>	<u>2,09,46,856</u>
Total	23,18,85,545	27,28,74,923

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 22 - Cost of Materials Consumed

22.2 Details of Raw Material & Component Consumed

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Allum	1,05,41,221	1,00,24,742
Beton SP 011	95,67,786	1,17,05,382
Caustic Soda	1,25,50,515	1,65,79,106
Coal	1,15,92,510	1,25,88,151
Poly Carboxylate	4,24,48,792	5,31,57,850
Polyster Resin	70,50,308	1,13,14,520
Silica Fume	1,23,81,084	99,08,754
Soda Ash	3,34,74,907	4,64,92,186
Sodium Silicate (Liquid)	3,45,71,206	3,65,56,111
Other Raw Materials	5,77,07,216	6,45,48,121
Total	23,18,85,545	27,28,74,923

22.3 Details of Inventory at the end of the year

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Calcium Nitrate	8,76,265	17,587
Hardner Lapox	6,87,120	1,10,500
Poly Carboxylate	27,21,125	68,94,394
Polyster Resin	6,90,625	1,91,840
Resin Lapox	10,54,300	66,034
Silica Fume	9,57,948	7,86,250
Soda Ash	21,97,455	21,58,135
Sodium Gluconate	13,58,874	4,07,343
T.E.A.	8,31,803	14,73,184
Other Raw Materials	88,46,880	88,41,590
Total	2,02,22,395	2,09,46,857

22.4 Details of Purchase of Stock in Trade during the year

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Ink	66,60,000	1,58,30,825
Polyvinyl Chloride Resin	9,31,94,000	4,49,41,875
Others	50,54,355	5,30,441
Total	10,49,08,355	6,13,03,141

Notes on Financial Statements for the Year ended 31st March, 2021

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

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Inventories at the beginning of the year		
Work-in-Progress	1,41,660	11,33,277
Stock-in-Trade (Traded Goods)	-	27,241
Total (A)	1,41,660	11,60,518
Inventories at the end of the year		
Work-in-Progress	70,830	1,41,660
Total (B)	70,830	1,41,660
Total (A-B)	70,830	10,18,858

Note: 24 - Employee Benefits Expense

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Salary, Wages & Bonus	2,74,28,979	3,14,52,521
Contribution to Provident & Other Funds	12,23,752	13,13,306
Provision for Gratuity	7,44,761	4,75,367
Staff Welfare Expenses	58,378	38,457
Total	2,94,55,870	3,32,79,651

Note: 25 - Finance Costs

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Interest Expense		
- On Bank Borrowings	1,606	1,294
- On Buyer's Credit	1,10,042	-
- On Finance Leases	-	30,120
- On Statutory Dues	35,651	-
Total	1,47,299	31,414

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 26 - Other Expenses

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
26.1 Manufacturing Expenses		
Calibration Charges	33,085	29,535
Consumable Stores	67,216	69,012
Clearing & Forwarding Charges	33,93,292	20,61,129
Works Contract Charges	19,36,893	65,01,405
Selling & Distribution Expenses		
Advertisement Expenses	33,903	65,700
Carriage Outward	1,19,76,960	1,20,91,201
Sales Promotion Expenses	4,14,668	4,75,486
Rebates & Discounts	11,22,905	21,37,594
Seminar Expenses	80,490	25,000
Commission	19,782	2,73,095
Establishment Expenses		
Telephone Expenses	1,56,699	1,59,398
Printing & Stationery	1,70,780	3,46,726
Electricity Charges	3,96,399	4,90,327
Tender Expenses	1,500	-
Membership & Subscription	1,65,276	89,443
Contribution for CSR Activities	11,00,772	5,80,112
Directors' Sitting Fees	55,000	36,000
Postage & Telegram	23,648	32,780
Travelling & Conveyance	7,90,269	9,79,945
Computer Consumables	53,660	20,350
Motor Car Expenses	2,79,312	1,99,261
Motor Cycle Expenses	21,110	14,874
Generator Expenses	58,753	52,219
Repairs & Maintenance	2,03,662	1,60,596
Office Maintenance Charges	64,863	59,545
Website Expenses	43,514	11,520
Office Rent	2,87,500	3,00,000
Bank Charges	6,93,335	8,61,539
Security Charges	3,43,870	3,44,709
Insurance Charges	1,73,876	1,58,067
Testing Charges	1,41,450	1,88,100
General Expenses	4,95,515	7,49,107
Registration Charges	3,74,777	2,91,994
Rates & Taxes	6,31,195	9,14,724
Filing Fees	43,674	19,490
Professional Fees	12,89,730	14,38,393
Listing/Registrar Fees	1,24,758	95,956
Loss On Sale of Long Term Investments	6,26,933	12,67,404
Bad Debts	-	68,31,713

Notes on Financial Statements for the Year ended 31st March, 2021

Note: 26 - Other Expenses (Contd..)

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Provision for Bad & Doubtful Debts	49,10,608	-
Internal Audit Fees	1,60,000	1,60,000
Auditors' Remuneration	2,15,000	2,00,000
Total	3,31,76,632	4,07,83,449

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
26.2 Auditors' Remuneration includes :		
a) Audit Fees		
- Statutory & Tax Audit Fees	2,00,000	2,00,000
b) Others		
- Other Matters	15,000	-
Total	2,15,000	2,00,000

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

a) Subsidiaries

M/s Hindcon Solutions Pvt Ltd (Formerly - Padmalaya Vinimay Pvt Ltd)

b) Key Management Personnel

Mr. Sanjay Goenka, Chairman & Managing 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

c) Relatives of Key Management Personnel

Miss Vidisha Goenka

Mr. Rajiv Goenka

Mr. Ravi Goenka

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

M/s Bengal Silicates & Chemicals Pvt Ltd (Formerly - M/s Bengal Traders Pvt Ltd)

M/s Chemico International Pvt Ltd

M/s RG's Fashions Pvt Ltd

M/s Shipra Commercial Pvt Ltd

Notes on Financial Statements for the Year ended 31st March, 2021

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

Nature of Transaction	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/Relatives of Directors have control/significant influence	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Income						
Sales	-	-	-	-	16,74,08,539	12,98,80,387
Expenditure						
Purchases	-	-	-	-	43,97,168	21,88,946
Managerial Remuneration	1,08,25,426	1,31,38,687	-	-	-	-
Salary	-	-	56,035	16,77,774	-	-
Director Sitting Fees	55,000	36,000	-	-	-	-
Rent	2,87,500	3,00,000	-	-	-	-
Labour Welfare Expenses	-	-	-	-	8,711	-

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

Nature of Transaction	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/Relatives of Directors have control/significant influence	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Others						
Investment in Shares of Subsidiary	-	-	-	-	39,35,000	39,35,000
Debtors	-	-	-	-	4,16,45,027	2,20,41,852
Director Remuneration/Salary Payable	-	16,655	-	-	-	-
Director Sitting Fees Payable	4,000	-	-	-	-	-

Notes:

- The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.
- Transactions with related parties have been disclosed for the period of existence of relationship. Previous year transactions with parties that have ceased to be related parties in the current year have been excluded in above details as the relationship did not exist.

28 Provision is made for Income tax liability estimated to arise on the financial results for the year at the current rate of tax in accordance with the provisions of Income Tax Act, 1961. The management of the company has opted for lower rate of Income Tax of 22% (Effective Rate - 25.168%) u/s 115BAA as as announced by the Finance Minister of India through the Taxation (Amendment) Ordinance 2019 on the 20th September, 2019.

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

30 Earnings Per Share (EPS)

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Profit after tax as per Statement of Profit and Loss attributable to equity shareholders	4,41,63,727	3,06,41,124
Weighted average number of Equity Shares of ₹10 each outstanding during the year:		
- Basic & Diluted	1,02,38,125	1,02,38,125
Earnings Per Share (Basic & Diluted)		
- Basic & Diluted	4.31	2.99
Face Value per equity shares	10.00	10.00

Notes on Financial Statements for the Year ended 31st March, 2021

- 31 The outbreak of coronavirus (Covid-19) pandemic globally and in India caused significant disturbance in economic activities. Economy has shown positive trends in the second half of the FY 2020-21 after resumption of business activities in most of the industries particularly after India started its national COVID vaccination programme in January 2021. However, country is witnessing resurgence in COVID cases from start of April, 2021. The Company is periodically reviewing possible impact of COVID-19 on its business and the same are considered in preparation of financial statements for the year ended 31st March, 2021. Review includes internal & external factors as known to the Company up to the date of approval of these financial statements to assess and finalise the carrying amounts of its assets & liabilities.
- 32 Amount due to Micro and Small enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available of the Company. The disclosures relating to micro and small enterprises is as below :

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
(a) Principal amount remaining unpaid to supplier at the end of the year	18,25,959	28,03,452
(b) Interest due thereon remaining unpaid to supplier at the end of the year	-	-
(c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(e) Amount of interest accrued and remaining unpaid at the end of the year	-	-
(f) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

33 Contingent Liabilities & Commitments

(Amount in ₹ lakhs)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
i) <u>Contingent Liabilities</u>		
a) Demands/Claims by various government authorities and others not acknowledged as debts by the Company:		
(i) Income Tax Matters	21.56	27.43

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

(i) Defined Contribution Plan

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

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Contribution to Employees Provident Fund	2,44,008	2,85,656

Notes on Financial Statements for the Year ended 31st March, 2021

(ii) Post Employment Defined Benefit Plan - Gratuity

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

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

a) Statement of Profit and Loss

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Net employee benefit expense recognised in the employee cost		
Current service cost	4,27,734	3,37,194
Interest cost	1,89,347	1,64,614
Expected Return on plan asset	(2,04,164)	(1,90,451)
Net Actuarial Loss/(Gain) recognised in the year	3,31,844	1,64,010
Net Benefit Expense	7,44,761	4,75,367

b) Balance Sheet

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Benefit Asset / Liability		
Present Value of funded obligations at the end of the period	36,27,490	27,04,954
Fair Value of Plan assets at the end of the period	(34,12,649)	(29,16,634)
Net (Asset)/Liability recognised in the Balance Sheet	2,14,841	(2,11,680)

c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof ase as follows :

(Amount in ₹)

	2020-21	2019-20
Present Value of defined benefit obligation at the beginning of the year	27,04,954	23,51,624
Employee Service Cost	4,27,734	3,37,194
Interest Cost	1,89,347	1,64,614
Past Service Cost	-	-
Benefits Paid	-	-
Actuarial (Gain)/Loss	3,05,455	(1,48,478)
Present Value of defined benefit obligation at the end of the year	36,27,490	27,04,954

d) Changes in the Fair value of planned assets representing reconciliation of opening and closing balances thereof ase as follows :

(Amount in ₹)

	2020-21	2019-20
Fair Value of Planned Assets at the beginning of the year	29,16,634	27,20,728
Expected Return on Planned Assets	2,04,164	1,90,451
Contribution	3,18,240	3,17,943
Benefits Paid	-	-
Actuarial Gain/(Loss)	(31,113)	(3,12,488)
Present Value of defined benefit obligation at the end of the year	34,07,925	29,16,634

Notes on Financial Statements for the Year ended 31st March, 2021

e) The major categories of plan assets as a percentage of total plan assets are as follows :

(Amount in ₹)

	2020-21	2019-20
Qualifying Insurance Policy	100%	100%

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

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Discount Rate (based on macroeconomic trend)	7.00% p.a	7.75% p.a
Salary Growth Rate	6.00% p.a	6.00% p.a
Mortality Rates	IALM 2012-2014	IALM 2012-2014
Expected rate of return	7.00% p.a	7.00% p.a
Withdrawal rate (Per Annum)	5.00% p.a	5.00% p.a
Normal Retirement Age	58	58
Salary	Last drawn qualifying salary	
Vesting Period	5 Years of Service	
Benefits of Normal Retirement	15/26 * Salary * Past Service (Yrs)	
Benefit on early exit due to death & disability	As above except no vesting condition apply	
Limit	20,00,000	20,00,000

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

g) 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. Reasonable 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 amount shown below:

Variable	Sensitivity Level	Effect on Defined Benefit Obligations			
		31st March, 2021		31st March, 2020	
		Increase	Decrease	Increase	Decrease
Discount Rate	(+)/(-) 1%	33,37,448	39,61,850	24,82,140	29,61,975
Salary Escalation Rate	(+)/(-) 1%	39,61,850	33,32,294	29,61,975	24,78,208
Attrition Rate	(+)/(-) 1%	36,43,115	36,09,402	27,16,106	26,91,936

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

Notes on Financial Statements for the Year ended 31st March, 2021

35 Loans were given during the year by the Company to the following entities to be used in their ordinary course of business :

	Name of the Company	Principal Outstanding As On 31.03.2021	Interest Rate	Repayment Terms
i)	M/s ANS Developers Pvt Ltd	-	12%	-
ii)	M/s Crickxon Trade & Exports Pvt Ltd	-	12%	-
iii)	M/s Manabarrie Tea Company Ltd	-	14%	-
iv)	M/s Nandini Steels & Securities Pvt Ltd	10,00,000	15%	Repayable on demand
v)	M/s Raja Shelters Pvt Ltd	-	12%	-
vi)	M/s RGG Vyapaar Pvt Ltd	-	12%	-
vii)	M/s RREPL KIPL JV	-	14%	-
viii)	M/s Shiv Kumar Dudhwewala	50,00,000	12%	Repayable on demand
ix)	M/s Tyre Arcade	1,05,00,000	12%	Repayable on demand

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

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

(i) Segment Revenue

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Sales within India	34,98,25,884	32,14,67,205
South East Asia (Sales Outside India) ***	8,49,68,894	10,66,80,352
Total	43,47,94,778	42,81,47,557

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

(ii) Total Carrying amount of segment assets

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Carrying value of assets Within India	1,40,86,647	1,13,21,073
Carrying value of assets in South East Asia (Outside India)	-	-

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

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Carrying cost incurred to acquire assets Within India	46,14,095	29,05,867
Carrying cost incurred to acquire assets in South East Asia (Outside India)	-	-

Notes on Financial Statements for the Year ended 31st March, 2021

38 a) Value of Direct Imports (C. I. F. Value) :-

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Raw Materials	13,35,36,067	10,13,98,328

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

(Amount in ₹)

	(Amount in ₹)		Percentage	
	Year ended 31-Mar-2021	Year ended 31-Mar-2020	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Raw Materials:				
Indigenous obtained	10,94,91,826	17,14,76,595	47.22	62.84
Directly Imported	12,23,93,719	10,13,98,328	52.78	37.16
	23,18,85,545	27,28,74,923	100.00	100.00

c) Earnings in Foreign Exchange :-

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Export of Finished Goods	34,51,677	3,61,380

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

- (a) Gross amount required to be spent by the company during the year : ₹8.77 lakhs (Previous Year: ₹8.03 lakhs)
- (b) Amount spent during the year on:

Particulars	Amount Paid	Amount yet to be paid **	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On Purposes other than (i) above	8,77,811	-	8,77,811

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

**The unspent amount, i.e. ₹2,22,961/=-, which were required to be spent during FY 2019-20 have also been spent till 31st March, 2021 by liquidating the fixed deposit with bank made for the said specific purpose during the FY 2019-20.

Notes on Financial Statements for the Year ended 31st March, 2021

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

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

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

For **R B ROY & CO.**

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

(**CA. N. Krishnan**)

Partner

Membership No.062381

Kolkata

June 26, 2021

Sd/-

(**Sanjay Goenka**)

(Chairman and Managing Director)

(DIN : 00848190)

Sd/-

(**Kashinath Dey**)

(Chief Financial Officer)

Sd/-

(**Nilima Goenka**)

(Whole-Time Director)

(DIN : 00848225)

Sd/-

(**Jaya Bajpai**)

(Company Secretary)

Independent Auditors' Report

TO THE MEMBERS OF
HINDCON CHEMICALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Hindcon Chemicals Limited** (herein after referred to as "the Holding Company") and its subsidiary (Holding company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at **31st March, 2021**, the Consolidated Statement of Profit and Loss and Consolidated statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We invite attention to Note 32 of the Standalone Financial Statements as regards the Management's evaluation of uncertainties related to COVID-19, a global pandemic and its consequential effects on the carrying value of the assets as at 31st March, 2021 and operations of the Company.

Our opinion is not qualified in respect of above matter.

Key Audit Matters

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

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

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

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

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

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

Responsibility of Management for Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirement of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standards specified

under section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of

the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated on our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Financial Statements also include the Group's share of Net Profit of ₹10,57,979.81 in respect of 1 (one) subsidiary for the year ended 31st March, 2021, as considered in the Consolidated Financial Statements, whose Financial Statements have not been audited by us. The Financial Statements of other subsidiary is audited by other auditors whose reports have been furnished to us by the Management. In our opinion and according to the information and explanations given to us by the Management, these financial statements are material to the group.

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

Report on Other Legal and Regulatory Requirements

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

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021, taken on record by the Board of Directors of the Holding Company, none of the directors of the Group Companies are is disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There were no pending litigations which would impact the consolidated financial position of the Group, subject to note 34 of the Consolidated Financial Statements.
 - (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

Kolkata
June 26, 2021.

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

Sd/-
(CA. N. Krishnan)
Partner

Membership No.062381
UDIN: 21062381AAAACS9092

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, 2021**, 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, 2021, based on the internal controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statement. Those Standards

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to consolidated financial statement

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

Inherent Limitations of Internal Financial Controls 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
June 26, 2021.

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

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

Consolidated Balance Sheet

as at 31st March, 2021

(Amount in ₹)

	Notes	As at 31st March, 2021	As at 31st March, 2020
I). EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	3	7,67,20,250	7,67,20,250
b. Reserve & Surplus	4	28,49,98,735	24,66,81,851
		36,17,18,985	32,34,02,101
2. Minority Interest			
		27,99,798	23,88,255
3. Non-Current Liabilities			
a. Other Long Term Liabilities	5	1,38,565	3,83,819
b. Deferred Tax Liabilities	6	28,11,676	28,97,897
		29,50,241	32,81,716
4. Current Liabilities			
a. Short Term Borrowings	7	98,82,878	29,53,148
b. Trade Payables	8	4,42,23,626	4,98,61,881
c. Other Current Liabilities	9	55,10,500	26,05,670
d. Short Term Provisions	10	1,81,44,841	1,06,75,000
		7,77,61,845	6,60,95,699
	Total	44,52,30,869	39,51,67,771
II). ASSETS			
1. Non-Current Assets			
a. Property, Plant & Equipment	11	1,40,86,647	1,13,21,073
b. Non-Current Investments	12	4,41,83,071	4,47,28,201
c. Deferred Tax Asset	13	7,92,802	14,04,847
d. Long Term Loans and Advances	14	6,87,590	9,57,479
e. Other Non Current Assets	15	1,00,00,000	-
		6,97,50,110	5,84,11,600
2. Current Assets			
a. Inventories	16	2,02,93,225	2,10,88,516
b. Trade Receivables	17	19,20,54,991	19,83,19,494
c. Cash and Cash Equivalents	18	10,31,82,397	3,14,27,118
d. Short Term Loans and Advances	19	5,78,63,933	8,30,44,514
e. Other Current Assets	20	20,86,213	28,76,529
		37,54,80,759	33,67,56,171
	Total	44,52,30,869	39,51,67,771

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

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

For **R B ROY & CO.**

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

(**CA. N. Krishnan**)

Partner

Membership No.062381

Sd/-

(**Sanjay Goenka**)

(Chairman and Managing Director)

(DIN : 00848190)

Sd/-

(**Nilima Goenka**)

(Whole-Time Director)

(DIN : 00848225)

Sd/-

(**Kashinath Dey**)

(Chief Financial Officer)

Sd/-

(**Jaya Bajpai**)

(Company Secretary)

Kolkata

June 26, 2021

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Consolidated Statement of Profit And Loss for the Year ended 31st March, 2021

(Amount in ₹)

	Notes	Current Year 2020-2021	Previous Year 2019-2020
I). INCOME			
Revenue from Operations	21	44,38,66,079	44,27,87,983
Other Income	22	2,12,13,316	1,09,04,340
Total Income		46,50,79,395	45,36,92,323
II). EXPENDITURE			
Cost of Materials Consumed	23	23,18,85,544	27,28,74,923
Purchase of Stock-in-Trade		10,49,08,355	6,13,03,141
Change in Inventories of Finished Goods, Stock in-Process and Stock-in-Trade	24	70,830	10,18,858
Employee Benefits Expense	25	2,96,71,570	3,34,64,651
Finance Costs	26	1,47,299	31,413
Depreciation and Amortisation Expense		18,48,521	14,01,385
Other Expenses	27	3,26,71,638	4,06,56,602
Total Expenses		40,12,03,757	41,07,50,973
Profit Before Tax		6,38,75,638	4,29,41,350
Tax Expenses			
Current Tax		(1,79,30,000)	(1,06,75,000)
Deferred Tax		(5,25,824)	(36,19,623)
Short Provision for Tax Adjustments in respect of Earlier Years (Net)		2,13,436	(44,241)
Total Tax Expenses		(1,82,42,388)	(1,43,38,864)
Profit After Tax		4,56,33,250	2,86,02,486
Share of (Profit)/Loss of Minority Interest		(4,11,543)	(1,74,253)
Profit for the Year		4,52,21,707	2,84,28,233
Earnings per equity share of face value of ₹10 each			
- Basic & Diluted (in ₹)		5.89	3.71
The number of shares used in computing Earnings per share			
- Basic & Diluted	31	76,72,025	76,72,025

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

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

For **R B ROY & CO.**

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

(CA. N. Krishnan)

Partner

Membership No.062381

Kolkata

June 26, 2021

Sd/-

(Sanjay Goenka)

(Chairman and Managing Director)

(DIN : 00848190)

Sd/-

(Kashinath Dey)

(Chief Financial Officer)

Sd/-

(Nilima Goenka)

(Whole-Time Director)

(DIN : 00848225)

Sd/-

(Jaya Bajpai)

(Company Secretary)

Consolidated Cash Flow Statement for the Year ended 31st March, 2021

(Amount in ₹)

	Current Year 2020 - 2021		Previous Year 2019 - 2020	
A. Cash flow from operating activities :				
Profit / (Loss) before tax		6,38,75,638		4,29,41,350
Adjustments for :				
Depreciation	18,48,521		14,01,385	
Interest Income	(1,05,53,953)		(81,71,301)	
Dividend Income	(1,40,119)		(2,67,710)	
Loss/(Profit) on Sale of Investments	(4,77,185)		9,18,913	
Profit on Sale of Fixed Assets	-		(4,25,320)	
Gratuity (Adjusted with reserves & Gratuity Premium paid)	2,14,841		(50,000)	
Financial Charges	1,47,299	(89,60,596)	31,413	(65,62,620)
Operating profit before working capital changes		5,49,15,042		3,63,78,730
Adjustments for changes in working capital :				
(Increase)/Decrease in Trade Receivables	62,07,509		(42,39,550)	
(Increase)/Decrease in Inventories	7,95,291		60,14,624	
(Increase)/Decrease in Long Term Loans & Advances	2,69,889		30,36,586	
(Increase)/Decrease in Short Term Loans & Advances	3,01,86,992		(1,58,01,186)	
(Increase)/Decrease in Other Non-Current Assets	(1,00,00,000)		-	
Increase/(Decrease) in Trade Payables	(56,38,255)		81,50,089	
Increase/(Decrease) in Other Current Liabilities	29,04,831		(21,76,708)	
Net changes in working capital		2,47,26,257		(50,16,145)
Cash generated from operations		7,96,41,299		3,13,62,585
Taxes (Payment)/Refund	(1,44,40,154)	(1,44,40,154)	(1,01,99,179)	(1,01,99,179)
Net cash used (in)/from operating activities		6,52,01,145		2,11,63,406
B. Cash flow from Investing activities :				
Additions to fixed assets (Nett)	(46,14,095)		(22,51,177)	
(Increase)/Decrease in Non Current Investments	10,22,315		(24,87,732)	
Dividend Received	1,29,765		2,67,711	
Interest Received	1,05,57,008		63,09,443	
Net cash used in/from investing activities		70,94,993		18,38,245

Consolidated Cash Flow Statement for the Year ended 31st March, 2021

(Amount in ₹)

	Current Year 2020 - 2021		Previous Year 2019 - 2020	
C. Cash flow from Financing activities :				
Interest & Financial Charges	(1,47,299)		(31,412)	
Dividend Paid to Shareholders (Including DDT)	(70,78,035)		(58,78,528)	
Proceeds from Long Term Borrowings/Liabilities	(2,45,254)		(3,16,566)	
Proceeds from Short Term Borrowings	69,29,729		15,67,452	
Net cash used in/from financing activities		(5,40,859)		(46,59,054)
Net Increase/(Decrease) in Cash & Cash Equivalents		7,17,55,279		1,83,42,596
Cash and Cash Equivalents at the beginning of the year		3,14,27,118		1,30,84,522
Cash and Cash Equivalents at the end of the year		10,31,82,397		3,14,27,118

Note : i) The above Cash Flow has been prepared under "Indirect Method" as set out in Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

ii) This is the Cash Flow Statement referred to, in our report of even date.

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

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

For **R B ROY & CO.**

Chartered Accountants
ICAI Firm Regn. No.322805E

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

Kolkata
June 26, 2021

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

Sd/-
(Kashinath Dey)
(Chief Financial Officer)

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

Sd/-
(Jaya Bajpai)
(Company Secretary)

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 1 - Corporate Information

The consolidated financial statement comprise financial statement of Hindcon Chemicals Limited (the Company) and its subsidiary company M/s Hindcon Solutions Private Limited (Formerly - Padmalaya Vinimay Private Limited (collectively, "the Group") for the year ended 31st March, 2021. The Group is primarily engaged in the business of manufacturing & sale of Sodium Silicate & construction chemicals.

Hindcon Chemicals Limited (the "Company") is a public limited company incorporated in India on 25.08.1998 vide CIN No. L24117WB1998PLC087800. The share of the Company is listed on the SME Platform of the National Stock Exchange of India Ltd. The registered office of the Company is located at 62B, Braunfeld Row, 1st Floor, Kolkata - 700027.

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

Name of the Company	Country of Incorporation	Percentage of holding As at 31.03.2021	Percentage of holding As at 31.03.2020
Hindcon Solutions Pvt Ltd (Formerly - Padmalaya Vinimay Private Limited)	India	97.52%	97.52%

Note: 2 - Significant Accounting Policies

(A) Basis of preparation of Financial Statements

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

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

(B) Principles of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31st March, 2021. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary company are combined on a line by line basis by adding together the book values of like items of assets, liabilities, equity, incomes, expenses and cash flows after fully eliminating intra-group balances and intra-group transactions.
- (ii) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.
- (iii) Offset (eliminate) the carrying amount of parent's investment in subsidiary and the parent's portion of equity of the subsidiary.
- (iv) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit and loss on disposal of investment in subsidiary.
- (v) The difference between the cost of investment in the subsidiary, over the net asset at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- (vi) Non-Controlling Interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Group.
- (vii) Non-Controlling Interest's share of assets of the consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- (viii) There is no Associate Company during the financial year ended 31.03.2021.
- (ix) There is no Joint Venture during the financial year ended 31.03.2021.
- (x) There is no foreign subsidiary during the financial year ended 31.03.2021.

(C) Other Significant accounting policies

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

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 3 - Share Capital

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
3.1 Authorised Share Capital		
1,10,00,000 Equity Shares of ₹10/= each	11,00,00,000	11,00,00,000
Issued, Subscribed & Paid Up Share Capital		
76,72,025 Equity Shares of ₹10/= each	7,67,20,250	7,67,20,250

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the Year	76,72,025	7,67,20,250	76,72,025	7,67,20,250
Movement during the year	-	-	-	-
Equity Shares at the end of the Year	76,72,025	7,67,20,250	76,72,025	7,67,20,250

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

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

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

	As at 31st March, 2021	As at 31st March, 2020
	No of Shares	No of Shares
Equity Shares allotted as fully paid bonus shares **	34,16,400	34,16,400
Equity Shares allotted as fully paid for consideration other than cash	-	-
Equity Shares bought back	-	-

** The Company has issued 59,82,500 Bonus Shares on 08/08/2017 in the ratio 4:1.

Note: 4 - Reserve & Surplus

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
4.1 Securities Premium Account		
Balance as at the beginning of the year	6,35,02,374	6,35,02,374
Balance at the end of the year	6,35,02,374	6,35,02,374
4.2 Capital Reserve On Consolidation	3,80,64,058	3,80,64,058
4.3 General Reserve	66,98,722	66,98,722
4.4 Surplus i.e Balance in the Statement of Profit and Loss		
Balance as per last Balance Sheet	13,84,16,697	11,59,16,991
<u>Add:</u> Profit/Loss (-) during the year	4,52,21,707	2,84,28,233
<u>Less:</u> Appropriations		
Adjustment relating to Gratuity	-	(50,000)
Adjustment relating to Dividend Payment	(69,04,823)	(46,03,215)
Adjustment relating to Dividend Distribution Tax	-	(12,75,312)
Net surplus in the Statement of Profit and Loss	17,67,33,581	13,84,16,697
Total	28,49,98,735	24,66,81,851

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 5 - Other Long Term Liabilities

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
(Unsecured, considered good)		
Security Deposits		
- Other than Related Parties	1,38,565	3,83,819
Total	1,38,565	3,83,819

Note: 6 - Deferred Tax Liabilities

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liabilities		
<u>Investments</u> : Impact of difference between value of Investments as per		
Income Tax and value of Investments as per Books of Accounts	28,11,676	28,97,897
Total	28,11,676	28,97,897

Note: 7 - Short Term Borrowings

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
7.1 Secured		
Cash Credit From Bank	0	29,53,148
Buyer's Credit From Bank	98,82,878	0
Total	98,82,878	29,53,148

7.2 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.

7.3 Repayment Terms of Loans outstanding as on 31st March, 2021

- Buyer's Credit from Kotak Mahindra Bank Ltd amounting to ₹98.82 lakhs is repayable on 23.06.2021.
- Rate of Interest on Buyer's Credit from Kotak Mahindra Bank Ltd is 3 months libor plus 1.05%.

Note: 8 - Trade Payables

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Total Outstanding Dues of Micro and Small Enterprises		
- Creditors for supply of Goods and Services	18,25,959	28,03,452
Total Outstanding Dues of Creditors other than Micro and Small Enterprises		
- Creditors for supply of Goods and Services	4,23,97,667	4,70,58,429
Total	4,42,23,626	4,98,61,881

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 9 - Other Current Liabilities

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Unpaid/Unclaimed Dividends (to be credited to Investor)	13,320	-
Education and Protection Fund as and when due)		
Statutory Dues	24,89,236	8,29,257
Expenses Payable	29,63,982	6,74,203
Advance From Customers	39,962	4,57,007
Payable to Managerial Personnel	4,000	-
Bank Balances (Cheques Overdrawn)	-	6,45,203
Total	55,10,500	26,05,670

Note: 10 - Short Term Provisions

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Provision for Income Tax	1,79,30,000	1,06,75,000
Provision for Employee Benefits	2,14,841	-
Total	1,81,44,841	1,06,75,000

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 11 - Property, Plant & Equipment

(Amount in ₹)

Sl No.	Description	Gross Block		Depreciation		Net Block				
		As at 01/04/2020	Addition	Deductions/ Adjustments	As at 31/03/2021	For the Year	Deductions/ Adjustments	Upto 31/03/2021	As at 31/03/2021	As at 31/03/2020
Tangible Assets:										
1.	Freehold Land	44,52,661	-	-	44,52,661	-	-	-	44,52,661	44,52,661
2.	Building	9,21,854	90,502	8,00,125	10,12,356	13,784	8,13,909	1,98,447	1,21,729	1,21,729
3.	Factory Shed	15,03,875	24,46,690	8,57,022	39,50,566	2,29,300	10,86,322	28,64,244	6,46,853	6,46,853
4.	Office	18,17,683	-	11,85,903	18,17,683	58,570	12,44,473	5,73,210	6,31,780	6,31,780
5.	Furniture & Fixtures	1,80,744	4,33,074	1,64,210	6,13,818	24,860	1,89,070	4,24,748	16,534	16,534
6.	Plant & Machinery	66,39,431	11,64,690	41,48,557	78,04,121	5,26,088	46,74,645	31,29,475	24,90,874	24,90,874
7.	Motor Car	42,67,418	-	17,50,693	42,67,418	7,87,679	25,38,372	17,29,046	25,16,725	25,16,725
8.	Motor Cycle	1,20,396	-	1,13,606	1,20,396	790	1,14,396	6,000	6,790	6,790
9.	Electrical Installations	6,05,494	66,964	5,41,198	6,72,458	21,544	5,62,742	1,09,716	64,296	64,296
10.	Laboratory Equipments	1,61,929	16,850	1,36,890	1,78,778	7,352	1,44,242	34,536	25,038	25,038
11.	Office Equipments	14,19,523	2,05,212	11,16,431	16,24,735	1,14,228	12,30,659	3,94,077	3,03,093	3,03,093
12.	Computer & Accessories	3,24,566	1,90,113	2,97,746	5,14,679	61,087	3,58,833	1,55,846	26,820	26,820
13.	Fire Safety Equipments	38,630	-	20,750	38,630	3,239	23,989	14,641	17,880	17,880
Total		2,24,54,204	46,14,095	1,11,33,131	2,70,68,299	18,48,521	1,29,81,652	1,40,86,647	1,13,21,073	1,13,21,073
Previous Year		2,25,34,601	29,05,867	(29,86,263)	2,24,54,204	14,01,385	1,11,33,131	1,13,21,073	1,00,45,962	1,00,45,962

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 12 - Non-Current Investments

(Amount in ₹)

Particulars	Face Value	As at 31st March, 2021 (No.)*	As at 31st March, 2020 (No.)*	As at 31st March, 2021 Amount	As at 31st March, 2020 Amount
Other Investments (Valued at Cost unless stated Otherwise)					
<u>Investment in Equity Instruments :</u>					
<u>Quoted</u>					
Aditya Birla Capital Ltd	10	10,000	13,500	13,19,224	17,71,854
Apar Industries Ltd	10	-	2,772	-	11,51,226
Ashapura Minechem Ltd	2	-	12,000	-	8,02,327
Balaji Telefilms Ltd	2	1,000	-	60,060	-
Balmer Lawrie Investments Ltd	10	200	-	80,380	-
Bharat Petroleum Corporation Ltd	10	1,000	-	4,24,800	-
Caplin Point Laboratories Ltd	2	500	-	2,43,995	-
Castrol India Ltd	5	1,000	-	1,31,514	-
CESC Ltd	10	1,000	-	6,26,469	-
Crompton Greaves Consumer Electrical Ltd	2	500	-	2,02,675	-
Deepak Fertilisers & Petrochemical Corp Ltd	10	-	2,000	-	1,99,990
Dollar Industries Ltd	2	47,500	40,000	1,57,43,778	1,51,56,380
Ejecta Marketing Ltd	10	25,000	25,000	2,50,000	2,50,000
Emami Ltd	1	1,000	2,000	3,31,897	6,63,794
Emami Realty Ltd	2	15,700	10,700	18,46,761	16,09,761
Gammon Infrastructure Projects Ltd	2	10,000	-	9,600	-
Gati Ltd	2	1,000	1,000	68,825	1,07,410
GTL Infrastructure Ltd	10	1,00,000	1,00,000	7,06,000	7,06,000
HDFC Bank Ltd	1	100	150	89,257	1,33,886
Hero Motocorp Ltd	2	100	-	3,28,297	-
Himachal Futuristic Communications Ltd	1	5,000	-	1,41,075	-
Himadri Speciality Chemicals Ltd	1	14,000	3,000	7,91,336	2,85,895
Hindustan Construction Company Ltd	1	23,000	14,000	1,54,865	1,53,776
Isgec Heavy Engineering Ltd	1	-	1,000	-	3,99,520
Jain Irrigation Systems Ltd	2	4,000	4,000	4,55,603	4,55,603
Jaiprakash Associates Ltd	2	1,50,000	2,00,000	15,61,913	20,82,550
Jaiprakash Power Ventures Ltd	10	25,000	25,000	1,54,050	1,54,050
Jindal Saw Ltd	2	10,000	10,000	8,66,439	8,66,439
JK Paper Ltd	10	-	4,000	-	5,63,800
JSW Energy Ltd	10	-	5,000	-	3,41,515
Lanco Infratech Ltd	1	1,35,000	1,35,000	13,55,200	13,55,200
LIC Housing Finance Ltd	2	500	-	2,37,010	-
Lincoln Pharmaceuticals Ltd	10	500	-	1,17,356	-
Lux Industries Ltd	2	200	-	3,24,853	-
Man Industries (India) Ltd	5	2,500	-	2,12,665	-
Maruti Suzuki India Ltd	5	50	-	3,91,891	-
Mawana Sugars Ltd	1	4,000	2,000	1,50,384	87,721

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 12 - Non-Current Investments (Contd.)

(Amount in ₹)

Particulars	Face Value	As at 31st March, 2021 (No.)*	As at 31st March, 2020 (No.)*	As at 31st March, 2021 Amount	As at 31st March, 2020 Amount
McNally Bharat Engineering Ltd	10	74,410	74,410	51,76,803	51,76,803
Minda Corporation Ltd	2	9,500	6,500	10,14,734	9,81,206
Motherson Sumi Systems Ltd	1	1,350	1,350	2,05,104	2,05,104
NOCIL Ltd	10	-	9,000	-	11,25,102
Punjab National Bank Ltd	2	10,000	-	4,22,950	-
Rain Industries Ltd	2	-	4,000	-	4,29,082
Rupa & Co. Ltd	1	1,200	2,200	3,49,700	7,44,819
Sasta Sundar Ventures Ltd	10	-	6,025	-	7,33,467
Sintex Plastics Technology Ltd	1	5,000	5,000	2,52,450	2,52,450
Star Cement Ltd	1	2,000	2,000	1,71,936	2,05,754
Sterling & Wilson Solar Ltd	1	500	-	1,18,020	-
Technocraft Industries (India) Ltd	10	1,000	-	4,10,106	-
The Indian Hume Pipe Company Ltd	2	12,000	9,000	39,53,119	31,39,735
U. Y. Fincorp Ltd	5	60,000	60,000	3,75,663	3,75,663
UCO Bank Ltd	10	10,000	-	1,35,850	-
United Spirits Ltd	2	500	-	2,81,200	-
Universal Cables Ltd	10	2,000	2,000	2,99,540	3,30,407
Vishal Fabrics Ltd	5	775	-	1,08,149	-
Welspun India Ltd	1	-	5,000	-	2,85,687
Yes Bank Ltd	2	5,000	-	85,350	-
<u>Investment in Mutual Funds</u>					
<u>Quoted :</u>					
Nippon India Tax Saver (ELSS) - Growth	10	5,709.42	5,709.42	3,00,000	3,00,000
Nippon India Large Cap Fund - Growth	10	32,229.52	32,229.52	11,44,225	11,44,225
Total				4,41,83,071	4,47,28,201
Aggregate Carrying Value of Quoted Investments				4,41,83,071	4,47,28,201
Aggregate Market Value of Quoted Investments				2,74,15,523	1,38,23,060

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

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 13 - Deferred Tax Asset

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
<u>Fixed Assets</u> : Impact of difference between depreciation as per Income Tax and depreciation charged for the financial reporting	5,45,335	5,19,775
Impact of Deferred Preliminary Expenses	4,15,090	8,30,179
<u>Investments</u> : Impact of difference between value of Investments as per Income Tax and value of Investments as per Books of Accounts	(1,67,623)	54,893
Total	7,92,802	14,04,847

Note: 14 - Long Term Loans & Advances

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
(Unsecured, considered good)		
Security Deposits		
- Other than Related Parties	6,87,590	9,57,479
Total	6,87,590	9,57,479

Note: 15 - Other Non Current Assets

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Fixed Deposit with Banks		
- Term Deposits having remaining maturity of more than 12 months	1,00,00,000	-
Total	1,00,00,000	-

Note: 16 - Inventories

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
<u>As at cost or net realisable value which ever is lower</u>		
Raw Materials	2,02,22,395	2,09,46,856
Work In Progress	70,830	1,41,660
Total	2,02,93,225	2,10,88,516

Note: 17 - Trade Receivables

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
<u>Unsecured, considered good</u>		
Debts outstanding for a period exceeding six months from the date they became due for payment	5,91,05,953	7,10,80,707
Other debts	13,78,59,646	12,72,38,787
<u>Less</u> : Provision for Bad and Doubtful Debts	(49,10,608)	-
Total	19,20,54,991	19,83,19,494

17.1 Outstanding dues receivable from Entities in which Directors of the Company are interested amounts to ₹4,16,45,027.

(Previous Year : ₹2,20,41,852)

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 18 - Cash and Cash Equivalents

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
a) <u>Cash and Cash Equivalents</u>		
Cash on hand	1,58,396	2,10,935
Balances with Banks		
- Current Accounts	5,16,961	8,55,938
	6,75,357	10,66,873
b) <u>Other Bank Balances</u>		
- Term Deposits having remaining maturity of more than 3 months but not more than 12 months	3,83,01,177	2,21,60,000
- Term Deposits having remaining maturity of less than 3 months	6,42,05,863	82,00,245
Total	10,31,82,397	3,14,27,118

Note: 19 - Short Term Loans and Advances

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Loan and Advances to Other than Related Parties		
- Unsecured, considered good	2,73,00,000	6,23,00,000
Advances (Recoverable in cash or in kind or for value to be received) :		
Income Tax	1,77,89,437	1,27,03,383
MAT Credit Entitlement	10,88,028	11,67,670
Custom Duty (Advance)	45,973	4,85,551
Goods & Service Tax Credit	17,78,378	4,19,639
Goods & Service Tax (Refundable)	7,29,549	17,05,136
Professional Tax (Excess Paid)	-	5,710
Advance to Employees	6,90,000	47,000
Advance to Suppliers	82,36,499	38,97,797
Excess Payment to Gratuity Fund	-	2,11,680
Receivables	358	-
Pre-paid Expenses	2,04,356	99,739
Provident Fund Subsidy Receivable	1,355	1,209
Total	5,78,63,933	8,30,44,514

Note: 20 - Other Current Assets

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
Interest Accrued And Due		
- On Loans	10,18,348	21,18,263
- On Bank's F. D.	10,67,865	7,58,266
Total	20,86,213	28,76,529

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 21 - Revenue From Operations

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Sale of Products	43,47,94,777	42,81,47,557
Sale of Services	34,51,256	95,97,863
<u>Other Operating Revenue</u>		
Freight Received	56,09,909	50,42,563
Duty Drawback	10,137	-
Total	44,38,66,079	44,27,87,983

Note: 22 - Other Income

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Interest On Loans	74,37,882	68,32,243
Interest On Banks' F. D.	31,16,071	13,02,207
Interest On I. T. Refund	-	38,695
Profit On Sale of Fixed Assets	-	4,25,320
Profit On Sale of Long Term Investments	4,77,185	-
Dividend On Long Term Investments	1,40,119	2,67,711
Insurance Claim Received	32,84,491	1,41,580
Bad Debts/Sundry Balances Recovered	43,56,284	16,60,846
Other Income	1,525	9,248
Applicable Net Gain/Loss on Foreign		
Currency Transactions	23,99,759	2,26,490
Total	2,12,13,316	1,09,04,340

Note: 23 - Cost of Materials Consumed

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
23.1 Inventory at the beginning of the year	2,09,46,856	2,59,42,622
<u>Add: Purchases (Net of Returns)</u>	<u>23,11,61,083</u>	<u>26,78,79,157</u>
<u>Less: Inventory at the end of the year</u>	<u>2,02,22,395</u>	<u>2,09,46,856</u>
Total	23,18,85,544	27,28,74,923

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 23 - Cost of Materials Consumed

23.2 Details of Raw Material & Component Consumed

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Allum	1,05,41,221	1,00,24,742
Beton SP 011	95,67,786	1,17,05,382
Caustic Soda	1,25,50,515	1,65,79,106
Coal	1,15,92,510	1,25,88,151
Poly Carboxylate	4,24,48,792	5,31,57,850
Polyster Resin	70,50,308	1,13,14,520
Silica Fume	1,23,81,084	99,08,755
Soda Ash	3,34,74,907	4,64,92,186
Sodium Silicate (Liquid)	3,45,71,206	3,65,56,111
Other Raw Materials	5,77,07,215	6,45,48,120
Total	23,18,85,544	27,28,74,923

23.3 Details of Inventory at the end of the year

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Calcium Nitrate	8,76,265	17,587
Hardner Lapox	6,87,120	1,10,500
Poly Carboxylate	27,21,125	68,94,394
Polyster Resin	6,90,625	1,91,840
Resin Lapox	10,54,300	66,034
Silica Fume	9,57,948	7,86,250
Soda Ash	21,97,455	21,58,135
Sodium Gluconate	13,58,874	4,07,343
T.E.A.	8,31,803	14,73,184
Other Raw Materials	88,46,880	88,41,590
Total	2,02,22,395	2,09,46,857

23.4 Details of Purchase of Stock in Trade during the year

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Ink	66,60,000	1,58,30,825
Polyvinyl Chloride Resin	9,31,94,000	4,49,41,875
Others	50,54,355	5,30,441
Total	10,49,08,355	6,13,03,141

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 24 - Changes in Inventory of Finished Goods, Stock-in-Process and Stock-in-Trade

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Inventories at the beginning of the year		
Work-in-Progress	1,41,660	11,33,277
Stock-in-Trade (Traded Goods)	-	27,241
Total (A)	1,41,660	11,60,518
Inventories at the end of the year		
Work-in-Progress	70,830	1,41,660
Total (B)	70,830	1,41,660
Total (A-B)	70,830	10,18,858

Note: 25 - Employee Benefits Expense

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Salary, Wages & Bonus	2,76,44,679	3,16,37,521
Contribution to Provident & Other Funds	12,23,752	13,13,306
Provision for Gratuity	7,44,761	4,75,367
Staff Welfare Expenses	58,378	38,457
Total	2,96,71,570	3,34,64,651

Note: 26 - Finance Costs

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Interest Expense		
- On Bank Borrowings	1,606	1,294
- On Buyer's Credit	1,10,042	-
- On Finance Leases	-	30,119
- On Statutory Dues	35,651	-
Total	1,47,299	31,413

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 27 - Other Expenses

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
27.1 Manufacturing Expenses		
Calibration Charges	33,085	29,535
Consumable Stores	67,216	69,012
Clearing & Forwarding Charges	33,93,292	20,61,130
Works Contract Charges	19,36,893	65,01,405
Selling & Distribution Expenses		
Advertisement Expenses	33,903	65,700
Carriage Outward	1,19,76,959	1,20,91,201
Sales Promotion Expenses	4,14,668	4,75,486
Rebates & Discounts	11,22,905	21,37,594
Seminar Expenses	80,490	25,000
Commission	19,782	2,73,095
Establishment Expenses		
Telephone Expenses	1,56,699	1,59,398
Printing & Stationery	1,70,780	3,46,726
Electricity Charges	3,96,399	4,90,327
Tender Expenses	1,500	-
Membership & Subscription	1,65,276	89,443
Contribution for CSR Activities	11,00,772	5,80,112
Directors' Sitting Fees	55,000	36,000
Postage & Telegram	23,648	32,780
Travelling & Conveyance	8,02,139	9,89,905
Computer Consumables	53,660	20,350
Motor Car Expenses	2,79,312	1,99,261
Motor Cycle Expenses	21,110	14,874
Generator Expenses	58,753	52,219
Repairs & Maintenance	2,03,662	1,60,596
Office Maintenance Charges	64,863	59,545
Website Expenses	43,514	11,520
Office Rent	2,87,500	3,00,000
Bank Charges	6,93,335	8,61,539
Security Charges	3,43,870	3,44,709
Insurance Charges	1,73,876	1,58,067
Testing Charges	1,41,450	1,88,100
General Expenses	5,12,373	7,66,581
Registration Charges	3,74,777	2,91,994
Rates & Taxes	6,35,845	9,19,374
Filing Fees	53,174	22,690
Professional Fees	12,89,730	15,63,393
Listing/Registrar Fees	1,24,760	95,956
Loss On Sale of Long Term Investments	-	9,18,912
Bad Debts	-	68,31,713

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

Note: 27 - Other Expenses (Contd.)

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
Provision for Bad & Doubtful Debts	49,10,608	-
Internal Audit Fees	1,60,000	1,60,000
Auditors' Remuneration	2,94,060	2,61,360
Total	3,26,71,638	4,06,56,602

(Amount in ₹)

	Current Year 2020 - 2021	Previous Year 2019 - 2020
27.2 Auditors' Remuneration includes :		
a) Audit Fees		
- Statutory & Tax Audit Fees	2,35,400	2,35,400
b) Others		
- Other Matters	58,660	25,960
Total	2,94,060	2,61,360

28 Detail of Transaction entered into with related parties during the year as required by Accounting Standard (AS) - 18 on "Related Party Disclosure" issued by The Institute of Chartered Accountants of India are as under:

a) **Key Management Personnel**

Mr. Sanjay Goenka, Chairman & Managing 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

b) **Relatives of Key Management Personnel**

Miss Vidisha Goenka

Mr. Rajiv Goenka

Mr. Ravi Goenka

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

M/s Bengal Silicates & Chemicals Pvt Ltd (Formerly - M/s Bengal Traders Pvt Ltd)

M/s Chemico International Pvt Ltd

M/s RG's Fashions Pvt Ltd

M/s Shipra Commercial Pvt Ltd

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

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

Nature of Transaction	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/Relatives of Directors have control/significant influence	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Income						
Sales	-	-	-	-	16,74,08,539	12,98,80,387
Expenditure						
Purchases	-	-	-	-	43,97,168	21,88,946
Managerial Remuneration	1,08,25,426	1,31,38,687	-	-	-	-
Salary	-	-	56,035	16,77,774	-	-
Director Sitting Fees	55,000	36,000	-	-	-	-
Rent	2,87,500	3,00,000	-	-	-	-
Labour Welfare Expenses	-	-	-	-	8,711	-

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

Nature of Transaction	Key Management Personnel		Relatives of Key Managerial Personnel		Entities where Directors/Relatives of Directors have control/significant influence	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Others						
Investment in Shares of Subsidiary	-	-	-	-	39,35,000	39,35,000
Debtors	-	-	-	-	4,16,45,027	2,20,41,852
Director Remuneration/Salary Payable	-	16,655	-	-	-	-
Director Sitting Fees Payable	4,000	-	-	-	-	-

Notes:

- The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. For the year ended 31st March, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by/to related parties. This assessment is undertaken each financial year through examining the financial position of the Related Parties and the market in which the Related Party operates.
 - Transactions with related parties have been disclosed for the period of existence of relationship. Previous year transactions with parties that have ceased to be related parties in the current year have been excluded in above details as the relationship did not exist.
- 29** Provision is made for Income tax liability estimated to arise on the financial results for the year at the current rate of tax in accordance with the provisions of Income Tax Act, 1961. The management of the company has opted for lower rate of Income Tax of 22% (Effective Rate - 25.168%) u/s 115BAA as announced by the Finance Minister of India through the Taxation (Amendment) Ordinance 2019 on the 20th September, 2019 .
- 30** Balances and transactions of parties appearing under the head Debtors, Creditors and Advances are subject to confirmations. In opinion of the Management, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet if realised in the ordinary course of business. The provision for depreciation and other known liabilities are adequate and not in excess of the amount reasonably necessary.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

31 Earnings Per Share (EPS)

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Profit after tax as per Statement of Profit and Loss attributable to equity shareholders	4,52,21,707	2,84,28,233
Weighted average number of Equity Shares of ₹10 each outstanding during the year:		
- Basic & Diluted	76,72,025	76,72,025
Earnings Per Share		
- Basic & Diluted	5.89	3.71
Face Value per equity shares	10.00	10.00

32 The outbreak of coronavirus (COVID-19) pandemic globally and in India caused significant disturbance in economic activities. Economy has shown positive trends in the second half of the FY 2020-21 after resumption of business activities in most of the industries particularly after India started its national COVID vaccination programme in January 2021. However, country is witnessing resurgence in COVID cases from start of April, 2021. The Company is periodically reviewing possible impact of COVID-19 on its business and the same are considered in preparation of financial statements for the year ended 31st March, 2021. Review includes internal & external factors as known to the Company up to the date of approval of these financial statements to assess and finalise the carrying amounts of its assets & liabilities.

33 Amount due to Micro and Small enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available of the Company. The disclosures relating to micro and small enterprises is as below :

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
(a) Principal amount remaining unpaid to supplier at the end of the year	18,25,959	28,03,452
(b) Interest due thereon remaining unpaid to supplier at the end of the year	-	-
(c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(e) Amount of interest accrued and remaining unpaid at the end of the year	-	-
(f) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

34 Contingent Liabilities & Commitments

(Amount in ₹ lakhs)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
i) <u>Contingent Liabilities</u>		
a) Demands/Claims by various government authorities and others not acknowledged as debts by the Company:		
(i) Income Tax Matters	21.56	27.43

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

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

(i) Defined Contribution Plan

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

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Contribution to Employees Provident Fund	2,44,008	2,85,656

(ii) Post Employment Defined Benefit Plan - Gratuity

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

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

a) Statement of Profit and Loss

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Net employee benefit expense recognised in the employee cost		
Current service cost	4,27,734	3,37,194
Interest cost	1,89,347	1,64,614
Expected Return on plan asset	(2,04,164)	(1,90,451)
Net Actuarial Loss/(Gain) recognised in the year	3,31,844	1,64,010
Net Benefit Expense	7,44,761	4,75,367

b) Balance Sheet

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Benefit Asset / Liability		
Present Value of funded obligations at the end of the period	36,27,490	27,04,954
Fair Value of Plan assets at the end of the period	(34,12,649)	(29,16,634)
Net (Asset)/Liability recognised in the Balance Sheet	2,14,841	(2,11,680)

c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(Amount in ₹)

	2020-21	2019-20
Present Value of defined benefit obligation at the beginning of the year	27,04,954	23,51,624
Employee Service Cost	4,27,734	3,37,194
Interest Cost	1,89,347	1,64,614
Past Service Cost	-	-
Benefits Paid	-	-
Actuarial (Gain)/Loss	3,05,455	(1,48,478)
Present Value of defined benefit obligation at the end of the year	36,27,490	27,04,954

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

d) Changes in the Fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows :

(Amount in ₹)

	2020-21	2019-20
Fair Value of Planned Assets at the beginning of the year	29,16,634	27,20,728
Expected Return on Planned Assets	2,04,164	1,90,451
Contribution	3,18,240	3,17,943
Benefits Paid	-	-
Actuarial Gain/(Loss)	(31,113)	(3,12,488)
Present Value of defined benefit obligation at the end of the year	34,07,925	29,16,634

e) The major categories of plan assets as a percentage of total plan assets are as follows :

(Amount in ₹)

	2020-21	2019-20
Qualifying Insurance Policy	100%	100%

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

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Discount Rate (based on macroeconomic trend)	7.00% p.a	7.75% p.a
Salary Growth Rate	6.00% p.a	6.00% p.a
Mortality Rates	IALM 2012-2014	IALM 2012-2014
Expected rate of return	7.00% p.a	7.00% p.a
Withdrawal rate (Per Annum)	5.00% p.a	5.00% p.a
Normal Retirement Age	58	58
Salary	Last drawn qualifying salary	
Vesting Period	5 Years of Service	
Benefits of Normal Retirement	15/26 * Salary * Past Service (Yrs)	
Benefit on early exit due to death & disability	As above except no vesting condition apply	
Limit	20,00,000	20,00,000

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

g) 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. Reasonable 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 amount shown below:

Variable	Sensitivity Level	Effect on Defined Benefit Obligations			
		31st March, 2021		31st March, 2020	
		Increase	Decrease	Increase	Decrease
Discount Rate	(+)/(-) 1%	33,37,448	39,61,850	24,82,140	29,61,975
Salary Escalation Rate	(+)/(-) 1%	39,61,850	33,32,294	29,61,975	24,78,208
Attrition Rate	(+)/(-) 1%	36,43,115	36,09,402	27,16,106	26,91,936

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

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

36 Loans were given during the year by the Company to the following entities to be used in their ordinary course of business :

	Name of the Company	Principal Outstanding As On 31.03.2021	Interest Rate	Repayment Terms
i)	M/s ANS Developers Pvt Ltd	-	12%	-
ii)	M/s Crickxon Trade & Exports Pvt Ltd	-	12%	-
iii)	M/s Manabarrie Tea Company Ltd	-	14%	-
iv)	M/s Nandini Steels & Securities Pvt Ltd	10,00,000	15%	Repayable on demand
v)	M/s Raja Shelters Pvt Ltd	-	12%	-
vi)	M/s RGG Vyapaar Pvt Ltd	-	12%	-
vii)	M/s RREPL KIPL JV	-	14%	-
viii)	M/s Shiv Kumar Dudhwewala	50,00,000	12%	Repayable on demand
ix)	M/s Tyre Arcade	1,05,00,000	12%	Repayable on demand
x)	M/s Bhawani Traders	10,00,000	12%	Repayable on demand
xi)	M/s Nandini Steels & Securities Pvt Ltd	15,00,000	12%	Repayable on demand
xii)	M/s Star Projects & Infrastructure Pvt Ltd	30,00,000	9%	Repayable on demand
xiii)	M/s Tyre Arcade	53,00,000	12%	Repayable on demand

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

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

(i) Segment Revenue

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Sales within India	34,98,25,884	32,14,67,205
South East Asia (Sales Outside India) ***	8,49,68,894	10,66,80,352
Total	43,47,94,778	42,81,47,557

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

(ii) Total Carrying amount of segment assets

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Carrying value of assets Within India	1,40,86,647	1,13,21,073
Carrying value of assets in South East Asia (Outside India)	-	-

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

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Carrying cost incurred to acquire assets Within India	46,14,095	29,05,867
Carrying cost incurred to acquire assets in South East Asia (Outside India)	-	-

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

39 a) Value of Direct Imports (C. I. F. Value) :-

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Raw Materials	13,35,36,067	10,13,98,328

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

(Amount in ₹)

	(Amount in ₹)		Percentage	
	Year ended 31-Mar-2021	Year ended 31-Mar-2020	Year ended 31-Mar-2021	Year ended 31-Mar-2020
<u>Raw Materials:</u>				
Indigenous obtained	10,94,91,826	17,14,76,595	47.22	62.84
Directly Imported	12,23,93,719	10,13,98,328	52.78	37.16
	23,18,85,545	27,28,74,923	100.00	100.00

c) Earnings in Foreign Exchange :-

(Amount in ₹)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Export of Finished Goods	34,51,677	3,61,380

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

(a) Gross amount required to be spent by the company during the year: ₹8.77 lakhs (Previous Year: ₹8.03 lakhs)

(b) Amount spent during the year on:

Particulars	Amount Paid	Amount yet to be paid **	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On Purposes other than (i) above	8,77,811	-	8,77,811

(c) Details of related party transactions as per AS - 18 in relation to CSR Expenditure: ₹ Nil (Previous Year: Nil)

(d) Provisions made in relation to CSR expenditure, if any: Nil

**The unspent amount, i.e. ₹2,22,961/=-, which were required to be spent during FY 2019-20 have also been spent till 31st March, 2021 by liquidating the fixed deposit with bank made for the said specific purpose during the FY 2019-20.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2021

41 Additional Information under general instructions for the preparation of Consolidated Financial Statements of Schedule III to the Companies Act, 2013

Sl. No.	Name of the Entity	Net Assets i.e. total assets minus liabilities as at				Share in Profit or Loss for the year ended			
		31st March, 2021		31st March, 2020		31st March, 2021		31st March, 2020	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Profit & Loss	Amount
Parent									
1	Hindcon Chemicals Ltd	93.00%	33,66,34,782	93.00%	30,20,96,911	97.00%	4,37,52,184	107.00%	3,04,66,872
Subsidiaries									
1	Hindcon Solutions Pvt Ltd (Formerly - Padmalaya Vinimay Pvt Ltd)	7.00%	2,50,84,203	7.00%	2,13,05,190	3.00%	14,69,523	-7.00%	(20,38,639)
Total		100.00%	36,17,18,985	100.00%	32,34,02,101	100.00%	4,52,21,707	100.00%	2,84,28,233

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

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

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

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

Sd/-
(**CA. N. Krishnan**)
Partner
Membership No.062381

Kolkata
June 26, 2021

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

Sd/-
(**Kashinath Dey**)
(Chief Financial Officer)

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

Sd/-
(**Jaya Bajpai**)
(Company Secretary)

Corporate Information

Board of Directors

Mr. Sanjay Goenka	<i>Chairman & 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>

Chief Financial Officer

Mr. Kashi Nath Dey

Company Secretary

Ms. Jaya Bajpai

Main Banker

Kotak Mahindra Bank Limited

Auditors

M/s R B Roy & Co.
Chartered Accountants
49, Deshapran Sashmal Road,
3rd Floor, Room No. 3B,
Kolkata – 700 033

Secretarial Auditor & Legal Advisor

Mr. Santosh Kumar Tibrewalla
Practicing Company Secretary
5A, N.C. Dutta Sarani, 3rd Floor
Kolkata-700 001

Registrar & Share Transfer Agents

Link Intime India Pvt Ltd
Room Nos. 502 & 503, 5th Floor,
Vaishno Chamber, 6 Brabourne Road,
Kolkata- 700 001

Registered Office

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

Manufacturing Facilities

Jalan Complex, Gate No. 3, Baniyara, Domjur
Howrah- 711 411.



Strength Upon Strength

Hindcon Chemicals Limited

Registered office:

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Kolkata 700 027, West Bengal

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