



## HINDUSTAN COMPOSITES LTD.

Peninsula Business Park, Tower A, 8th Floor,  
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.  
Tel.:(91) (22) 6688 0100  
Email : hcl@hindcompo.com Website : www.hindcompo.com  
CIN No. L29120MH1964PLC012955

5<sup>th</sup> September, 2022

To  
The Manager  
Department of Corporate Services  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400 001  
Scrip Code: 509635

The Manager - Listing  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor, 'G' Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051  
**SYMBOL: HINDCOMPOS**

Dear Sir/Madam,

**Sub: Submission of copy of the Annual Report for the Financial Year 2021-22 along with the Notice of 58<sup>th</sup> Annual General Meeting of Hindustan Composites Limited, pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the notice of 58<sup>th</sup> Annual General Meeting of the Company along with the copy of Annual Report for the financial year 2021-22.

The 58<sup>th</sup> Annual General Meeting of the Company will be held on **Thursday, 29<sup>th</sup> September, 2022 at 11.45 a.m. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without physical presence of the Members at a common venue in terms of the applicable provisions of the Companies Act, 2013 read with MCA General Circular Nos. 14/2020, dated 8<sup>th</sup> April, 2020, 17/2020, dated 13<sup>th</sup> April, 2020, 20/2020 dated 5<sup>th</sup> May, 2020 and 02/2022 dated 5<sup>th</sup> May, 2022 issued by the Ministry of Corporate Affairs.

The same is being dispatched to the shareholders of the Company by the permitted mode(s).

The same is also available on the website of the Company viz. at [www.hindcompo.com](http://www.hindcompo.com) and on the website of CDSL viz. at [www.evotingindia.com](http://www.evotingindia.com).

Kindly take the above on your record.

Thanking You,

Yours faithfully,

For **Hindustan Composites Limited**

**Vikram Soni**  
Company Secretary & Compliance Officer  
Membership No: A36705



Encl: as above



**Motion.... In Control Always**

**Annual Report  
2021-22**





**Fastest Growing Company (Medium –Auto Ancillary) awarded by IPF Industrial Excellence**



**Award from MSL Driveline for Product improvement and quality**

### **BOARD OF DIRECTORS**

Mr. Raghu Mody Mr. P. K. Choudhary Mr. A. B. Vaidya Mr. Deepak Sethi Lt. Gen. (Retd.) K. S. Brar Mr. Lalit Kumar Bararia Mrs. Preeti Agrawal  Mr. Vikram Soni Mr. Sunil Jindal	Executive Chairman Managing Director Independent Director Independent Director Independent Director Independent Director Independent Director  Company Secretary & Compliance Officer Chief Financial Officer
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<b>58<sup>th</sup> Annual General Meeting</b>	
Day : Thursday	
Date : 29 <sup>th</sup> September, 2022	
Time : 11.45 a.m.	
Mode: Video Conferencing ( VC ) / Other Audio Visual Means (OAVM)	

#### **STATUTORY AUDITORS**

M/s. Bagaria & Co. LLP, Chartered Accountants

#### **BANKER**

ICICI Bank

#### **REGISTERED OFFICE**

Peninsula Business Park, 'A' Tower,  
 8<sup>th</sup> Floor, Senapati Bapat Marg,  
 Lower Parel, Mumbai 400-013  
 Phone : (022) 6688 0100  
 Fax : (022) 6688 0105  
 E-mail : investor@hindcompo.com

#### **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private Limited  
 C-101, 247 Park,  
 LBS Marg, Vikhroli (West), Mumbai – 400-083  
 Phone : (022) 4918 6000/ 270  
 Fax : (022) 49186060  
 Email : rnt.helpdesk@linkintime.co.in

#### **PLANTS LOCATIONS**

**Paithan** : D-2/1, MIDC Industrial area, Paithan,  
 Dist. Aurangabad - 431107

**Bhandara** : C-10/1, Bhandara Indl. Area, Gadegaon  
 Dist. Bhandara - 441904

## Hindustan Composites Limited

CIN: L29120MH1964PLC012955

Peninsula Business Park, 'A' Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400013

Tel.:(022) 6688 0100, Fax: (022) 6688 0105, E-mail: hcl@hindcompo.com, Website: www.hindcompo.com

### NOTICE

Notice is hereby given that the Fifty Eighth Annual General Meeting (58<sup>th</sup> AGM) of the Members of Hindustan Composites Limited will be held on Thursday, 29<sup>th</sup> September, 2022 at 11:45 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without physical presence of the Members at a common venue, to transact the following businesses. The proceedings of the 58<sup>th</sup> AGM shall be deemed to be conducted at the Registered Office of the Company situated at Peninsula Business Park, 'A' Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, which shall be the deemed Venue of the 58<sup>th</sup> AGM.

#### ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the Standalone Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the reports of the Board of Directors' and Auditors' thereon; and (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the report of Auditors' thereon and in this regard, if thought fit, pass the following resolutions as **ORDINARY RESOLUTIONS:**

- (a) **"RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the reports of the Board of Directors' and Auditors' thereon be and are hereby received, considered and adopted."
- (b) **"RESOLVED THAT** the Consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the Auditors' Report thereon be and are hereby received, considered and adopted."

2. To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2022 and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the recommendation of the Board of Directors of the Company, dividend @ 40% i.e. ₹ 2/- (Rupees Two only) per share on Equity shares having face value of ₹ 5/- each fully paid up for the financial year 2021-22 be and is hereby declared out of the profits of the said financial year and that the same be paid to those shareholders whose names appeared on the Company's Register of Members / List of Beneficiaries as on 22<sup>nd</sup> September, 2022 and that the dividend be paid only to those shareholders who are entitled to receive the same."

3. To appoint a director in place of Mr. P. K. Choudhary (DIN: 00535670), who retires by rotation and being eligible, offers himself for re-appointment as a director of the Company and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mr. P. K. Choudhary (DIN: 00535670), Director of the Company, who retired by rotation and being eligible, had offered himself for reappointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."

4. To appoint Statutory Auditors and fix their remuneration and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 139(2), 141, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Lodha & Co., Chartered Accountants, Mumbai (having Firm Registration Number: 301051E), be and are hereby appointed as Statutory Auditors of the Company in place of the retiring auditors viz. M/s. Bagaria & Co. LLP, Chartered Accountants, Mumbai, to hold office for a period of 5 (five) consecutive years from the conclusion of this 58<sup>th</sup> Annual General Meeting until the conclusion of the 63<sup>rd</sup> Annual General Meeting of the Company to be held for the financial year ending 31<sup>st</sup> March, 2027, at such remuneration and out of pocket expenses, as may be mutually decided by the Board of Directors of the Company and Statutory Auditors thereof from time to time."

#### SPECIAL BUSINESS:

5. To approve payment of commission to the Independent Directors of the Company and in this regard if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 197, 198, and other applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, in addition to the sitting fees paid for attending the meetings of the Board of

Directors of the Company and Committees thereof, the consent of the members of the Company be and is hereby accorded for the payment of ₹ 2,00,000/- (Rupees Two Lakhs only) as commission to each Independent Director of the Company for the financial year 2021-22.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution.”

6. To approve the revision in remuneration payable to Mr. P. K. Choudhary (DIN: 00535670), Managing Director of the Company and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors of the Company and subject to all other sanctions, approvals and permissions, as may be required, the revision in remuneration payable to Mr. P. K. Choudhary (DIN: 00535670), Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2022 for the remaining period of his tenure as detailed in the Explanatory Statement attached to this Notice, be and is hereby approved with the authority to the Board of Directors of the Company to revise the terms, on recommendation of the Nomination and Remuneration Committee and approval of Audit Committee, with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. P. K. Choudhary as Managing Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution.”

7. To ratify the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2023 and, in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the remuneration, as approved by the Board of Directors of the Company amounting to ₹ 35,000/- (Rupees Thirty Five Thousand Only) plus Goods and Service Tax (GST) as applicable and out of pocket expenses, payable to M/s. M. R. Pandit & Co., Cost Accountants, Aurangabad (Firm Registration No: 00268), the Cost Auditors who were appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year ending 31<sup>st</sup> March, 2023, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be required to carry on the purpose of the aforesaid resolution.”

**By Order of the Board of Directors  
of Hindustan Composites Limited**

**Vikram Soni  
Company Secretary & Compliance Officer**

**Place: Mumbai  
Date: 26<sup>th</sup> May, 2022**

**Registered Office:**  
Peninsula Business Park, 'A' Tower,  
8<sup>th</sup> Floor, Senapati Bapat Marg,  
Lower Parel, Mumbai 400013

**NOTES:**

1. The Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ("Act") read with Regulation 36 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') in respect of the Ordinary Business under Item No. 4 and special business is annexed hereto and forms part of this notice. The Board of Directors of the Company have considered and decided to include the Item Nos. 5 to 7 given above as Special Business in the forthcoming Annual General Meeting ("AGM"), as they are unavoidable in nature.
2. In view of continuing Covid-19 global pandemic and aftermath consequences thereof, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, Circular No.17/2020 dated 13<sup>th</sup> April, 2020, Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 (collectively referred to as "MCA Circulars"), have permitted holding of AGM through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), without physical presence of the Members at a common venue. In compliance with applicable provisions of the the Act and MCA circulars, the 58<sup>th</sup> AGM of the Company will be conducted through VC / OAVM without physical presence of the members at a common venue. The Company has engaged services of Central Depository Services (India) Limited ("CDSL") for conducting of AGM and facilitating voting through electronic means i.e., remote e-voting and voting during the AGM.
3. Further, the Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/ HO/ CFD/ CMD2/ CIR/ P/2022 /62 dated 13<sup>th</sup> May, 2022 read with circular no. SEBI/HO/CFD/ CMD1/ CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 and circular no. SEBI/HO/CFD/CMD2/CIR/P/ 2021/11 dated 15<sup>th</sup> January, 2021 ("SEBI Circulars"), has given relaxation from sending hard copy of Annual Report containing salient features of all the documents prescribed in Section 136 of the Act and proxy forms as required under Regulation 44(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") to the members who have not registered their email addresses in case of general meetings held through electronic mode.
4. In accordance with the Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Guidance/Clarification dated 15<sup>th</sup> April, 2020 issued by the ICSI, the proceedings of the 58<sup>th</sup> AGM shall be deemed to be conducted at the Registered Office of the Company situated at Peninsula Business Park, 'A' Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Keeping in view the guidelines to fight Covid-19 pandemic, the Members are requested to attend the 58<sup>th</sup> AGM from their respective locations through VC / OAVM and do not visit the Registered Office to attend the AGM.
5. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this 58<sup>th</sup> AGM is being conducted pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this 58<sup>th</sup> AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
6. In pursuance of Sections 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the 58<sup>th</sup> AGM through VC/OAVM and cast their votes through e-voting.
7. Institutional/Corporate members intending to represent through their authorised representatives in the AGM through VC/OAVM and to vote through remote e-voting or vote at the AGM are requested to send to the Company certified copy of the Board Resolution passed pursuant to the provisions of Section 113 of the Act authorising their representative to the Company at its registered office by post/hand delivery or through email at designated e-mail address of the Company i.e. investor@hindcompo.com or at the Scrutinizer's email address i.e. manish@csmanishb.in.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and all documents referred to in the notice of 58<sup>th</sup> AGM will be available for inspection by the Members on request by sending an e-mail to investor@hindcompo.com.
10. Pursuant to the provisions of Section 91 of the Act and Regulation 42 of the SEBI Listing Regulations, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 23<sup>rd</sup> September, 2022 to Thursday, 29<sup>th</sup> September, 2022 (both days inclusive).

11. The dividend on Equity shares as recommended by the Board of Directors for the financial year ended 31<sup>st</sup> March, 2022, if approved by the members at the ensuing 58<sup>th</sup> AGM, will be paid to those members whose names stand registered in the Register of Members as on Thursday, 22<sup>nd</sup> September, 2022 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited / Central Depository Services (India) Limited as beneficial owners as on that date. In case, the Company is unable to pay the dividend to any member by the electronic mode due to non-availability of the details of the bank account the Company shall dispatch the dividend warrant/demand draft by post. However, in case of any disruption the postal services due to pandemic or any other reasons the same will be sent upon restoration of normalcy of postal services.
12. Members may note that the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a Company after 1<sup>st</sup> April, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, the members are requested to submit Form 15G/Form 15H or any other documents as applicable, if any, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows-

Members having valid PAN	10% or as notified by the Government of India
Members not having PAN / Invalid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by him during Financial Year 2022-23 does not exceed ₹ 5,000 and also in cases where members have provided Form 15G / Form 15H (applicable to individuals aged 60 years or more), subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as applicable, if any, in accordance with the provisions of the IT Act.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in

force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) read with Multilateral Instrument ("MLI") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, nonresident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member or details as prescribed under rule 37BC of Income-tax Rules, 1962
- Copy of Tax Residency Certificate (TRC) for the FY 2022-23 obtained from the revenue authorities of the country of tax residence, duly attested by member
- Self-declaration in Form 10F
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

The aforementioned documents are required to be submitted by sending email at investor@hindcompo.com during the period commencing before 23.59 hrs IST on 22<sup>nd</sup> September, 2022.

13. As per Regulation 40 of the SEBI Listing Regulations, as amended, the request for transfer of securities shall not be processed unless the securities are held in the dematerialised form with the depositories. Further the request for transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Hence members, who hold shares in physical form are requested to dematerialize their shares, so they can transfer their shares in future, if so desire. However, members can continue to hold shares in physical form.



14. The Schedule I of the SEBI Listing Regulations mandates to all listed companies to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House ("NACH"), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders. Accordingly, members who have not updated their bank account details and wish to avail such facility in future are requested to update their bank account details by submitting Form ISR-1 and ISR-2, available on Company's website viz. [www.hindcompo.com](http://www.hindcompo.com), with the Registrar and Share Transfer Agent ("RTA") of the Company.
15. The cut-off date for the purpose of determining eligibility of members for attending and voting in connection with the 58<sup>th</sup> AGM and payment of final dividend for the financial year 2021-22 has been fixed as Thursday, 22<sup>nd</sup> September, 2022 ("Cut-off date").
16. Members holding shares in physical form are requested to notify immediately any change in their address or bank details to the Company / RTA quoting their Folio Number. Members holding shares in the demat form are requested to update such details with their respective Depository Participants.
17. The Company has transferred the unpaid or unclaimed dividend declared upto financial years 2013-14, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. The unclaimed dividend in respect of the financial year ended 31<sup>st</sup> March, 2015 is due for transfer to the IEPF Authority in month of October, 2022. The shareholders whose dividend remained unclaimed for the financial year 2014-15 and for subsequent financial years are requested to claim it immediately from the Company. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 31<sup>st</sup> March, 2022 under "Investor Relations" section on the website of the Company viz. [www.hindcompo.com](http://www.hindcompo.com). The details of unpaid and unclaimed dividend amounts lying with the Company can be also accessed through on the website of Ministry of Corporate Affairs viz. [www.mca.gov.in](http://www.mca.gov.in) and on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in). Attention of the members is drawn to the provisions of Section 124(6) of the Act, which requires a company to transfer in the name of the IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

In accordance with the aforesaid provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has

transferred 91,703 equity shares in respect of which dividend declared for the financial year 2013-14 or earlier financial years remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more to the demat account of Investor Education and Protection Fund authority via. corporate actions through Depositories.

A member desirous to claim back his shares from the IEPF Authority can do so by following prescribed procedure under the said Rules. The aforesaid details are available on the website of the Company viz. [www.hindcompo.com](http://www.hindcompo.com) and have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: [www.mca.gov.in](http://www.mca.gov.in) and on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in).

Further, the Company has initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2014-15 has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.

18. Members can join the 58<sup>th</sup> AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 58<sup>th</sup> AGM through VC/OAVM will be made available to atleast 1000 members on first come first serve basis; however this limit does not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
19. The attendance of the Members attending the 58<sup>th</sup> AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
20. The SEBI has mandated the submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
21. To comply with the provision of Section 88 of the Act, read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating some additional details of its members.

Members are requested to submit their e-mail ID and other details vide the e-mail updation form available on Company's website viz. [www.hindcompo.com](http://www.hindcompo.com). The same could be done by filling up and signing at the appropriate place in the said form and by sending the same to the RTA.

The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.

22. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the 58<sup>th</sup> AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website viz. [www.hindcompo.com](http://www.hindcompo.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com).
23. Non-Resident Indian members are requested to inform to the Company's Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.
24. Members holding shares in identical order of names in more than one folio are requested to write to the Company / RTA enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio for better services.
25. Members are requested to forward their all communications to the RTA of the Company and are further requested to always quote their Folio Number / DPID-Client ID in all correspondences with the Company.
26. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
27. Brief resume of director proposed to be re-appointed and whose remuneration is being approved at the ensuing 58<sup>th</sup> AGM in terms of Regulation 36(3) of the SEBI Listing Regulations and SS-2 Secretarial Standard on "General Meetings" is annexed to the Notice.
28. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. Listing fees for the financial year 2022-23 has been paid to both the stock exchanges.

29. Members may also note that 58<sup>th</sup> Annual Report for the year 2021-22 is also available on the website of the company at viz. [www.hindcompo.com](http://www.hindcompo.com).

30. To support the Green Initiative, members who have not registered their email addresses are requested to register the same with the Company's RTA/their Depository Participants, in respect of shares held in physical/ electronic mode, respectively.

31. The SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14<sup>th</sup> December, 2021 has specified the common and simplified norms for processing certain prescribed service request(s) of shareholders by RTAs and norms for holders of share(s) in physical form for raising the requests with regard to registration or changes / updation of PAN, KYC, nomination and also for banker's attestation of the signature of the shareholder in the event of major mismatch in the signature of the shareholder. All holders of shares in physical form are requested to furnish / update the PAN, Nomination, Contact details, Bank account details and specimen signature to the RTA in Form ISR-1 and ISR-2 respectively. The respective Forms are available on the website of the Company and RTA.

The SEBI has further clarified that physical folios wherein the PAN, KYC and Nomination details are not available on or after 1<sup>st</sup> April, 2023, shall be frozen by the RTA and will be eligible for lodging any service request or receiving payment including dividend only after registering the required details. The said physical folios shall be referred by the Company or RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31<sup>st</sup> December, 2025. Members are advised to register their said details with the RTA, in compliance with the said Circular for smooth processing of their service request(s).

As per the provisions of Section 72 of the Act and aforesaid SEBI Circulars, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form ISR-3 or Form SH-14 as the case may be. The said forms can be downloaded from the Company's website. Members are requested to submit these details to their DP, in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.

32. The SEBI vide Gazette Notification no. SEBI/LAD-NRO/GN/2022/66 dated 24<sup>th</sup> January, 2022 read with SEBI Circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/ P/ CIR/2022/8 dated 25<sup>th</sup> January, 2022 has made mandatory for listed companies to issue securities in dematerialized form only; henceforth while processing certain prescribed service request(s) such as issue of duplicate share certificate, claim from Unclaimed Suspense Account, renewal/exchange of share certificate, endorsement, sub-division/splitting of share certificate, consolidation of share certificate(s)/folio(s), transmission, and/or transposition received from the shareholder/claimant. Upon receipt of service request(s) from shareholder/claimant, the RTA of the Company shall verify and process the said request. After removing objections, if any, intimate the shareholder/claimant about its execution/issuance of new certificate as may be applicable. The RTA shall retain the physical Share Certificate with them and shall issue 'Letter of Confirmation' to the shareholder/claimant in lieu of physical share certificate(s). The shareholder/claimant shall lodge a request for dematerialization of shares along with the original Letter of Confirmation received from the RTA within 120 days (One Hundred and Twenty days) of issue of the Letter of Confirmation to his Depository Participant (DP). In case the shareholder/claimant fails to submit the demat request within the aforesaid period, the Company shall credit shares to Suspense Escrow Demat Account of the Company opened for the said purpose.
33. In view of the COVID-19 pandemic and resultant lockdown, all the request(s) received from the shareholders by the Company or its RTA were addressed in accordance with the timelines/ relaxations as provided by the Statutory Authorities, from time to time.
34. In compliance with provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide e-voting facility to its members to exercise their right to vote electronically on the resolutions mentioned in the notice of 58<sup>th</sup> AGM dated 26<sup>th</sup> May, 2022. The members may cast their votes using electronic voting system from a place other than the venue of the meeting ("remote e-voting").
- (a) The facility of casting the votes by the members/ shareholders using electronic voting system from a place other than venue of the AGM ("remote e-voting") and e-voting during the meeting will be provided by Central Depository Services (India) Limited (CDSL evoting System).
- (b) A person, whose name is recorded in the Register of Members or in the list of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of "remote evoting" or e-voting during the AGM.
- (c) The "remote e-voting" period commences on Monday, 26<sup>th</sup> September, 2022 (9:00 hrs) and ends on Wednesday, 28<sup>th</sup> September, 2022 (17:00 hrs). During this period, members / shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote by "remote e-voting". The "remote e-voting" module shall be disabled by the CDSL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- (d) The voting rights of members / shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date.
- Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date may obtain the User ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). However, if the member is already registered with the CDSL for remote e-voting then he can use his existing user ID and password for casting the vote through e-voting. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com).
- (e) The Board of Directors of the Company has appointed CS Manish Baldeva, Proprietor of M/s. M Baldeva Associates, Company Secretaries, Thane (FCS No.: 6180/CP No.: 11062) as Scrutinizer to scrutinize the voting through remote e-voting process and e-voting during the 58<sup>th</sup> AGM in a fair and transparent manner. The Scrutinizer shall within 2 working days from the conclusion of the AGM, prepare a consolidated scrutinizers' report of the votes cast in favour or against, if any, and forthwith the same to the Chairman or a person authorized by him who shall countersign the same and declare the result of the voting.
- (f) The result declared along with the report of the Scrutinizer shall be placed on the website of the Company viz, [www.hindcompo.com](http://www.hindcompo.com) and on the website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall simultaneously be communicated to the stock exchanges.

- (g) Subject to receipt of requisite number of votes in favour, the resolutions shall be deemed to be passed on the date of the Meeting i.e. Thursday, 29<sup>th</sup> September, 2022.

**THE PROCEDURE / INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING 58<sup>TH</sup> AGM AND JOINING MEETING THROUGH VC / OAVM ARE AS UNDER:**

- (i) The voting period begins on Monday, 26<sup>th</sup> September, 2022 (9:00 hrs.) and ends on Wednesday, 28<sup>th</sup> September, 2022 (17:00 hrs.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by the CDSL for voting thereafter.
- (ii) Pursuant to **SEBI Circular No. SEBI/ HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020**, under Regulation 44 of the SEBI Listing Regulations, 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.

- (iii) In terms of **SEBI circular no. SEBI/ HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> 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 the said SEBI Circular, Login method for e-voting and joining virtual meetings **for Individual shareholders holding securities in demat mode is given below:**

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>1) Users who have opted for CDSL 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 URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-Voting service provider for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also link provided to access the system of all e-voting Service Providers i.e.CDSL / NSDL / KARVY / LINKINTIME, so that the user can visit the e-voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</p>

Individual Shareholders holding securities in demat mode with NSDL

- 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 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.
- 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.

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 website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

- (iv) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding in demat form & physical shareholders.

- 1) The shareholders should log on to the e-voting website viz. [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 022-23058542-43 or at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.co.in">evoting@nSDL.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

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

<b>For Shareholders holding shares in demat Form other than individual and Physical Form</b>	
PAN	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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 (iv).</li> </ul>

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for HINDUSTAN COMPOSITE LIMITED on which you choose to vote.
- (ix) 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.

- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xiv) 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.
- (xv) **Note for Non – Individual Shareholders and Custodians:**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investor@hindcompo.com](mailto:investor@hindcompo.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM & E-VOTING DURING MEETING AREAS UNDER:**

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-voting will also be eligible attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request in advance atleast 2 (two) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@hindcompo.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (Seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@hindcompo.com. These queries will be replied to by the Company during the AGM.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the

right to restrict the number of speakers depending on the availability of time for the AGM on first come first serve basis.

9. 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.
10. If any Votes are casted by the shareholders through 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.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. 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 the Company i.e. investor@hindcompo.com or to RTAs' email id rnt.helpdesk@linkintime.co.in.
2. For demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43 or at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43 or at toll free no. 1800 22 55 33.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36(5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**
**Item No. 4:**

M/s. Bagaria & Co. LLP, Chartered Accountants (having Firm Registration Number: 113447W), were appointed as Statutory Auditors of the Company at the 53<sup>rd</sup> AGM held on 12<sup>th</sup> September, 2017 to hold office for a term of five (5) consecutive years from the conclusion of said 53<sup>rd</sup> AGM till the conclusion of the ensuing 58<sup>th</sup> AGM of the Company, accordingly M/s. Bagaria & Co. LLP hold office as the Statutory Auditors of the Company upto the conclusion of ensuing 58<sup>th</sup> AGM to be held on 29<sup>th</sup> September, 2022.

Upon recommendation of the Audit Committee, the Board of Directors of the Company has proposed to appoint of M/s. Lodha & Co., Chartered Accountants, Mumbai, (having Firm Registration Number: 301051E), as Statutory Auditors of the Company to hold office for a period of 5 (five) consecutive years, commencing from the conclusion of ensuing 58<sup>th</sup> AGM till the conclusion of the 63<sup>rd</sup> AGM of the members of the Company to be held for the financial year ending 31<sup>st</sup> March, 2027.

M/s. Lodha & Co., Chartered Accountants, Mumbai are one of the largest and most reputed professional firm with over 80 years of an unblemished track record, ranked continuously among the top audit firms in India having nationwide footprints (Kolkata, Mumbai, Delhi, Chennai, Hyderabad, Jaipur) with strong focus on high quality standards and integrity of work by dedicated team of approximately 350 employees. M/s. Lodha & Co., Chartered Accountants, have given their consent for the said appointment and confirmation that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

Details of proposed fees payable to the proposed Statutory Auditors:

- a) ₹ 11,00,000/- (Rupees Eleven Lakhs only) plus applicable taxes shall be paid as the fees for F.Y. 2022-23, with authority to the Board of Directors including Audit Committee to revise fees from time to time during their tenure as Statutory Auditors of the Company.
- b) Out of pocket expenses, if any, at actual as may be approved by the Board of Directors and Audit Committee.
- c) Fees for any other works not covered in the scope of statutory audit will be paid extra as per mutual agreement between the Statutory Auditors and the Company and as approved by the Board of Directors and Audit Committee of the Company.
- d) There is no material change in fees payable to M/s. Lodha and Co. Chartered Accountants from that paid to M/s. Bagaria and Co. LLP., Chartered Accountants.

The Board accordingly recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for your approval.

None of the directors, Key Managerial Personnel of the Company or any of their relatives, are concerned or interested, financially or otherwise, in the said resolution.

**Item No. 5:**

Considering the rich experience and expertise brought to the Board by Independent directors of the Company, it is proposed to pay a commission of ₹ 2,00,000/- (Rupees Two Lakhs only) to each of the Independent Directors for the financial year 2021-22. Such payment will be in addition to the sitting fees paid for attending Board/Committee meetings during the said financial year.

The Board accordingly recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or any of their relatives, except all the Independent Directors of the Company to whom the resolution relates and their relatives are concerned or interested, financially or otherwise, in the said resolution.

**Item No. 6:**

Mr. P. K. Choudhary, Managing Director of the Company has been associated with the Company since last 31 years. He is a Chartered Accountant and Company Secretary and has vast knowledge and experience in the field of Finance, Commercial Activities and General Management.

Considering his experience, knowledge and contribution made in growth of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee of the Company, the Board of Directors revised the remuneration payable to him w.e.f. 1<sup>st</sup> April 2022 for remaining period of his tenure as follows:

Sr. No.	Particulars	Details of revised remuneration
1.	Salary	₹ 3,55,000/- per month and special allowance of ₹ 2,45,000/- per month with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule V to the Companies Act, 2013.
2.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas and maintenance in the premises etc. not exceeding ₹ 25,000/- per month. In case no accommodation is provided, the payment of HRA, subject to the ceiling of sixty percent of the salary.
3.	Conveyance/Motor Car	Provision of motor car and re-imbursment towards driver and other running expenses upto ₹ 80,400/- per month.



Sr. No.	Particulars	Details of revised remuneration
4.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding ₹ 1,44,000/- per annum.
5.	Servant Allowance	Provision for Servant Allowance ₹ 20,000/- per month
6.	Leave Travel Concession	As per rules of the Company, not exceeding ₹ 2,40,000/- per annum.
7.	Provident and other funds including superannuation and gratuity	As per rules of the Company's Scheme.
8.	Personal accident insurance	As per rules of the Company's Scheme.
9.	Club subscription	Reimbursement of club subscription fees of one club.
10.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.

The above remuneration is to be paid as minimum remuneration in absence or inadequacy of profits, subject to the provisions of Schedule V of the Companies Act, 2013.

The Board recommends the Ordinary Resolution as set out at Item No. 6 of the notice for approval of the Members.

Brief resume of Mr. P. K. Choudhary as required under Secretarial Standard – 2 'General Meeting' is given in the Annexure 1 to the Notice.

Except Mr. P. K. Choudhary, Managing Director and his relatives none of the other directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the said resolution.

**Item No. 7:**

The Board of Directors, on recommendation of the Audit Committee, re-appointed M/s. M. R. Pandit & Co., Cost Accountants, Aurangabad (Firm Registration No: 00268) as Cost Auditors of the Company to conduct audit of cost records maintained by the Company of its products viz. Railway Brake Block manufactured at Aurangabad unit for the financial year ending 31<sup>st</sup> March 2023 at a remuneration of ₹ 35,000/- (Rupees Thirty Five Thousand only) plus Goods and Service Tax (GST) as applicable and out of pocket expenses incurred for the purpose of the above audit for the aforesaid financial year, subject to ratification of remuneration by the members of the Company.

M/s. M. R. Pandit & Co., Cost Accountants have confirmed that they hold a valid certificate of practice under sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for conducting the audit of the cost records maintained by the Company of its products viz. Railway Brake Block manufactured at Aurangabad unit for the financial year ending 31<sup>st</sup> March, 2023.

The Board accordingly recommends the Ordinary Resolution as set out at Item No. 7 of the Notice for your approval.

None of the directors, Key Managerial Personnel of the Company or any of their relatives, is concerned or interested, financially or otherwise, in the said resolution.

**ANNEXURE - 1**

**INFORMATION OF DIRECTOR BEING PROPOSED TO BE RE-APPOINTED AND REMUNERATION OF WHOSE TO BE APPROVED AS PER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD – 2 ON “GENERAL MEETINGS” IS GIVEN BELOW:**

<b>Particulars</b>	<b>Details</b>
Name of Director	Mr. P. K. Choudhary (DIN.: 00535670)
Age	67 years
Qualifications	Chartered Accountant and Company Secretary
Experience (including expertise in specific functional area) / Brief Resume	He possesses rich experience of 31 years in the field of finance, manufacturing and administration.
Terms and Conditions of Reappointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. P. K. Choudhary is liable to retire by rotation.
Remuneration last drawn (including Sitting fees, Commission if any)	₹ 88.00 Lakhs plus perquisites
Remuneration proposed to be paid	₹ 96.00 Lakhs plus perquisites
Date of first appointment on the Board	18 <sup>th</sup> March, 2005
Shareholding in the Company as on 31 <sup>st</sup> March, 2022	Nil
Relationship with other Directors / Key Managerial Personnel	He is not related <i>inter-se</i> to any director /Key Managerial Personnel of the Company within the meaning of Section 2(77) of the Companies Act, 2013
Number of meetings of the Board attended during the financial year 2021-22	4 (four)
Directorships of other Boards as on March 31, 2022	Prabhukripa Overseas Limited
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2022	Nil
Summary of Performance Evaluation / Justification for choosing the appointees for appointment as Independent Directors	Not Applicable

**By order of the Board of Directors  
of Hindustan Composites Limited**

**Vikram Soni  
Company Secretary & Compliance Officer**

**Place: Mumbai  
Date: 26<sup>th</sup> May, 2022**

**Registered Office:**  
 Peninsula Business Park, 'A' Tower,  
 8<sup>th</sup> Floor, Senapati Bapat Marg,  
 Lower Parel, Mumbai 400013

## BOARD OF DIRECTORS' REPORT

To the Members,  
**Hindustan Composites Limited**

Your Directors are pleased to present the Fifty Eighth Annual Report together with the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022.

### 1. FINANCIAL HIGHLIGHTS

The Company's financial performance for the financial year ended 31<sup>st</sup> March, 2022 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
<b>Revenue from Operations</b>	<b>23,263.96</b>	<b>18,458.75</b>	<b>23,263.96</b>	<b>18,458.75</b>
Other Income	37.79	618.44	37.79	618.44
Profit before Interest, Depreciation and Taxes	3,335.59	3,385.63	3,335.59	3,258.83
Less: Interest	7.80	19.59	7.80	19.59
Less: Depreciation and amortisation	856.36	886.69	856.36	886.69
<b>Profit Before Tax</b>	<b>2,471.43</b>	<b>2,479.35</b>	<b>2,471.43</b>	<b>2,352.55</b>
<b>Less: Provision for Tax (including deferred tax)</b>	<b>311.27</b>	<b>380.19</b>	<b>311.27</b>	<b>380.19</b>
<b>Profit After Tax</b>	<b>2,160.16</b>	<b>2,099.16</b>	<b>2,160.16</b>	<b>1,972.36</b>
<b>Other Comprehensive Income / Loss (Net of Tax)</b>	<b>8,161.68</b>	<b>2,938.68</b>	<b>8,161.68</b>	<b>3,918.68</b>
<b>Total Comprehensive Income</b>	<b>10,321.84</b>	<b>5,037.84</b>	<b>10,321.84</b>	<b>5,891.04</b>

### 2. OPERATIONAL PERFORMANCE

On standalone basis, the Company achieved a total revenue of ₹ 23,263.96 Lakhs during the financial year under review compared to ₹ 18,458.75 Lakhs in the previous financial year. The net manufacturing revenue was higher by 23.90% from ₹ 15,006.48 Lakhs to ₹ 18,592.29 Lakhs.

Investment income during the financial year was also higher at ₹ 4,671.67 Lakhs compared to ₹ 3,452.27 Lakhs in the previous financial year. This was achieved with judicious deployment of funds in various asset classes, despite volatile market conditions and falling interest rates.

The gross profit of the Company was marginally lower at ₹ 3,335.59 Lakhs as against ₹ 3,385.63 Lakhs in the previous financial year. After considering interest of ₹ 7.80 Lakhs and depreciation of ₹ 856.36 Lakhs, Profit before tax was ₹ 2,471.43 Lakhs. With a tax provision of ₹ 311.27 Lakhs, profit after tax stood at ₹ 2,160.16 Lakhs as against ₹ 2,099.16 Lakhs in the previous financial year. Other comprehensive income, net of tax during the financial year was ₹ 8,161.68 Lakhs (previous financial year ₹ 2,938.68 Lakhs) and the total comprehensive income was ₹ 10,321.84 Lakh (previous financial year ₹ 5,037.84 Lakhs).

During the financial year, the Company continued its growth momentum as it scaled new benchmarks in Revenue. Growth which was led by strong traction in Commercial

vehicle friction material business. This performance was achieved with a backdrop of a challenging operating environment characterized by stop-start economic activity due to persistent waves of Covid-19, high inflation and an all-round rise in operating cost. This was accelerated by disruption in the supply chain which constrained availability of inputs, most notably causing shortage of semi-conductors for the auto industry worldwide.

Encouragingly, most countries and regions witnessed a rapid recovery in economic activity despite frequent waves of Covid 19. Further the scale-up and success of the vaccination program reduced the severity of subsequent waves. The auto industry responded to the constrained availability of semi- conductors by prioritizing production of high value vehicles and those with newer technologies.

While multiple factors, such as subsequent waves of the pandemic, disruption in the supply chain, constraints to timely availability of raw materials and the compounding effect on vendors, suppliers and contractors intensified the challenges, our Company largely ensured timely supply to its customers. However, profitability was impacted with high escalation in commodity prices which could not be fully passed on to the customers because of competitive market conditions and fixed rate contract terms with the Railways and other Government customers.

The Company undertook active measures to promote health and safety measures and social distancing efforts and enforced all guidelines and protocols. Another significant area of focus was to develop High Performance Products to meet enhanced customer demand with in-house R & D efforts. The Company will continue to emphasis on improvement in operational efficiencies, higher productivity with prudent cost control measures.

The investment segment also faced challenges relating to fluctuations in interest rates, a volatile stock market, currency depreciation and global uncertainties. However, performance of investment operations remains robust with a conservative approach towards deployment of funds, keeping capital protection in focus.

The Company entered into a long-term settlement with workmen at its Paithan plant for a period of 3 years effectively from December 2021.

The working of Company's Joint venture viz. Compo Advics Private Limited, though improved, remained under pressure with high raw material cost escalation as mentioned above and low-price realization. Several measures have been taken towards change in product mix and cost reduction program.

The outlook for the financial year 2022-23 appears positive with continued recovery of the industry in terms of underlying demand. This is expected to support higher schedules from OEM's as supply chain issues ease. However, current geopolitical issues may dent the recovery, if crisis is not resolved soon.

There was no change in the nature of the business of the Company during the financial year under review.

### **3. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT**

There were no material changes and commitments affecting financial position of the Company between the end of the financial year to which the financial statements relate and the date of this report.

### **4. SHARE CAPITAL OF THE COMPANY**

During the financial year under review, there was no change in paid up share capital of the Company. The paid up equity share capital of your Company as on 31<sup>st</sup> March, 2022 was ₹ 7,38,45,000/- (Rupees Seven Crore Thirty Eight Lakhs Forty Five Thousand only) divided into 1,47,69,000 Equity Shares of ₹ 5/- (Rupees Five only) each fully paid up.

### **5. DIVIDEND & DIVIDEND POLICY**

Your directors have recommended a dividend of ₹ 2/- per share (previous financial year ₹ 2/- per share), of ₹ 5/- each, being 40% (previous financial year 40%) on equity share capital for the financial year ended 31<sup>st</sup> March, 2022. This will absorb total cash outflow of ₹ 295.38 Lakhs. The dividend, if approved, will be paid to those members whose names shall appear on the Register of Members / List of Beneficiaries as on Thursday, 22<sup>nd</sup> September, 2022.

Pursuant to the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has formulated the Dividend Distribution Policy. The policy can be accessed on the Company's website viz. <https://www.hindcompo.com/investor-relations/documents/dividend-distribution-policy.pdf>

### **6. RESERVES**

During the financial year under review, a sum of ₹ 2,000 Lakhs (previous year ₹ 1,000 Lakhs) were transferred to the General Reserve.

### **7. SUBIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES**

Your Company has a Joint Venture Company namely "Compo Advics (India) Private Limited." The Company had no subsidiary or associate company during the financial year under review.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act"), a statement containing salient features of financial statements of the Joint Venture Company in Form AOC-1 is attached to the financial statements of the Company forming part of this Annual Report.

No subsidiary, joint venture or associate company were formed or ceased during the said period.

### **8. CONSOLIDATED AUDITED FINANCIAL STATEMENTS**

Pursuant to the provisions of Sections 129 and 133 of the Act read with the Companies (Accounts) Rules, 2014 and as required under Regulation 34 of the SEBI Listing Regulations, the Company has prepared Consolidated Audited Financial Statements consolidating financial statements of its Joint Venture Company namely "Compo Advics (India) Private Limited" with its financial statements in accordance with the applicable provisions of Indian Accounting Standards ("Ind-AS").

The Consolidated Audited Financial Statements along with the Independent Auditors' Report thereon are annexed and form part of this Report.

The summarized consolidated financial position is provided in point no. 1 above.

## 9. RISK MANAGEMENT AND AREAS OF CONCERN

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out from time to time to identify, evaluate, manage and monitoring of both business and non-business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

On-going outbreak of the novel coronavirus (Covid-19) continues to pose some challenges, though the gravity has considerably come down.

Pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations, as on 31<sup>st</sup> March, 2022, Risk Management Committee comprised of Mr. Raghu Mody, Executive Chairman, Mr. P. K. Choudhry, Managing Director, Mr. Lalit Kumar Bararia and Mrs. Preeti Agrawal, Independent Directors as its members. Mr. Raghu Mody is Chairman of Risk Management Committee and the Company Secretary and Compliance officer of the Company acts as the Secretary of the Committee.

The Committee assists the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management. The Committee reviews the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, mitigation and reporting of key risks while at the same time trying to achieve its business objectives.

This Committee's responsibilities include, achieving the objective of developing a risk mitigated culture that supports decision making and helps improving the Company's performance as stated in the Risk Management Policy of the Company. The role and terms of reference of the Risk Management Committee are in conformity with the requirements of the Act and Regulation 21 of the the SEBI Listing Regulations.

## 10. ANNUAL RETURN

Annual Return of the Company as on 31<sup>st</sup> March, 2022 in accordance with the provision of Section 92(3) read with the Section 134(3)(a) of the Act will be placed on the website of

the Company and can be accessed at the link <https://www.hindcompo.com/investor-relations/annual-reports.htm>.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on 31<sup>st</sup> March, 2022, the Board comprised of seven directors including one independent women director. The Board has an appropriate mix of Executive Directors, Non-Executive Directors and Independent Directors, which is in compliance with the requirements of the Act and the SEBI Listing Regulations and is also aligned with the best practices of Corporate Governance.

### a) Retirement by rotation

In accordance with the provisions of Section 152(6) of the Act read with Companies (Management and Administration) Rules, 2014 and the Articles of Association of the Company, Mr. P. K. Choudhary (DIN: 00535670), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors, on recommendation of Nomination and Remuneration Committee, has recommends his re-appointment to the members of the Company.

### b) Appointment and reappointment

Mr. Raghu Mody, who retired by rotation at previous 57<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2021, was re-appointed as director of the company in terms of provisions of Section 152(6) of the Act.

### c) Cessation

There was no cessation from the Board of the Company during the financial year under review.

### d) Declaration from Independent Directors

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and pursuant to Regulation 25 of the said Regulations that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

Further, the Independent Directors have also submitted their declarations in compliance with the provision of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, which mandates the inclusion of Independent Director’s name in the data bank of Indian Institute of Corporate Affairs (“IICA”) till they continue to hold the office of an independent director.

None of the directors of your Company are disqualified under the provisions of Section 164(2) of the Act. Your directors have made necessary disclosures, as required under various provisions of the Act and the SEBI Listing Regulations.

In the opinion of the Board, all the independent directors are persons of integrity and possess relevant expertise and experience and are independent of the management.

**e) Annual Performance and Board Evaluation**

The Board has devised a policy pursuant to the provisions of the Act and the SEBI Listing Regulations for performance evaluation of the chairman, board, individual directors (including independent directors) and committees which includes criteria for performance evaluation of non-executive directors and executive directors.

The Nomination and Remuneration committee of the Company has specified the manner of effective evaluation of the performance of Board, its committees and individual directors of the Company and has authorized the Board to carry out their evaluation based on the manner specified by the Committee. The Board has devised questionnaire to evaluate its performance and performance of its Committees and individual directors and the chairperson. The performance of each committee was evaluated by the Board, based on report on evaluation received from respective Board committees. The reports on performance evaluation of the individual directors were reviewed by the Chairman of the Board.

The evaluation framework for assessing the performance of directors comprises of the following key areas:

- i. Attendance at Board and Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspective or inputs regarding future growth of the Company and its performance; and

- iv. Providing perspective and feedback going beyond information provided by the management.

The details of the programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <https://www.hindcompo.com/investor-relations/documents/familiarisation-programmes-for-independent-directors.pdf>.

**f) Key managerial Personnel (KMP)**

The Key Managerial Personnel of the Company are as follows:

Sr. No.	Name	Designation
1.	Mr. Raghu Mody	Executive Director & Chairman (Promoter)
2.	Mr. P. K. Choudhary	Managing Director
3.	Mr. Sunil Jindal	Chief Financial Officer
4.	Mr. Vikram Soni	Company Secretary and Compliance Officer

There was no change in key managerial personnel during the financial year under review.

**12. MANAGERIAL REMUNERATION AND OTHER DETAILS**

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

The statement containing particulars of employees as required under 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 is provided in a separate annexure forming part of this Report. Further in terms of Section 136 of the Act, the report and accounts are being sent to the members excluding the aforesaid annexure. The said annexure is available for inspection at the registered office of the Company during the working hours and any member interested in obtaining copy of the same may write to the Company Secretary and Compliance Officer of the Company and the same will be furnished on request.

**13. REMUNERATION POLICY**

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of SEBI Listing Regulations and on the

recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has adopted a policy for selection and appointment of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and their remuneration including criteria for determining qualifications, positive attributes, independence of a director and other related matters.

The Remuneration Policy is placed on the website of the Company viz. [www.hindcompo.com](http://www.hindcompo.com).

#### 14. MEETINGS OF THE BOARD

The Board met four times during the financial year under review, the details of which are given in the Corporate Governance Report, which forms part of this Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Act and the SEBI Listing Regulations.

#### 15. COMMITTEES OF THE BOARD

Details of the Committees constituted by the Board under the Act and the SEBI Listing Regulations, along with their composition and changes, if any, and the number and dates of meetings held during the financial year under review are provided in the Corporate Governance Report, which forms part of this Report.

#### 16. AUDIT COMMITTEE AND ITS COMPOSITION

As on 31<sup>st</sup> March, 2022, the Audit Committee comprised of Mr. Lalit Kumar Bararia, Mr. A. B. Vaidya, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody.

Mr. Lalit Kumar Bararia is Chairman of the Audit Committee. The Company Secretary and Compliance officer of the Company acts as the Secretary of the Audit Committee. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company. Other details with respect to Audit Committee are given in Corporate Governance Report, which forms part of this Report.

The Audit Committee reviews the reports to be submitted to the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control, financial reporting process and vigil mechanism.

#### 17. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3)(c) read with Section 134(5) of the Act state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (b) 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 that period.
- (c) 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.
- (d) the directors have prepared the annual accounts on a going concern basis.
- (e) 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
- (f) 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.

#### 18. PUBLIC DEPOSITS

During the financial year under review, the Company has not accepted any public deposit within the meaning of Sections 73 and 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.

#### 19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE ACT

All contracts / arrangements / transactions entered by the Company during the financial year under review with related parties were in ordinary course of business and on arm's length basis and are entered into based on considerations of various business exigencies, such as synergy in operations, their specializations etc. and to further the Company's interests.

During the financial year under review, the Company had no material transactions with related parties falling under the scope of Section 188(1) of the Act. Hence, the Company is not required to furnish disclosure of material related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 for the financial year under review.

In accordance with the provisions of Regulation 23 of the SEBI Listing Regulations, the Company has adopted the policy on related party transactions and the same is available on the Company's website viz <https://www.hindcompo.com/investor-relations/documents/related-party-transaction-policy.pdf>

## **20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The details of loans, guarantee or investments made by the Company as required under Section 186 of the Act are given under notes to accounts on financial statements forming part of this Annual Report.

## **21. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Pursuant to the provisions of Section 135 read with the Companies (Corporate Social Responsibility) Rules, 2014, the Company has formed Corporate Social Responsibility Committee and a Policy on Corporate Social Responsibility ('CSR'). As part of its initiatives under CSR, taking into account the current COVID-19 pandemic situation across the world and in order to support and assist the Central Government to cater the public health emergency, including the creation or upgradation of healthcare or medical facilities and other necessary infrastructure, the Company contributed a sum of ₹ 60.00 Lakhs to the PM CARES fund towards its CSR obligations for the financial year under review. The policy on Corporate Social Responsibility has been placed on the website of the Company viz. [www.hindcompo.com](http://www.hindcompo.com).

As required under the provisions of Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, the details of CSR activities undertaken during the financial year under review are given in "**Annexure - B**", which forms part of this Report.

## **22. WHISTLE BLOWER/ VIGIL MECHANISM POLICY**

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avails of the mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases.

The details of the Vigil Mechanism Policy are explained in the Corporate Governance Report and the policy has been placed on the website of the Company viz. [www.hindcompo.com](http://www.hindcompo.com).

We affirm that during the financial year under review, no employee or director was denied access to the Chairman of Audit Committee.

## **23. STATUTORY AUDITORS**

As per the provisions of Section 139(1) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company, in their 53<sup>rd</sup> Annual General Meeting held on 12<sup>th</sup> September, 2017 appointed M/s. Bagaria & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 113447W), as Statutory Auditors of the Company for a term of 5 (five) consecutive years, and accordingly they hold office until the conclusion of the ensuing 58<sup>th</sup> Annual General Meeting of the Company.

The Board of Directors of the Company, based on recommendation of the Audit Committee, recommends for the appointment of M/s. Lodha & Company, Chartered Accountants Mumbai (Firm Registration No. 301051E), as Statutory Auditors of the Company for a period of 5 (five) consecutive years i.e. from the conclusion of the ensuing 58<sup>th</sup> Annual General Meeting upto the conclusion of 63<sup>rd</sup> Annual General Meeting of the Company to be held for the financial year ending 31<sup>st</sup> March 2027. The Company has received a letter from them to the effect that they are willing to get appointed as Statutory Auditors and if appointed, their appointment would be within the limits prescribed and confirmation to the effect that they are not disqualified from being appointed as the Statutory Auditors of the Company in terms of the provisions of Sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014.

The Board of Directors places on record its appreciation for the services rendered by M/s. Bagaria & Co LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company.

## **24. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. M Baldeva Associates, Company Secretaries, Thane to undertake Secretarial Audit of the Company for the financial year under review.

The Secretarial Audit Report is annexed to this report as "**Annexure - C**" and forms part of this Report.

## **25. INTERNAL AUDITORS**

Pursuant to the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014, the Board on



recommendation of the Audit Committee, re-appointed M/s. S M M P & Associates, Chartered Accountants, Mumbai, as Company's Internal Auditors for the financial year 2022-23.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliances with operating systems, accounting procedures and policies at all locations of the Company and reports are presented to the Audit Committee periodically.

## 26. COST RECORDS AND COST AUDITORS

As required under Section 148(1) of the Act, the Company has prepared and maintained cost accounts and cost records in the prescribed manner for its products viz. Railway Brake Block manufactured at Aurangabad unit.

As per the provisions of Section 148(2) & (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has appointed M/s. M. R. Pandit & Co., Cost Accountants, Aurangabad (Firm Registration No: 00268) as Cost Auditors of the Company to conduct audit of cost records maintained by the Company of its products viz. Railway Brake Block manufactured at Aurangabad unit for the financial year 2022-23. A resolution seeking ratification of the remuneration payable to the Cost Auditors by the members of the Company is proposed in the Notice of the ensuing 58<sup>th</sup> Annual General Meeting of the Company.

## 27. COMMENTS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS

There is no qualification / observation/adverse remark in Statutory Auditors' Report.

With respect to observations made by the Secretarial Auditors in their report, your directors would like to state that:

Delay in filing of one e-form with the Registrar of Companies was due to oversight.

Further, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Act.

## 28. MANAGEMENT DISCUSSION AND ANALYSIS, BUSINESS RESPONSIBILITY REPORT AND CORPORATE GOVERNANCE REPORT

Pursuant to the provisions of Regulations 34(2) & (3) and Schedule V of the SEBI Listing Regulations, the following have been made part of the Annual Report and are attached to this Report:

- Management Discussion and Analysis Report,
- Business Responsibility Report,
- Corporate Governance Report,
- Declaration on compliance with Code of Conduct,
- Certificate from Practicing Company Secretary that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies, and
- Auditors' Certificate regarding compliance of conditions of Corporate Governance.

## 29. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no significant or material order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on Company's operations in future.

## 30. INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its business operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

## 31. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 125 of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India after the completion of seven years. Further, according to the said Rules, the shares on which dividend remains unpaid or unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, during the financial year under review, the Company transferred 91,703 equity shares to the demat account of the IEPF Authority on which the dividend remained unclaimed / unpaid upto financial years 2013-14.

In terms of the provisions of Section 125 of the Act and said Rules, during the financial year under review, an amount of ₹ 3,83,900/- being remained unpaid / unclaimed dividend for

the Financial Year 2013-14 was transferred to the IEPF Authority.

Further, the unpaid and unclaimed dividend amount lying with the Company for financial year 2014 - 15 is due to transfer to the IEPF in the month of October, 2022. The details of the same are available on the Company's website viz. www.hindcompo.com.

Mr. Vikram Soni, Company Secretary and Compliance Officer of the Company is appointed as the Nodal officer to ensure compliance with the IEPF Rules.

### 32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 details regarding Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo are given in "Annexure - D", which forms part of this Report.

### 33. CREDIT RATINGS:

Acuite Ratings & Research Limited has reaffirmed the following credit ratings for Company's long term and short term instruments:

Scale	Amount (₹ in Cr.)	Rating
Long Term Instruments (fund based facilities)	12.00	ACUITE A- /Stable
Short Term Instruments (non-fund based facilities)	13.00	ACUITE A2+
<b>Total</b>	<b>25.00</b>	

### 34. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and your directors confirm compliance of the same during the financial year under review.

### 35. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and

Redressal) Act, 2013. During the financial year under review, there was no complaint filed before the said Committee and there was no complaint pending at the beginning or end of the financial year under review.

### 36. DETAILS OF PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the financial year under review, no application was made or proceeding initiated against the Company under the Insolvency and Bankruptcy Code, 2016 nor any such proceeding was pending at the end of the financial year under review.

### 37. VALUATION OF ASSETS

During the financial year under review, there was no instance of one-time settlement of loans / financial assistance taken from Banks or Financial Institutions, hence, the Company was not required to carry out valuation of its assets for the said purpose.

### 38. TRANSFER OF UNCLAIMED SHARES TO UNCLAIMED SUSPENSE ACCOUNT OF THE COMPANY

During the financial year under review, the Company was not required to transfer any share to the unclaimed suspense account as specified in Schedule VI of the SEBI Listing Regulations. The details of the number of shares transferred from the Unclaimed suspense account to the respective shareholders are provided in the Corporate Governance report, which forms part of this Report.

### 39. APPRECIATIONS

Your directors would like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance extended during the financial year under review by our bankers, customers, suppliers and Government agencies. The Board of Directors also wishes to express its appreciation for the valuable contribution made by the employees at all levels during the financial year under review.

**For and on Behalf of the Board of Directors  
of Hindustan Composites Limited**

**Raghu Mody**  
**Chairman**  
**DIN: 00053329**

**Place: Mumbai**  
**Date: 26<sup>th</sup> May, 2022**

## 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.

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:

Sr. No.	Name of the Director	Designation	Ratio of the remuneration to the median remuneration of the employees of the Company for the financial year 2021-22
1	Mr. Raghu Mody	Whole -Time Director and Executive Chairman	35:1
2	Mr. P. K. Choudhary	Managing Director	20:1

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22 are as under:

Sr. No.	Name of Director/KMP and Designation	Designation	% increase in Remuneration in the Financial Year 2020-21
1	Mr. Raghu Mody	Whole Time Director and Executive Chairman	8.11
2	Mr. P. K. Choudhary	Managing Director	7.41
3	Mr. Sunil Kumar Jindal	Chief Financial Officer	12.44
4	Mr. Vikram Soni	Company Secretary & Compliance Officer	20.15

3. The percentage increase in the median remuneration of employees in the financial year: **2.06%**;
4. There were **576** permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2022;
5. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 14.83% whereas the increase in the managerial remuneration for the same financial year was 0.68%. This was based on the recommendation of the Nomination and Remuneration Committee to revise the remuneration as per the Remuneration Policy of the Company.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Managerial Personnel and other Employees.

**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**

**Raghu Mody**  
**Chairman**  
 DIN : 00053329

Place: Mumbai  
 Date: 26<sup>th</sup> May, 2022

**ANNEXURE B**

**THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22**

**1. Brief outline on CSR Policy of the Company:**

The Company aims at spending a defined portion of its net profit for the betterment of society through:

- Providing financial and other assistance to students who belong to socially economical weaker sections.
- Supporting efforts for community health in slums and areas inhabited by weaker sections.
- Supporting the programs and efforts for environment protection and enhancement.
- Promoting, encouraging and supporting the social and cultural heritage and traditions of our society.
- Taking proactive measures for the well-being of society, as per needs.

**2. Composition of CSR Committee:**

Sr. 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.	Lt. Gen. (Retd.) K. S. Brar	Chairman / Independent Director	1	1
2.	Mr. P. K. Choudhary	Member / Managing Director	1	1
3.	Mr. Raghu Mody	Member / Executive Chairman	1	1

**3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

- (i) The Composition of CSR Committee of the Company can be viewed at: <https://www.hindcompo.com/investor-relations/committees-of-board.htm>
- (ii) The CSR Policy of the Company can be viewed at: <https://www.hindcompo.com/investor-relations/documents/csr-policy.pdf>
- (iii) The CSR projects approved by the Board of the Company can be viewed at: <https://www.hindcompo.com/investor-relations/documents/csr-annual-action-plan-2022-23.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

The Company is not required to carry out the Impact Assessment of CSR projects in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as the said rule is not applicable to Company.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sr No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be set-off for the financial year, if any ( ₹ In Lakhs)
Nil			

**6. Average net profit of the Company as per section 135(5): ₹ 2669.34 Lakhs**

**7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 53.39 Lakhs**

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil**

**(c) Amount required to be set off for the financial year, if any: Nil**

**(d) Total CSR obligation for the financial year (7a+7b+7c): ₹ 53.39 Lakhs**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
60.00	Nil	NA	-	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: There was no CSR amount spent against ongoing projects during the financial year.

Sr. No.	Name of the Project	Item from the list of activities in Sch. VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Nil												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. 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 (₹ In Lakhs)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	COVID support- PM CARES Fund	Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;	No	India		60.00	No	PM CARES Fund	-

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 60.00 Lakhs

(g) Excess amount for set off, if any : Nil

Sr. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	53.39
(ii)	Total amount spent for the Financial Year	60.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	6.61
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	6.61 (will not carry forward for set off in succeeding financial years)

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
Nil							

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

Sr. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakhs)	Amount spent on the project in the reporting Financial Year (₹ in Lakhs)	Cumulative Amount spent at the end of reporting Financial Year (₹ in Lakhs)	Status of the project - Completed /Ongoing
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:

- a) Date of creation or acquisition of the capital asset(s): None
- b) Amount of CSR spent for creation or acquisition of capital asset: Nil
- c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

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

For and on behalf of the Board of Directors  
of Hindustan Composites Limited

Place: Mumbai  
Date: 26<sup>th</sup> May, 2022

**P. K. Choudhary**  
Managing Director  
DIN : 00535670

**Lt. Gen. (Retd.) K. S. Brar**  
Chairman of the CSR committee  
DIN : 01146720

## ANNEXURE C

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022**

[Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and  
 Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
 The Members,  
**Hindustan Composites Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindustan Composites Limited** (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluation of the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes 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 **31<sup>st</sup> March, 2022** ('Audit Period') generally 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2022 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 (not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - 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 (**not applicable to the Company during the Audit Period**);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**not applicable to the Company during the Audit Period**);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**not applicable during the Audit Period**);
  - 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 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (not applicable to the Company during the Audit Period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (not applicable to the Company during the Audit Period); and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As informed and certified by the management of the Company, there are no laws that are specifically applicable to the business activities carried on by the Company based on its section / industry.

I have also examined compliance with the applicable clauses of the Secretarial Standards (SS – 1 and SS – 2) issued by the Institute of Company Secretaries of India.

During the Audit Period, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above, except delay in filing of one e-form with the Registrar of Companies, Mumbai, Maharashtra.

**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. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors and members to schedule the Board and Committee meetings respectively, agenda and detailed notes on agenda were sent at least seven days before 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 taken unanimously as recorded in the minutes of the respective meetings.

**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 there was no specific event or action in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the company's affairs.

**For M Baldeva Associates**  
Company Secretaries

**CS Manish Baldeva**  
Proprietor

M. No. FCS 6180; C.P. No. 11062  
Peer Review No. 1436/2021  
UDIN: F006180D000398066

**Place : Thane**  
**Date : 26<sup>th</sup> May, 2022**

**'Annexure I'**

To,  
The Members,  
**Hindustan Composites Limited**

My report of even date is to read along with this letter.

1. Maintenance of secretarial records is responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M Baldeva Associates**  
Company Secretaries

**CS Manish Baldeva**  
Proprietor

M. No. FCS 6180; C.P. No. 11062  
Peer Review No. 1436/2021  
UDIN: F006180D000398066

**Place : Thane**  
**Date : 26<sup>th</sup> May, 2022**



## ANNEXURE D

### 1 Details of Conservation of energy, technology absorption, foreign exchange earnings and outgo

A	Conservation of energy	
	(i) the steps taken or impact on conservation of energy	<ol style="list-style-type: none"> <li>1. Installation of energy efficient CNC controlled drilling machines</li> <li>2. Higher capacity old motors replaced with with energy efficient motors.</li> <li>3. Variable frequency control in higher capacity electric motor set at optimum level thereby saving in power consumption.</li> <li>4. Production plan optimised to avoid peak power tariff period of the day.</li> <li>5. LED Light fittings with motion sensor installed in parking area.</li> <li>6. Solar powered street light fitting installed.</li> <li>7. Natural draft roof ventilators installed for improving shop ventilation.</li> <li>8. Phase wise replacement of low efficient air conditioners with five star energy efficient units.</li> </ol>
	(ii) the steps taken by the company for utilizing alternative sources of energy	Discussion initiated with Power trading platform / private solar energy suppliers for procuring power at best price.
	(iii) the capital investment on energy conservation equipment	₹ 7.00 Lakhs
B	Technology absorption	
	(i) the efforts made towards technology absorption	<ol style="list-style-type: none"> <li>1. Development of High performance CV liners</li> <li>2. Development of Disc Pad for railway application</li> <li>3. Introduction of new raw material for improved performance of few grades of liners</li> <li>4. Introduction of high performance Random Woven Clutch Facing</li> <li>5. Improvement in quality and process of clutch buttons</li> <li>6. Development of Disc pad for CV application"</li> </ol>
	(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	Generation of additional Business
	(iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):	NotApplicable
	(iv) the expenditure incurred on Research and Development	Revenue ₹ 185.37 Lakhs (Previous year ₹ 198.22 Lakhs)
C	Foreign exchange earnings and outgo	
	(i) The foreign exchange earned (actual inflows)	₹ 967.34 Lakhs (Previous year ₹ 898.82 Lakhs)
	(ii) The foreign exchange outgo (actual outflows)	₹ 1527.02 Lakhs (Previous year ₹ 1013.61 Lakhs)

**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**

**Raghu Mody  
Chairman**

**DIN: 00053329**

**Place: Mumbai  
Date: 26<sup>th</sup> May, 2022**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Industry Structure and Development

For the past three years the entire world has been grappling to reduce the impact of Covid-19 pandemic. Massive vaccination drives, supportive macroeconomic policies and favorable financial conditions all over the globe proved to be catalyst for global resumption of work and the economy. The global economy was on the verge of recovery post severe two years of the Covid 19 pandemic but sudden escalation of Russia – Ukraine war has given birth to geopolitical instability and has set back the growth of the global economy. The war has disrupted the already strained global supply chain and has increased inflationary pressures as both these countries account for large share of global energy exports as well as exports of a range of metals, food staples and agricultural inputs.

The World Bank has slashed the global economy growth to 3.20% from its earlier estimate of 4.10% on account of the ongoing war, peaked inflation and nagging effects of the pandemic. (Source: World Bank Economic Outlook). The International Monetary Fund (IMF) stated in its latest report that Global growth is projected to be slow from an estimated 6.10% in 2021 to 3.60% in 2022 and 2023. (Source: IMF World Economic Outlook)

The Indian economy is on the recovery path despite global headwinds. The country experienced third wave of pandemic owing to the Omicron virus starting from December, 2021 but it was less severe as compared to earlier two waves and this indicates that we are entering the endemic stage. The possibility of fourth wave hitting India remains low due to improved immunity and high vaccine coverage.

In the first three quarters of FY 22, Indian economy had grown 20.10%, 8.40% and 5.40% respectively. However, growth came down to 4.10% in January-March 2022, the slowest in four quarters, hit by the third wave of pandemic, supply disruptions and high commodity and crude prices due the Russia- Ukraine war. Despite this, in the full fiscal year, GDP rose to 8.70%, making India the fastest growing major economy. The GST collections are at all-time high at ₹ 1.68 Lakhs Crore in April, 2022 indicating strong economic activities. The country's merchandise exports spurt to a record high of US\$ 418 billion in the financial year 2021-22.

International Monetary Fund (IMF) in its latest report has downgraded India's growth to 8.20% for FY23 from 9.00% estimated in January, 2022 due to Russia Ukraine war which would result in weaker domestic demand as higher oil prices are expected to weigh on private consumption and investment - and a drag from lower net exports.

The global automotive industry continued to face challenges due to shortage of semiconductors and restrictions imposed due to emergence of new COVID-19 variants which further aggravated due to the supply chain issues. Amid the

ongoing uncertainty of input shortages, carmakers have been moving to set up partnerships with various suppliers. Also, with electrification trend continuing to gain momentum, the automakers have started to set up joint ventures with battery manufacturers to secure future supplies. Tightening emissions regulations and government incentives are likely to boost global EV sales. The global auto industry is likely to witness positive momentum in Calendar Year 2022 with further recovery in demand and gradual easing of supply chain challenges. Moreover, the mobility landscape continues to transform rapidly with new business models and autonomous, connected, electric, and shared mobility trends which will provide next leg of growth for the industry.

Indian automobile industry which had been witnessing strong recovery on account of low interest rate regime coupled with pent up demand, faced temporary headwinds during the start of the fiscal year due to second wave of pandemic which dented consumer sentiment and resulted in temporary shutdown of dealerships. Disruption in supply chain due to localized restrictions and shortage of semiconductors had an adverse impact on production. However, the industry witnessed sharp recovery once the impact of the pandemic subsided, and lockdown restrictions were eased. The supply side issues pertaining to chips' shortage hampered production during the second half of the fiscal year.

**The domestic sale of Automobiles during the financial year 2021-22 vis-a-vis 2020-21 experienced a strong recovery across segments except two wheelers as under:**

Segment	2021-22	2020-21	Variance
	Nos.	Nos.	
Passenger Vehicle	30,69,499	27,11,457	13.20 %
M & H Commercial vehicle	2,40,577	1,60,688	49.72%
Light Commercial vehicle	4,75,989	4,07,871	16.70%
3 wheelers	2,60,995	2,16,197	20.72%
2 Wheelers	1,34,66,412	1,51,19,387	-10.93%

(Source – SIAM data)

Passenger vehicle segment grew by 13.20% with strong underlying demand fuelled by new launches and need for personal mobility post second COVID wave. There was a remarkable growth in Medium & Heavy Commercial vehicle segment by 50.00% with revival in demand in the infrastructure and construction sectors, improving fleet utilisation, freight availability / rates and better financing along with increasing demand for e-commerce & last-mile delivery. Light Commercial Vehicles (LCV) segment reported volume increase of 16.70% supported by e-commerce, agriculture, and FMCG segment. Two-wheelers witnessed decline of 10.93 % on account of continued weak demand due to higher impact of COVID second wave in the rural market coupled with higher fuel prices.

## 2. Opportunities and threat

The Government of India approved the Production Linked Incentive (PLI) Schemes for Automobiles and Auto Component industry for enhancing India's manufacturing capabilities for Advances Automotive Products (AAP) with a budgetary outlay of ₹ 25,938 crores. It will attract investments in the automotive manufacturing value chain. The Govt. of India also launched vehicle scrappage policy on August, 13, 2021. The policy mandates commercial vehicle > 15 years and passenger cars > 20 years to be mandatorily scrapped if they do not pass the fitness and emission tests. Strong policy support initiatives and Govt focus on infra spending is creating good opportunities in demand revival and growth of automotive industry. We see significant opportunities for our products to leverage the mega trend shaping the Indian automobile industry.

The spread of Omicron Virus and the war between Russia and Ukraine has led to disturbances in the supply chain, resulting in delay / roll over of shipments, further leading to pricing pressure on all kind of petroleum products. Due to non-availability of raw materials, entities have started taking shelter of 'Force Majeure' clause. Heavy rains and flood in coal belts around the Globe resulted in disorganization of mining activity, leading to shortage of Coal. The auction done by Western Coal Field Limited fetched huge premiums and priority was given to Power Sector companies. As the required Coal being procured from other mines, coupled with fluctuation in diesel price had resulted in augmenting of fuel and logistic cost. Consequent to all these factors, there was a sharp rise in the cost of metals, petroleum based products, rubber and many other items. The Indian Rupee also weakened in the recent time. This resulted into a huge increase in the cost of major raw materials. In view of intense competition, it is difficult to seek major price increases to compensate the effects of inflation thus bringing margins under severe pressure.

At HCL we have felt the impact of this situation with coverage of major raw materials and maintaining higher inventory. We have chosen to focus on areas of opportunity within the larger framework of the current challenges. The Company was able to improve its position both in its OEM and aftermarket businesses and reported a sales growth of 23 % over the last year.

In the investment segment, the Company's fund is invested in various asset classes including debt and equity. The volatility in the market may adversely affect returns due to Mark to Market losses. To overcome this risk, the Investment Committee reviews the investments on a regular basis and takes appropriate decisions. The portfolio is managed with the advice of professional fund managers.

## 3. Segment - wise or product-wise performance

The Company operates in two segments viz. composite products and investment. During the year under review, the revenue from composite products stood at ₹18,592 Lakhs

(previous F.Y. ₹ 15,007 Lakhs) and from the investments segment this stood at ₹ 4,672 Lakhs (previous F.Y. ₹ 3,452 Lakhs).

The segment result before unallocable expenses, interest and tax from Composite products was ₹ 291 Lakhs (previous F.Y. ₹ 619 Lakhs) and Investments was ₹ 3,496 Lakhs (previous F.Y. ₹ 2,533 Lakhs)

## 4. Outlook

Despite concerns of third wave of the pandemic, we are cautiously optimistic about the prospects of Indian economy and the automotive segment. Auto component industry has now recovered and investment cycle has commenced. The Indian auto component industry is expected to become the third largest in the world by 2025 and component exports are expected to grow by five times in 10 years. Keeping pace with the automotive industry, India's auto component industry has been flourishing and some favorable trends are as under:

Growing working population and expanding middle class are expected to remain key driver.

100% FDI allowed under automatic route for auto components sector, PLI scheme in Automotive and Auto components with a financial outlay over five years of ₹ 57,042 Crores

Announcement of incentive based vehicle scrappage policy

Shift from BS-IV to BS- VI norms have placed the industry on par with international regulations on safety and emissions in the long term

a cost effective manufacturing base keeps cost lower relative to developed countries

The above factors will spur the demand for the Company's product used in segments like Heavy Vehicles, tractor, railroad and industry. Our company will remain a part of this change with appropriate products and solutions for customers. The Company will continue to put a thrust on new product development to meet the changed requirement of customers, provide better customer service and continue to work towards up-gradation of technology, improvement in quality, cost rationalization, cash preservation and digitalization. Besides, the Company will aggressively pursue opportunities for new OEM approvals, improve market share in OE and Aftermarket, export opportunities and additional business from the Rail and Industrial segment.

## 5. Risks and concerns

The Company has laid down a well-defined Risk Management Policy covering risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is carried out from time to time to identify, evaluate both business and non-business risk. The Board

periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

The current geopolitical tension, continued supply chain issues, fear of next wave of Coronavirus infection and the consequent restrictive measures may derail growth prospects of the industry.

**6. Internal control systems and their adequacy**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its business operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and are adequately protected.

**7. Discussion on financial performance with respect to operational performance**

The Company's financial performance with respect to Operational performance is already discussed in the Directors' Report which forms part of the Annual Report.

**8. Material developments in Human Resources / Industrial Relations front, including number of people employed**

The thrust of the Company's human resource development is to create a responsive and market-driven organization with emphasis on performance. Continuous appraisal of personnel competence in line with job requirements, are carried out to provide for necessary training to personnel thereby facilitating higher levels of output and productivity. The industrial relations at Paithan and Bhandara plants remain satisfactory.

The Company entered into a Long-term settlement with its workmen at its Paithan Plant for a period of 3 years effective from December, 2021. As on 31<sup>st</sup> March, 2022, 576 employees were employed in the Company.

**9. Details of significant changes in key financial ratios / Return on net worth**

Ratios	Standalone			Consolidated		
	2021-22	2020-21	% Change	2021-22	2020-21	% Change
Debtors Turnover Ratio	4.66	3.76	23.94	4.69	3.80	23.42
Inventory Turnover Ratio	14.59	12.25	19.10	14.59	12.25	19.10
Interest Coverage Ratio*	317.85	127.56	149.18	317.85	121.09	164.49
Current Ratio**	2.38	3.40	-30.00	2.29	3.28	-30.18
Debt Equity Ratio	0.00	0.00	0.00	0.00	0.00	0.00
Operating Margin Ratio	10.64	13.10	-18.78	10.64	12.43	-14.40
Net Profit Margin	9.29	11.37	-18.29	9.29	10.69	-13.10
Return on Net Worth***	11.87	6.33	87.52	11.90	7.47	59.30

\* Lower interest cost & improved profitability.  
 \*\* Increase in investment income during the F.Y.  
 \*\*\* Shift from current investment to long term investment.  
 Note: Previous year's ratios have been recalculated where ever necessary to conform to current year's classification.

**10. Cautionary Statement**

The statement in the Management Discussion and Analysis Report cannot be construed as holding out any forecasts, projections, expectations, invitations, offers, etc. within the meaning of applicable securities, laws and regulations. This Report basically seeks to furnish information, as laid down within the different headings to meet the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**

**Place: Mumbai  
Date: 26<sup>th</sup> May, 2022**

**Raghu Mody  
Chairman  
DIN: 00053329**

## REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### 1. A brief statement on Company's philosophy on code of governance:

The Company believes in transparency, professionalism and accountability, which are basic principles of corporate governance and would constantly endeavor to improve on these aspects.

### 2. Corporate Ethics:

The Company adheres to the highest standards of business ethics, transparency in all its dealings and timely compliance with statutory and legal requirements.

#### 2.1 Code of Conduct of Board Members and Senior Management:

The Board of Directors of the Company has adopted Code of Conduct for its Members and Senior Management and it is reviewed and modified periodically as per changes in applicable laws. The Code highlights Corporate Governance as the cornerstone for sustained management performance and for serving all the stakeholders and for instilling pride of association. The code has been posted on the website of the Company viz. [www.hindcompo.com](http://www.hindcompo.com).

#### 2.2 Code of Conduct for Prevention of Insider Trading:

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders for its promoters, promoter group, management, directors, designated employees and other connected persons. All the directors, designated persons and third parties such as auditors, consultants etc., who could have access to the unpublished price sensitive information of the Company, are governed by this Code. The trading window was closed as and when required and occurrence of any material events as per the applicable regulations. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

#### 2.3 Vigil Mechanism:

The Company has established a vigil mechanism for its employees, officers and directors, which encourage them to report any suspected violation promptly and intend to investigate any report of violations made in good faith.

### 2.4 Safety, Health & Environment (SHE) System:

The Company has adopted Safety, Health and Environment (SHE) System with a commitment to provide a safe and healthy working environment.

### 3. Secretary's Responsibility Statement:

The Company Secretary confirms that the Company has during the financial year ended 31<sup>st</sup> March, 2022:

- Maintained all the Statutory Registers required to be maintained under the Companies Act, 2013 ("the Act") and the rules made thereunder.
- Filed all the forms and returns and furnished necessary particulars in time, with the Registrar of Companies ("ROC"), Mumbai, Maharashtra, Ministry of Corporate Affairs ("MCA") and / or Authorities as required under the Act, except delay in filing of one e-form.
- Issued all notices as required to be given for convening the meetings of the Board of Directors, Committees thereof and General Meetings of the shareholders within the time limit prescribed by law.
- Conducted the meetings of the Board of Directors, Committees thereof and Annual General Meeting ("AGM") as per the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
- Complied with all the requirements relating to the minutes of the proceedings of the meetings of the Board of Directors, Committees thereof and Shareholders.
- Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the Directors and Key Managerial Personnel.
- Obtained necessary approvals of the Board of Directors, Committees thereof, Shareholders and other authorities as per the statutory requirements.
- Given loans and made investments in accordance with the provisions of the Act.
- Not exceeded the borrowing powers of the Company.
- Registered all the particulars relating to the creation, modification and satisfaction of the charges with the ROC, Mumbai, Maharashtra.

- Effected share transfers and dispatched the certificates / letter of confirmation within the time prescribed under the Act and SEBI Listing Regulations and the rules made thereunder. Please refer to point no 13 (m) of this report for more details.
- Complied with all the requirements of the SEBI Listing Regulations.

The Company has also complied with the requirements prescribed by the Securities and Exchange Board of India (“SEBI”) and other statutory authorities and also the requirements under the Act and related statutes in force to the extent applicable to the Company from time to time.

#### 4. Board of Directors:

- **Composition:**

As on 31<sup>st</sup> March, 2022, the Board of Directors comprised of seven directors. The composition of the Board, attendance at Board meetings held during the financial year 2021-22 and at the last AGM of the Company, number of directorships in other companies and Chairmanship / Membership in Committees are given below:

Name of Director	Category	No. of Board Meetings held	Attendance particulars		No. of other Directorship(s)	Committee Positions (including Company)	
			Board Meetings	Last AGM		Memberships	Chairmanships
Mr. Raghu Mody	Executive Chairman, Promoter	4	3	Yes	3	2	-
Mr. P. K. Choudhary	Executive, Managing Director	4	4	Yes	1	-	-
Mr. A. B. Vaidya	Non-Executive, Independent Director	4	4	Yes	-	2	1
Mr. Deepak Sethi	Non-Executive, Independent Director	4	4	Yes	-	1	-
Lt. Gen. (Retd.) K. S. Brar	Non-Executive, Independent Director	4	4	Yes	-	2	-
Mr. Lalit Kumar Bararia	Non-Executive, Independent Director	4	4	Yes	1	3	2
Mrs. Preeti Vimal Agrawal	Non-Executive, Independent Director	4	3	Yes	-	-	-

- The directorship held by directors as mentioned above does not include directorships of Private Companies / high value debt listed entities / companies registered under Section 8 of the Act/ Foreign companies as on 31<sup>st</sup> March, 2022.
- Membership / Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies / subsidiary of public companies have been considered.

• **Directorship details including the category of directorships as on 31<sup>st</sup> March, 2022:**

Sr. No.	Name of the Director	Name of the Listed Entity	Directorship Details
1.	Mr. Raghu Mody	Hindustan Composites Limited	Executive Chairperson, Promoter
		J L Morison (India) Limited	Non-Executive, Non-Independent Director, Chairperson related to Promoter
2.	Mr. P. K. Choudhary	Hindustan Composites Limited	Executive Managing Director
3.	Mr. A. B. Vaidya	Hindustan Composites Limited	Non-Executive, Independent Director
4.	Mr. Deepak Sethi	Hindustan Composites Limited	Non-Executive, Independent Director
5.	Lt. Gen. (Retd.) K. S. Brar	Hindustan Composites Limited	Non-Executive, Independent Director
6.	Mr. Lalit Kumar Bararia	Hindustan Composites Limited	Non-Executive, Independent Director
		J L Morison (India) Limited	Non-Executive, Independent Director
7.	Mrs. Preeti Vimal Agrawal	Hindustan Composites Limited	Non-Executive, Independent Director

• **Number and date of Board Meetings held:**

Four Board Meetings were held during the financial year 2021-22. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors present
26 <sup>th</sup> May, 2021	7	7
6 <sup>th</sup> August, 2021	7	7
11 <sup>th</sup> November, 2021	7	6
9 <sup>th</sup> February, 2022	7	6

• **Disclosure of relationship between directors inter se:**

None of the Directors of the Company are related *inter-se* to any other director on the Board within the meaning of Section 2(77) of the Act.

• **Number of shares and convertible instruments held by Non-Executive Directors:**

As on 31<sup>st</sup> March, 2022, no Non-Executive Director was holding any share / convertible instruments in the Company.

• **Weblink where details of familiarization programmes imparted to independent directors is disclosed:**

The details of the programmes for familiarization of Independent Directors with the Company their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company are put up on the website of the Company at the link: <https://www.hindcompo.com/investor-relations/documents/familiarisation-programmes-for-independent-directors.pdf>

• **Matrix of Skills / Expertise / Competence of the Board of Directors:**

The Company has two segments viz. manufacturing and investment activities. Company's core business includes manufacturing, distribution and marketing of Friction Materials in India and abroad comprising of Brake Lining, Clutch Facing, Disc Brake Pad, Roll Lining, Brake Block etc.

The Company also through its investment activities invests in various equity instruments, Government Securities and debentures and bonds.

The following are the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's aforesaid business for it to function effectively, efficiently and those available with the Board as a whole and the specific areas of focus or expertise of individual board members have been highlighted hereunder:

Core skills / competencies / Expertise and Description	Name of Directors						
	Mr. Raghu Mody	Mr. P. K. Choudhary	Mr. A. B. Vaidya	Mr. Deepak Sethi	Lt. Gen. (Retd.) K. S. Brar	Mr. Lalit Kumar Bararia	Mrs. Preeti Vimal Agrawal
<b>Sales &amp; Marketing:</b> Experience in developing strategies to grow sales and market share and marketing management based on understanding of the auto components goods industry.	✓	✓	—	✓	—	✓	✓
<b>Global Business experience:</b> Experience in leading businesses in different geographies / markets around the world with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.	✓	✓	✓	✓	—	✓	✓
<b>General Management / Governance:</b> Strategic thinking, decision making and protect interest of all stakeholders;	✓	✓	✓	✓	✓	✓	✓
<b>Financial skills:</b> Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.	✓	✓	✓	✓	✓	✓	✓
<b>Technical Skills:</b> Technical skills and professional skills and knowledge including legal and regulatory aspects.	✓	✓	✓	✓	✓	✓	✓

• **Declaration by the Board:**

In the opinion of the Board of Directors of the Company, the Independent Directors fulfill the conditions specified in Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations and they are Independent of the management.

Further, all the Independent Directors of the Company have affirmed compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, regarding enrollment in the Data Bank for Independent Directors as required under Notification dated 22<sup>nd</sup> October, 2019 issued by the Ministry of Corporate Affairs in this regard.

None of the Independent Director serves as Independent Director in more than 7 listed companies.

• **Resignation of Independent Director:**

None of the Independent Director resigned during the financial year 2021-22.

**5. Audit Committee:**

Pursuant to the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations, the Board of Directors has duly constituted the Audit Committee. Majority of the members of the Committee are Independent Directors including the Chairman of the Committee.

• **Brief description of terms of reference:**

The Broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Internal Auditors and to review the weakness in internal controls reported by Internal and Statutory Auditors and to review the remuneration of Internal and Statutory Auditors. In addition, the powers and role of the Audit Committee are as laid down under Regulation 18 and Schedule II Part C of the SEBI Listing Regulations read with Section 177 of the Act.

• **Composition:**

As on 31<sup>st</sup> March 2022, the Audit Committee comprised of Mr. Lalit Kumar Bararia, Mr. A. B. Vaidya, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody as its members. Mr. Lalit Kumar Bararia, Non-executive, Independent Director of the Company is the Chairman of the Committee and he was present at the 57<sup>th</sup> AGM of Company held on 29<sup>th</sup> September, 2021. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comprehensive experience and background. The partners / authorised representatives of Statutory Auditors and Internal Auditors are invited to the meetings of the Audit Committee, as and when required.



The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

• **Meetings and attendance during the year:**

During the financial year 2021-22, the Audit Committee met four times on 26<sup>th</sup> May, 2021, 6<sup>th</sup> August, 2021, 11<sup>th</sup> November, 2021 and 9<sup>th</sup> February, 2022. The attendance at the Committee meetings was as follows:

Sr. No.	Name of Directors	Category	Status	No. of meetings attended
1.	Mr. Lalit Kumar Bararia	Non-Executive, Independent Director	Chairman	4
2.	Mr. A. B. Vaidya	Non-Executive, Independent Director	Member	4
3.	Mr. Deepak Sethi	Non-Executive, Independent Director	Member	4
4.	Lt. Gen. (Retd.) K.S. Brar	Non-Executive, Independent Director	Member	4
5.	Mr. Raghu Mody	Executive Chairman, Promoter	Member	3

**6. Nomination and Remuneration Committee:**

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Board of Directors has duly constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee, *inter alia*, recommends for appointment / reappointment of executive directors, key managerial personnel (KMP) and senior management personnel (SMP) of the Company and for the remuneration payable to them.

• **Brief description of terms of reference:**

The terms of reference of this Committee are wide enough covering the matters specified for appointment / reappointment and remuneration to the Directors and Senior Management under the provisions of Section 178 of the Act read with Regulation 19 and Schedule II Part D (A) of the SEBI Listing Regulations.

• **Composition:**

As on 31<sup>st</sup> March 2022, the Nomination and Remuneration Committee comprised of Mr. Lalit Kumar Bararia, Mr. A. B. Vaidya and Lt. Gen. (Retd.) K. S. Brar as its members. Mr. Lalit Kumar Bararia, Non-executive, Independent Director of the Company is the Chairman of the Committee and he was present at the 57<sup>th</sup> AGM of Company held on 29<sup>th</sup> September, 2021.

The Company Secretary and Compliance Office of the Company acts as the Secretary to the Committee.

• **Meetings and attendance during the year:**

During the financial year 2021-22, the Nomination and Remuneration Committee met twice on 26<sup>th</sup> May, 2021 and 9<sup>th</sup> February, 2022. The attendance at the Committee meetings was as follows:

Sr. No.	Name of Directors	Category	Status	No. of meetings attended
1.	Mr. Lalit Kumar Bararia	Non-Executive, Independent Director	Chairman	2
2.	Mr. A. B. Vaidya	Non-Executive, Independent Director	Member	2
3.	Lt. Gen. (Retd.) K. S. Brar	Non-Executive, Independent Director	Member	2

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

Pursuant to the provisions of Section 178(2) of the Act read with Regulation 17(10) of the SEBI Listing Regulations, the Board of Directors of the Company has evaluated the performance of each Independent Director and fulfilment of the independence criteria as specified in the SEBI Listing Regulations and their independence from the management. The questionnaires are prepared considering the business of the Company. The evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

1. Attendance at Board and Committee Meetings;
2. Quality of contribution to Board deliberations;
3. Strategic perspectives or inputs regarding future growth of the Company and its performances;
4. Providing perspective and feedback going beyond information provided by the management.

**7. Stakeholders' Relationship Committee:**

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations, the Board of Directors has duly constituted the Stakeholders' Relationship Committee.

• **Brief description of terms of reference:**

The Committee is empowered to oversee the redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer / transmission / demat / remat of shares and other miscellaneous complaints. The Committee is also responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. In addition, the terms of reference of this Committee include

as laid down under Regulation 20 and Schedule II Part D (B) of the SEBI Listing Regulations read with Section 178 of the Act.

**• Composition:**

As on 31<sup>st</sup> March 2022, the Stakeholders’ Relationship Committee comprised of Mr. A. B. Vaidya, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody as its members. Mr. A. B. Vaidya, Non-Executive, Independent Director of the Company is the Chairman of the Committee, and he was present at the 57<sup>th</sup> AGM of Company held on 29<sup>th</sup> September, 2021. Mr. Vikram Soni is Company Secretary and Compliance Officer of the Company.

The Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee.

**• Status of investors’ complaints :**

Opening balance at the beginning of the year : Nil  
 Received during the year : 02  
 Disposed during the year : 02  
 Closing balance at the end of the year : Nil

**8. Risk Management Committee:**

Pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations, the Company has constituted Risk Management Committee effective from 26<sup>th</sup> May, 2021 and has also adopted the revised Risk Management Policy and has framed a Risk Management Committee Charter, in accordance with the amended provisions of the SEBI Listing Regulations.

**• Brief description of terms of reference:**

The roles and responsibilities of the Risk Management Committee include evaluating and monitoring key risks including strategic, operational, financial, cyber security and compliance risks & framing, implementing, monitoring and reviewing risk management plan, policies, systems and framework of the Company. In addition, the terms of reference of this Committee include as laid down under the provisions of Regulation 21 and Schedule II Part D (C) of the SEBI Listing Regulations.

**• Composition:**

As on 31<sup>st</sup> March 2022, the Risk Management Committee comprised of Mr. Raghu Mody, Mr. P. K. Choudhary, Mr. Lalit Kumar Bararia and Mrs. Preeti Vimal Agrawal as its members. Mr. Raghu Mody, Executive Chairman of the Company is the Chairman of the Committee.

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

**• Meetings and attendance during the year:**

During the financial year 2021-22, the Risk Management Committee met twice on 6<sup>th</sup> August, 2021 and 1<sup>st</sup> February, 2022. The attendance at the Committee meetings was as follows:

Sr. No.	Name of Directors	Category	Status	No. of meetings attended
1.	Mr. Raghu Mody	Executive Chairman, Promoter	Chairman	2
2.	Mr. P. K. Choudhary	Executive, Managing Director	Member	2
3.	Mr. Lalit Kumar Bararia	Non-Executive, Independent Director	Member	1
4.	Mrs. Preeti Vimal Agrawal	Non-Executive, Independent Director	Member	2

**9. Corporate Social Responsibility (CSR) Committee:**

Pursuant to the provisions of Section 135 of the Act, the Board of Directors has duly constituted the Corporate Social Responsibility (“CSR”) Committee.

**• Brief description of terms of reference:**

- I. To frame the CSR Policy and CSR Annual Plan and its review from time-to-time.
- II. To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- III. To ensure compliance with the laws, rules and regulations governing the CSR and to periodically report to the Board of Directors.

**• Composition:**

As on 31<sup>st</sup> March 2022, the CSR Committee comprised of Lt. Gen. (Retd.) K. S. Brar, Mr. P. K. Choudhary and Mr. Raghu Mody as its members. Lt. Gen. (Retd.) K. S. Brar, Non-Executive, Independent Director of the Company is the Chairman of the Committee.

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

**• Meetings and attendance during the year:**

During the financial year 2021-22 the CSR Committee met once on 26<sup>th</sup> May, 2021. The attendance at the Committee meeting was as follows:

Sr. No.	Name of Directors	Category	Status	No. of meetings attended
1.	Lt. Gen. (Retd.) K. S. Brar	Non-Executive, Independent Director	Chairman	1
2.	Mr. P. K. Choudhary	Executive, Managing Director	Member	1
3.	Mr. Raghu Mody	Executive Chairman, Promoter	Member	1

#### 10. Remuneration to Directors:

- The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2021-22.
- Non-Executive Directors did not draw any remuneration from the Company. Sitting fees to Non-executive Directors is being paid at the rate of ₹10,000/- for each meeting of the Board and Committees (excluding CSR Committee meetings) attended by them. Within the ceiling of the Act, Independent Directors are also paid a commission, the amount whereof is determined by the Board and approved by the shareholders of the Company.

#### Details of remuneration / fees paid / payable to the Directors are as under:

(₹ in Lakhs)

Name	Salary	Perquisites or Allowances	Contribution to PF and others	Commission	Sitting fees	Total
Mr. Raghu Mody	156.00	0.29	-	-	-	156.29
Mr. P. K. Choudhary	74.89	10.84	4.69	-	-	90.42
Mr. A. B. Vaidya	-	-	-	2.00	1.40	3.40
Mr. Deepak Sethi	-	-	-	2.00	0.80	2.80
Lt. Gen. (Retd.) K. S. Brar	-	-	-	2.00	1.40	3.40
Mr. Lalit Kumar Bararia	-	-	-	2.00	1.10	3.10
Mrs. Preeti Vimal Agrawal	-	-	-	2.00	0.50	2.50

- The above details of remuneration or fees paid include all elements of remuneration package of individual director summarized under major groups.
- Apart from the above mentioned remuneration or fees paid, there are no other fixed component and performance linked incentives based on the performance criteria.
- There are no separate service contracts with any of the directors. The tenure of office of the Managing Director is for five years and Whole Time / Executive Directors is for three years from their respective dates of appointment, and can be terminated by either party by giving one month's notice in writing. There is no separate provision for payment of severance fees.

- No stock options are offered to any of the directors of the Company.

#### 11. General Body Meetings:

- Location and time, where last three Annual General Meetings held:

Financial year	Time	Date	Location
2018-19	11.30 a.m.	29 <sup>th</sup> August, 2019	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2019-20	11.45 a.m.	29 <sup>th</sup> September, 2020	Conducted through Video Conferencing / Other Audio Visual Means
2020-21	11.45 a.m.	29 <sup>th</sup> September, 2021	Conducted through Video Conferencing / Other Audio Visual Means

- Special resolutions passed at last three AGMs:

AGM	Particulars of Special Resolutions
29 <sup>th</sup> August, 2019	<ol style="list-style-type: none"> <li>Special Resolution for re-appointment of Mr. Deepak Sethi (DIN: 07165462) as an Independent Non – Executive Director of the Company for a second term of five consecutive years w.e.f. 23<sup>rd</sup> April, 2020 to 22<sup>nd</sup> April, 2025.</li> <li>Special Resolution for revision in remuneration payable to Mr. Raghu Mody, (DIN: 00053329), Executive Chairman and Whole Time Director of the Company, w.e.f. 1<sup>st</sup> April, 2019 for the remaining period of his tenure.</li> </ol>
29 <sup>th</sup> September, 2020	<ol style="list-style-type: none"> <li>Special Resolution for the re-appointment of Mr. Raghu Mody (DIN: 00053329) as Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f. 1<sup>st</sup> October, 2020 till 30<sup>th</sup> September, 2023.</li> <li>Special Resolution for the waiver of excess remuneration paid to Mr. Raghu Mody (DIN: 00053329), Executive Chairman and Whole Time Director of the Company during the financial year ended 31<sup>st</sup> March, 2020.</li> </ol>
29 <sup>th</sup> September, 2021	No Special Resolution was passed in this meeting.

**Postal Ballot:**

During the year under review, no resolution was passed through Postal Ballot process.

None of the business proposed to be transacted at the ensuing AGM is required to be transacted through postal ballot.

**12. Means of communication:**

- The Company has published its financial results as per the details mentioned below:

News Papers	Date of Board Meeting	Date of Publication
Financial Express (English - All India Edition) Mumbai Lakshyadeep (Marathi)	26-05-2021	27-05-2021
Financial Express (English - All India Edition) Mumbai Lakshyadeep (Marathi)	06-08-2021	07-08-2021
Financial Express (English - All India Edition) Mumbai Lakshyadeep (Marathi)	11-11-2021	12-11-2021
Financial Express (English - All India Edition) Mumbai Lakshyadeep (Marathi)	09-02-2022	10-02-2022

**Website:** The Company's website viz. [www.hindcompo.com](http://www.hindcompo.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

News releases, presentations, among others: All Corporate Announcements made to the Stock Exchanges during the financial year 2021-22 are available on the website of the Company.

During the financial year 2021-22, the Company has not made any presentation to institutional investors or analysts.

**13. General Shareholders' information:**

- Annual General Meeting:** Thursday, 29<sup>th</sup> September, 2022 at 11:45 a.m. via. Video Conferencing / Other Audio Visual Means.
- Financial Year:** April 1 to March 31;

- Dividend Payment Date:** The dividend of ₹ 2 per equity share of ₹ 5 each, as recommended by the Board, if declared at the AGM, will be credited / paid directly in members bank accounts, subject to deduction of income-tax at source wherever applicable, between Friday, 7<sup>th</sup> October, 2022 to Thursday, 20<sup>th</sup> October, 2022. For the members who have not updated their bank account details, the Company shall dispatch dividend warrants / drafts.

- Book Closure:** The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 23<sup>rd</sup> September, 2022 to Thursday, 29<sup>th</sup> September, 2022 (both days inclusive).

- Cut-off date for remote e-voting:** The remote e-voting / voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on the cut-off date i.e. Thursday, 22<sup>nd</sup> September, 2022. Remote e-voting shall remain open from Monday, 26<sup>th</sup> September, 2022 (9.00 a.m.) and ends on Wednesday, 28<sup>th</sup> September, 2022 (5.00 p.m.).

- Listing on Stock Exchanges:**

**Equity Shares**
**a) BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

**b) National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

- Listing Fees:**

The Company has paid the listing fees for the financial year 2022-2023 to all the stock exchanges where the shares are listed.

- Stock Code:**

BSE:509635

NSE:HINDCOMPOS

ISIN:INE310C01029

**i) Stock Market Price Data and performance in comparison to BSE Sensex / NSE NIFTY 50:**

The monthly high / low quotations of shares traded on the BSE Limited during each month in last financial year and performance in comparison to BSE Sensex are as follows:

Month	Share price of the Company on BSE (₹)*		BSE Sensex (Points)*	
	High	Low	High	Low
April, 2021	283.05	240.00	50375.77	47204.50
May, 2021	349.00	262.00	52013.22	48028.07
June, 2021	370.00	305.00	53126.73	51450.58
July, 2021	349.00	312.95	53290.81	51802.73
August, 2021	356.25	285.50	57625.26	52804.08
September, 2021	361.75	296.50	60412.32	57263.90
October, 2021	337.20	303.00	62245.43	58551.14
November, 2021	361.10	301.70	61036.56	56382.93
December, 2021	327.90	287.15	59203.37	55132.68
January, 2022	341.30	306.00	61475.15	56409.63
February, 2022	373.85	251.50	59618.51	54383.20
March, 2022	289.70	256.95	58890.92	52260.82

\*Source: www.bseindia.com

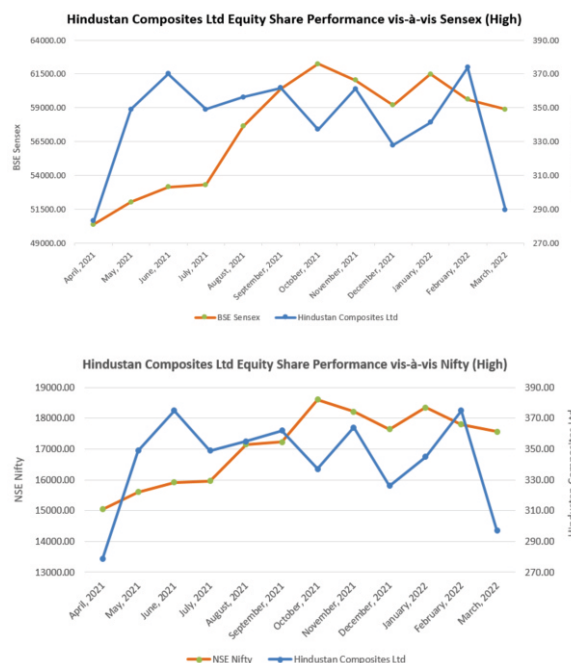
The monthly high / low quotations of shares traded on the National Stock Exchange of India Limited during each month in last financial year and performance in comparison to NSE Sensex are as follows:

Month	Share price of the Company on NSE (₹)*		NSE NIFTY 50 (Index)*	
	High	Low	High	Low
April, 2021	278.65	234.00	15044.35	14151.40
May, 2021	349.00	260.55	15606.35	14416.25
June, 2021	375.00	306.30	15915.65	15450.90
July, 2021	349.05	315.95	15962.25	15513.45
August, 2021	355.00	283.85	17153.50	15834.65
September, 2021	362.00	299.25	17225.75	17055.05
October, 2021	337.00	305.00	18604.45	17452.90
November, 2021	364.00	300.00	18210.15	16782.40
December, 2021	326.00	283.95	17639.50	16410.20
January, 2022	344.90	303.00	18350.95	16836.80
February, 2022	375.00	250.00	17794.60	16203.25
March, 2022	297.00	257.00	17559.80	15671.45

\*Source: www.nseindia.com

**j) Stock Performance in comparison to broad based indices:**

The chart below shows the comparison of the Company's shares price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty during the financial year 2021-22.



**k) Trading of Securities:** The securities of the Company were not suspended from trading during the financial year 2021-22.

**l) Registrar and Share Transfer Agents:** Link Intime India Pvt. Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Phone: (022) – 4918 6000 / 270, Fax: (022)- 4918 6060, e-mail: rnt.helpdesk@linkintime.co.in

**m) Share Transfer System:**

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended from time to time, securities of the Company can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of transmission or transposition of securities. Further, the SEBI had fixed 31<sup>st</sup> March, 2021 as the cut-off date for relodgment of transfer deeds and the shares that are relodged for transfer shall be issued only in DEMAT mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

Further, SEBI has vide its Circular No.: SEBI/ HO/ MIRSD/ MIRSD\_RTAMB/ P/ CIR/ 2022/ 8 dated 25<sup>th</sup> January, 2022 ('SEBI Circular'), mandated the issue of share(s) in dematerialized form only while processing the Shareholder's Service Request(s) received for issue of duplicate share certificates, claim from Unclaimed Suspense Account, renewal / exchange of share certificates, endorsement, sub-division / splitting of share certificates, consolidation of share certificates / folios, transmission and transposition. Upon receipt of any service request(s) from the shareholder / claimant, Link Intime India Private Limited, Registrar and Share Transfer Agent ('RTA') of the Company shall verify and process the said request(s) and thereafter issue a 'Letter of Confirmation' in lieu of physical share certificate(s) to the shareholder / claimant, if documents are found in order. In case of any query(ies) or issue(s) regarding process of the service request(s), shareholder / claimant can contact RTA (Cont. No.: (022) – 4918 6000 / 270) or by can write an e-mail at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

**n) Distribution of Shareholding as on 31<sup>st</sup> March, 2022:**

Shares having nominal value of ₹ 5/- From To	No. of holders	%	No. of Shares	%
1 – 500	14601	95.6063	1182022	8.0034
501 – 1000	392	2.5668	280118	1.8967
1001 – 2000	156	1.0215	222182	1.5044
2001 – 3000	50	0.3274	129720	0.8783
3001 – 4000	19	0.1244	65031	0.4403
4001 – 5000	9	0.0589	39443	0.2671
5001 – 10000	14	0.0917	94068	0.6369
10001 and above	31	0.203	12756416	86.3729
<b>TOTAL</b>	<b>15272</b>	<b>100.00</b>	<b>14769000</b>	<b>100.00</b>

**o) Dematerialization of Shares:**

As on 31<sup>st</sup> March, 2022, 97.17% of the total shares of the Company were held in dematerialized form.

**p) Convertible instruments:**

The Company has not issued any Global Depository Receipts (GDRs) / American Depository Receipts (ADRs)/warrants or any convertible instrument, which are likely to have impact on the Company's Equity.

**q) Commodity Price risk or foreign exchange risk and hedging activities:**

The Company is exposed to the risk of price fluctuations of raw materials, which are proactively managed by forward booking of materials, inventory management and vendor development practices.

As regards, foreign exchange risk, there is natural hedging of risk as our import and export generally remains at the same level.

**r) Plant Locations:**

**Paithan:** D-2/1, MIDC Industrial Area, Paithan, Dist. Aurangabad – 431107, Maharashtra, India  
**Bhandara:** C-10/1, Bhandara Industrial Area, Gadegaon, Dist. Bhandara – 441904, Maharashtra, India

**s) Registered Office & Address for Correspondence:**

Hindustan Composites Limited,  
 Peninsula Business Park, 'A' Tower,  
 8<sup>th</sup> Floor, Senapati Bapat Marg,  
 Lower Parel, Mumbai - 400013  
 Telephone: 022 - 66880100; Fax: 022 - 66880105  
 E-mail: [investor@hindcompo.com](mailto:investor@hindcompo.com)

**t) List of all credit ratings obtained by the entity along with revisions (if any):**

Sr. No.	Name of the Credit Rating Agency	Details of Credit Ratings obtained including revisions		
		Scale	Amount (₹ in Cr)	Rating
1	Acuite Ratings & Research Limited (formerly known as SMERA Ratings Limited)	Long Term Instruments (fund based)	12.00	ACUITE A- / Stable
		Short Term Instruments (fund based + non fund based)	13.00	ACUITE A2+
		<b>Total</b>	<b>25.00</b>	

**14. Other Disclosures:**

**i. Related Party Transactions:**

During the financial year, the Company had no transactions with its promoters, directors or with their relatives etc. which may have conflict with the interest of the Company. Details on materially significant related party transactions are given in the appended financial statements under notes to the accounts. The policy on dealing with Related Party Transactions is available on Company's website viz. <https://www.hindcompo.com/investor-relations/documents/related-party-transaction-policy.pdf>

**ii. Compliance by the Company:**

The Company has complied with all the requirements of the SEBI Listing Regulations as well as other regulations and guidelines issued by the SEBI from time to time. No strictures or penalties were imposed either by the SEBI or Stock Exchanges or any other statutory authorities for non-compliance of any matter related to the capital markets during the last three years, except imposition of fine by the BSE Ltd. for non-submission of the financial results (consolidated) for the quarter ended 30<sup>th</sup> June, 2019 within specified time; however the BSE vide its circular no LIST/COMP/30/2019-20 dated 26<sup>th</sup> September, 2019 clarified that the Company was required to submit consolidated financial results from the quarter ending 30<sup>th</sup> September, 2019, and not from the quarter ended 30<sup>th</sup> June, 2019, accordingly, the Company was not required to pay any fine as imposed.

**iii. Whistle Blower policy / Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:**

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. We affirm that during the financial year 2021-22, no director or employee was denied access to the Audit Committee.

**iv. Adoption of mandatory and non-mandatory requirements of Regulation 27 of the SEBI Listing Regulations:**

The Company has complied with all mandatory requirements of Regulation 27 and Schedule V of the SEBI Listing Regulations. The Company has adopted following non-mandatory requirements of Regulation 27 read with Part E of Schedule II of the SEBI Listing Regulations:

- (a) Audit Qualification - The Company is in the regime of unmodified audit opinion on financial statements.
- (b) Separate posts of Chairman and CEO – The Company has separate Chairman and Managing Director or Chief Executive Officer.
- (c) Reporting of Internal Auditors – The Internal Auditors directly report to the Audit Committee.

**v. Policy for determining Material Subsidiaries:**

The Company does not have any subsidiary, hence is not required to frame policy on Material Subsidiaries.

**vi. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI Listing Regulations:**

During the financial year 2021-22, the Company has not raised any funds through preferential allotment or qualified institutions placement.

**vii. Certificate from Company Secretary:**

A certificate received from M/s. M Baldeva Associates, Company Secretaries, Thane is attached to this report stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

**viii. Recommendation by Committee:**

The Board has accepted all recommendations received from the Committees of the Board, which are mandatorily required, during the financial year under review.

**ix. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm / network entity of which the statutory auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in Note 32 to the Standalone Financial Statements and to the Consolidated Financial Statements.

**x. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Sr. No.	Particulars	No. of Complaints
a.	Complaints filed during the financial year	0
b.	Complaints disposed of during the financial year	0
c.	Complaints pending as on end of the financial year	0

**xi. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount:**

Details relating to Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount are given in Note 47 to the Standalone Financial Statements and to the Consolidated Financial Statements.

**15. Compliance of the requirement of Corporate Governance Report:**

During the financial year 2021-22, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of the SEBI Listing Regulations.

**16. Disclosure of the Compliance with Corporate Governance**

During the financial year 2021-22, the Company has complied with the Regulations 17-23, 24A, 25-27 and Clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations. Regulation 24 of the SEBI Listing Regulations is not applicable to the Company.

**17. Disclosure of accounting treatment:**

In the preparation of financial statements, the Company has followed the Indian Accounting Standards (Ind-AS) as specified under Section 133 of the Act, issued by the Institute of Chartered Accountants of India to the extent applicable.

**18. Related Party Disclosures:**

The disclosures as required by Indian Accounting Standard (Ind AS - 24) on "Related Party" are given in appended Standalone and Consolidated Financial Statements under Notes to Accounts.

**19. Disclosure with respect to demat suspense account / unclaimed suspense account**

The voting rights on outstanding shares lying at the suspense account will remain frozen till the rightful owner of such shares claims the shares:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 <sup>st</sup> April, 2021	2126	123652
Transferred during the financial year	-	-
Shareholders who approached the Company for transfer of shares from suspense account during the year	3	367
Shareholders to whom shares were transferred from the suspense account during the year	2	175
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	1773	85382
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 <sup>st</sup> March, 2022	351	38095

**19. Compliance Certificate for Code of Conduct:**

A declaration by Managing Director of the Company affirming compliance by the Board members and Senior Management Personnel to the Code of Conduct is annexed herewith and forms part of Annual Report as per Schedule V of the SEBI Listing Regulations.

**20. Compliance Certificate by Statutory Auditors:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the SEBI Listing Regulations, which is annexed herewith and forming part of Annual Report.

**For and on Behalf of the Board of Directors  
of Hindustan Composites Limited**

**Place: Mumbai  
Date: 26<sup>th</sup> May, 2022**

**Raghu Mody  
Chairman  
DIN: 00053329**



**DECLARATION – CODE OF CONDUCT**

As per Regulation 17 and Schedule V of the SEBI Listing Regulations, I, P. K. Choudhary, Managing Director of the Company do hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year ended 31<sup>st</sup> March, 2022.

**For Hindustan Composites Limited**

**Place: Mumbai**  
**Date: 26<sup>th</sup> May, 2022**

**P. K. Choudhary**  
**Managing Director**  
**DIN: 00535670**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****TO THE MEMBERS OF  
HINDUSTAN COMPOSITES LIMITED**

We have examined the compliance of conditions of corporate governance by **HINDUSTAN COMPOSITES LIMITED** ('the Company') for the year ended March 31, 2022 as stipulated in Regulations 17-27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**Management's Responsibility for compliance with the conditions of Listing Regulations**

The compliance of the conditions contained in the corporate governance is the responsibility of the Management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations of the Company including the preparation and maintenance of all relevant supporting records and documents.

**Auditor's Responsibility**

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), Standards on auditing specified under section 143(10) of the Companies Act, 2013 and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

Based on the procedures performed by us and to the best of our information and according to explanations given to us and representation made by the Management, in our opinion, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations during the year ended March 31, 2022.

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

**Restriction on Use**

The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Bagaria and Co. LLP**  
**FRN. – 113447W/W-100019**  
**Chartered Accountants**

**Vinay Somani**  
**Partner**

**Membership No. 143503**  
**UDIN : 22143503AJRAGP7169**

**Place: Mumbai**  
**Date: 26<sup>th</sup> May, 2022**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to the provisions of Regulation 34(3) read with Clause (10)(i) of Part C of Schedule V of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
**The Members of**  
**Hindustan Composites Limited**  
 Peninsula Business Park, 'A' Tower,  
 8<sup>th</sup> Floor, Senapati Bapat Marg,  
 Lower Parel, Mumbai-400013.

I have examined the relevant registers, records, forms, returns and disclosures received from the directors of Hindustan Composites Limited (CIN: L29120MH1964PLC012955) and having registered office at Peninsula Business Park, 'A' Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with the provisions of Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below during the Financial Year ended on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Initial appointment in Company
1	Mr. Raghu N. Mody	00053329	29/12/1987
2	Mr. Pawan Kumar Choudhary	00535670	18/03/2005
3	Mr. Ashok B. Vaidya	00246208	04/09/2006
4	Mr. Deepak Sethi	07165462	23/04/2015
5	Lt. Gen. (Retd.) Kuldip Singh Brar	01146720	30/09/2008
6	Mr. Lalit Kumar Bararia	00204670	13/02/2020
7	Mrs. Preeti Vimal Agrawal	08693668	13/02/2020

Ensuring the eligibility of for the appointment / continuity of every director on the Board is responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M Baldeva Associates**  
 Company Secretaries

**CS Manish Baldeva**  
 Proprietor

**M. No. FCS: 6180 C.P. No. 11062**  
**Peer Review No. 1436/2021**  
**UDIN: F006180D000398101**

**Place: Thane**  
**Date: 26<sup>th</sup> May, 2022**

**BUSINESS RESPONSIBILITY REPORT**

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1	Corporate Identity Number (CIN) of the Company	L29120MH1964PLC012955
2	Name of the Company	Hindustan Composites Limited
3	Registered address	Peninsula Business Park, "A" Tower, 8 <sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400013
4	Website	www.hindcompo.com
5	E-mail id	investor@hindcompo.com
6	Financial Year reported	2021- 22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	
	(a) Friction materials - Brake lining, Brake Block, Clutch facing and Button	29301
	(b) Investment and Treasury operations	643
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	1) Brake Lining; 2) Brake Block; 3) Clutch Facing and Button
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	International location - Nil
	(b) Number of National Locations	1. One (Registered Office in Mumbai, Maharashtra), 2. Two (Manufacturing Units in Aurangabad & Bhandara in Maharashtra), 3. Four (Branch Offices in Mumbai, Kolkata, Delhi & Chennai)
10	Markets served by the Company – Local/ State / National / International	The Company's products are sold in both National & International Markets

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

Sr. No.	Financial details of the Company	FY 2021-22 Standalone (₹ in Lakhs)	FY 2021-22 Consolidated (₹ in Lakhs)
1.	Paid up Capital (INR)	738.45	738.45
2.	Total Turnover (INR)	23,263.96	23,263.96
3.	Total profit after taxes (INR)	2,160.16	2,160.16
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As per Section 135 of the Companies Act, 2013 read with the rules made thereunder, the Company is required to spend at least 2% of average net profit of last 3 financial years i.e. ₹ 53.39 Lakhs. The Company has spent ₹ 60.00 Lakhs i.e. 2.78% of Profit after tax on CSR activities for Financial Year 2021-22.	
5.	List of activities in which expenditure in 4 above has been incurred:-	Please refer to 'Annexure B' of Board's Report for CSR activities undertaken by the Company during the financial year 2021-22	

**SECTION C: OTHER DETAILS**

1.	Does the Company have any Subsidiary Company/ Companies ?	The Company does not have any subsidiaries
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

**SECTION D: BR INFORMATION**

**1 Details of Director / Directors responsible for BR**

**(a) Details of the Director/Director responsible for implementation of the BR policy/policies**

1.	DIN	00535670
2.	Name	Mr. P. K. Choudhary
3.	Designation	Managing Director

**(b) Details of the BR head**

No.	Particulars	Details
1.	DIN (if applicable)	00535670
2.	Name	Mr. P. K. Choudhary
3.	Designation	Managing Director
4.	Telephone number	(022) 6688 0100
5.	e-mail id	pkc@hindcompo.com

**2 Principle-wise (as per NVGs) BR Policy / policies**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. Briefly these are as follows:

Principle No.	Name of the Principle
P 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P 3	Businesses should promote the well-being of all employees.
P 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P 5	Businesses should respect and promote human rights.
P 6	Businesses should respect, protect and make efforts to restore the environment.
P 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P 8	Businesses should support inclusive growth and equitable development.
P 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**(a) Details of compliance (Reply in Y/N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', released by the Ministry of Corporate Affairs, Companies Act and various SEBI Regulations.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.hindcompo.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal and external stakeholders through the Company's website www.hindcompo.com								
8.	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policies are evaluated internally from time to time and updated whenever required.								

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	Y	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

**3 Governance related to BR**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year - The Board of Directors of the Company shall review BR performance of the Company annually or whenever required.
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR is published as a part of the Annual Report for the financial year 2021-22 and is also available on website of the Company viz. www.hindcompo.com

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

1 "Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?"

Ans. Yes, policy relating to ethics, bribery and corruption covers only the Company. No, it does not extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others

2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Ans. Total 2 complaints were received from shareholders during the financial year 2021-22 and all have been resolved. Complaints / grievances from other stakeholders are dealt with on an ongoing basis. No major complaints were received.

**Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.**

1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

Ans. The company continuously improves its products to meet customer requirements.

Following products and their designs have incorporated social or environmental concerns, risks and opportunities:

- (a) Brake Blocks
- (b) Brake Linings
- (c) Clutch facings

2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (i) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Ans. (a) Brake Blocks - Usage of environmental friendly materials and improvement in process

(b) Brake Linings - Efficient use of raw material and energy with manufacturing innovation

(c) Clutch facing - Usage of environmental friendly material, extraction of solvent and energy conservation

3 Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Ans. Yes, the Company is certified under IATF-16949-2016. It has procedures in place to support the sustainable sourcing activities.

These procedures are followed during vendor evaluation and applicable for suppliers as per audit plan and procedure. Approx. 90 products / services (including transportation) are sourced in a sustainable manner.

4 Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Ans. Yes, the Company procures goods and services from MSMEs (Micro, Small and Medium Enterprises). The Company assesses their capability on a regular basis and provides technical and financial support to improve their capability and capacity where ever required.

5 Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Ans. (a) The Company is having a culture of continuously recycling the waste.

(b) Drilling / Grinding dust is properly processed and re-used as per the set formulation. Percentage of such waste may be >10%.

(c) steel scrap is being sold to scrap dealers which is ultimately used in re-rolling industry. The value of such scrap is very low.

**Principle 3 : Businesses should promote the well-being of all employees.**

1 Please indicate the Total number of employees.

Ans. There were 576 permanent employees as on 31<sup>st</sup> March, 2022 in the Company.

2 Please indicate the Total number of employees hired on temporary / contractual / casual basis.

Ans. There were 659 employees hired on temporary / contractual / casual basis as on 31<sup>st</sup> March, 2022 in the Company.

3 Please indicate the Number of permanent women employees.

Ans. There were 7 permanent woman employees as on 31<sup>st</sup> March, 2022 in the Company.

4 Please indicate the Number of permanent employees with disabilities.

Ans. There were 11 employees with disabilities as on 31<sup>st</sup> March, 2022 in the Company.

5 Do you have an employee association that is recognized by management.

Ans. The Company have employees association i.e. Union-Maharashtra Kamgar Vikas Sanghatna (Paithan) & Union-Hindustan Composites Employee union (Bhandara) recognised by the Company's management.

6 What percentage of your permanent employees is members of this recognized employee association?

Ans. The Company has 311 (53.99%) permanent employees as members in the aforementioned recognised employee associations.

7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Ans. No complaint relating to child labour, forced labour, involuntary labour, sexual harassment was received in the financial year 2021-22. No complaint was pending either at beginning or at the end of the financial year.

8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Ans. (a) Permanent Employees - > 94 %  
 (b) Permanent Women Employees - 100 %  
 (c) Casual/Temporary/Contractual Employees - about 75 %  
 (d) Employees with Disabilities - 100 %

**Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

1 Has the Company mapped its internal and external stakeholders? Yes/No

Ans. Yes

2 Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Ans. Identification of the disadvantaged, vulnerable and marginalised stakeholders is an on-going process and the Company is committed to the welfare of marginalized and vulnerable sections of the society through its various CSR activities.

3 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Ans. During the financial year, the Company has undertaken its CSR responsibilities through external agencies with a focus on the community development programs and upliftment of disadvantaged, vulnerable and marginalized stakeholders the details of such programs are explained in more details in the **Annexure B** of the Board Report.

**Principle 5 : Businesses should respect and promote human rights.**

1 Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?

Ans. It covers the Company.

2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Ans. No complaints relating to violation of human rights were received during the financial year.

**Principle 6 : Businesses should respect, protect, and make efforts to restore the environment.**

1 Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

Ans. Environmental Policy is applicable to all the business units of the Company and it encourages all business partners including suppliers, vendors and contractors to follow this policy.

2 Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Ans. No

3 Does the Company identify and assess potential environmental risks? Y/N

Ans. Yes

4 Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Ans. No

5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Ans. Yes, the details are given under Directors' Report.



6 Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Ans. Yes, the Company ensures compliances with the applicable laws

7 Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Ans. Nil

**Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- Ans. (a) Automotive Component Manufacturers Association of India (ACMA).  
 (b) Federation of Chamber of Commerce & Industry (FICCI)  
 (c) Bombay Chamber of Commerce & Industry  
 (d) Indian Chamber of Commerce  
 (e) Indian Merchants Chamber

2 Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) -

Ans. No

**Principle 8 :Businesses should support inclusive growth and equitable development.**

1 Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Ans. As a responsible corporate citizen, the Company focuses on community development through its CSR activities. Details of our CSR activities are provided in Annexure B to Directors' Report.

2 Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures/ any other organization?

Ans. The Company undertakes its various CSR activities by contributing to the external NGOs and other organizations.

3 Have you done any impact assessment of your initiative?

Ans. The average CSR obligation in the three immediately preceding financial years is less than Rs. 10.00 Crores, hence, the provisions relating to the impact assessment under sub-rule 3 of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Ans. The total amount spent on all CSR activities and projects during the FY 2021- 22 was ₹ 60 Lakhs and the details of the CSR projects and activities undertaken are provided in details in Annexure B of the Directors' Report and forms part of this Annual Report.

5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Ans. Yes, the initiatives undertaken under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms are regularly carried out.

**"Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner."**

1 What percentage of customer complaints / consumer cases are pending as on the end of financial year.

Ans. The Company has a robust system for addressing customer complaints. These complaints are properly dealt with and disposed off after verification. Pending complaints at the year end is negligible.

2 Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)

Ans. Yes, the Company displays product information on the products label as per the mandated local laws.

3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Ans. No

4 Did your company carry out any consumer survey/ consumer satisfaction trends?

Ans. Yes, the Company carry out consumer survey periodically. The Company leverages this survey to understand customers' requirements and helps to provide the required solution.

## INDEPENDENT AUDITOR'S REPORT

**To The Members of  
Hindustan Composites Limited**

### Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Hindustan Composites Limited** ("the Company"), which comprises of Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the 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 Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit (including other comprehensive income), changes in equity 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by in terms of their report referred to in the other matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Auditor's response
1	<p><b>Valuation and Impairment of unquoted equity instruments /Debt Investments:</b></p> <p>We focused on the valuation of unquoted Equity/Debt Instruments due to the materiality of the investments and the nature of their valuation which involve the use of judgmental assumptions. As disclosed in Note no. 40 and 41, as at March 31, 2022 the Company has unquoted equity /debt Investments of Rs. 33,914.04 Lakhs. These Investments are classified and measured at fair value through other comprehensive income.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed and tested the design and the operating effectiveness of the key controls that management has established to support the review and approval of the model design, key model inputs and valuation.</p> <p>We assessed the appropriateness of the valuation method used by management by verifying the key inputs used in determining the assumptions as also corroborating the information.</p>

#### Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report, Business responsibility report, Corporate Governance report and Management Discussion and Analysis, but does not include the standalone financial statement 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.

### **Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity 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 of 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the 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 Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control 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 entity'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 entity 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Our opinion on the standalone financial statement and our report on the other legal and regulatory requirements below is not modified in respect of this matter.

**Other matter:**

We draw your attention to the Note 45(d) of the standalone financial statements regarding the assessment made by Management relating to impact of COVID-19 pandemic on the operations of the Company.

Our opinion on the standalone financial statements is not modified in respect of the above matter.

**Report on Other Legal and Regulatory Requirements**

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) 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 and records.
  - (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) 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 (Account) Rules, 2014.
  - (e) On the basis of the written representation received from the directors as on March 31, 2022, taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a Directors in terms of Section 164(2) of the Act.
  - (f) 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".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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 of the Act.

- (h) With respect to the matters to be included in the Auditor's report in accordance with the 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements. [Refer note no 33 to 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. a) The management has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. [Refer note no 53 (e) to standalone financial statements]
- b) The management has represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. [Refer note no 53 (f) to standalone financial statements]
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.
- V. a) The final dividend paid by the Company during the year declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- b) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the Members at the ensuing annual general meeting. The dividend recommended by the Board is in accordance with Section 123 of the Act to the extent it applies to the recommendation of dividend [Refer note no. 46 (b) to standalone financial statements].

**For Bagaria & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No: 113447W/W-100019**

**Vinay Somani**  
**Partner**  
**Membership No: 143503**  
**UDIN:22143503AJQYGZ3787**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2022**

**Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the Members of Hindustan Composites Limited for the year ended March 31, 2022 :**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- i. a. In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets:
  - A. The Company has maintained proper records, showing full particulars, including quantitative details and situation of PPE and relevant details of right-to-use assets.
  - B. The Company has maintained proper records showing full particulars of intangible assets.
- b. As explained to us, the Company has a phased program for physical verification of the PPE for all locations. In our opinion, the frequency of verification is reasonable considering the size of the Company and nature of its PPE. Physical verification of the certain assets has been carried out during the year pursuant to the programme in that respect. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements included under property, plant and equipment (other than properties where the company is lessee and lease agreements are duly executed in favour of the Company), are held in the name of the Company.
- d. The Company has not revalued any of its PPE (including right- of-use assets) and intangible assets during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- e. According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, neither any proceedings have been initiated during the year nor are pending as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable to the Company. [Refer note no 53 (a) to standalone financial statements]
- ii. a. The inventories have been physically verified by the management at reasonable intervals during the year, except for goods in transit and those lying with third parties which have been verified with subsequent receipts. The procedures of physical verification of the inventories followed by the management and its coverage is reasonable and adequate in relation to the size of the Company and nature of its business. As per the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification of inventories as compared to book records.
- b. According to the information and explanations given to us, the Company has not been sanctioned working capital limit in excess of ₹ 5 crores on the basis of security of current assets, in aggregate, at any point of time during the year from banks and financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. In respect of Investment made, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, following loans have been given:

₹ in lakhs

	<b>Particulars</b>	<b>Aggregate amount during the year</b>	<b>Balance Outstanding as at March 31, 2022</b>
A	Subsidiaries, joint ventures and associates	Nil	Nil
B	Other than subsidiaries, joint ventures and associates	3480.00	2,225.00

Further, the Company has not given any advances in the nature of loans or stood guarantee or provided security to any other entity during the year.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the investment made are in the ordinary course of business and accordingly in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the

repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has renewed the loan repayment period which has fallen due during the year as detailed below:

₹ in Lakhs

Name of the Party	Renewed the loan repayment period	% of total loan granted
Pallawi Resources Private Limited	1750.00	78.65%

Further, the Company has not granted fresh loans to settle the overdues of existing loans given to same party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable with respect to the investments made and loans given during the year. The Company has not provided any guarantee and security during the year.

v. According to the information and explanations given to us and based on our examination of the records of the Company, no deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 have been accepted by the Company and hence reporting under clause 3(v) of the Order are not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to rules made by the central government for the maintenance of cost records under sub section 1 of Section 148 of the Act in respect of company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom Duty, Duty of Excise, Value Added Tax, Cess and other statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no statutory dues mentioned in clause vii (a) above which have been not deposited on account of any dispute.

viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the order is not applicable to the Company. [Refer note no 53 (d) to standalone financial statements]

ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders and hence reporting under clause 3(ix) of the Order is not applicable to the Company.

(b) On the basis of information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender. [Refer note no 53 (g) to standalone financial statements]

(c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not taken any term loan during the year and hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and based on our examination of the records of the Company, during the year, funds raised on short term basis have not been utilized for long term purposes.

(e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company. The Company does not have associate and subsidiary.

- (f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its joint venture and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company. The Company does not have associate and subsidiary.
- x. (a) The Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment, private placement of shares or fully or partly convertible debentures during the year or in the recent past and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) During the year, no report under sub section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on our audit procedure performed and according to the information and explanations given to us, no whistle blower complaints were received by the Company during the year and hence reporting under clause 3(xi) (c) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standard. (Refer note no. 47 to the standalone financial statements)
- xiv. (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedure.
- xv. 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 any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the "Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and hence reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



xx. According to the information and explanations given to us and based on our examination of the records of the Company, there are no amounts unspent in respect of corporate social responsibility towards ongoing or other than ongoing projects and hence reporting under clause 3(xx) (a) and (b) of the Order is not applicable to the Company. (Refer note no. 54 to the standalone financial statements)

**For Bagaria & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No: 113447W/W-100019**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2022**

**Vinay Somani**  
**Partner Membership No: 143503**  
**UDIN:22143503AJQYGZ3787**

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**Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the Members of Hindustan Composites Limited for the year ended March 31,2022:**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of Hindustan Composites Limited (“the Company”) as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 component 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 Act.

**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 deemed to be prescribed under Section 143(10) of the Act 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 ICAI. 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 standalone 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 standalone 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 entity are being made only in accordance with authorisations of management;(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity’s assets that could have a material effect on the standalone financial statements; and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

**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, to the best of our information and according to the explanations given to us, the Company has, broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential Component 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 Bagaria & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No: 113447W/W-100019**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2022**

**Vinay Somani**  
**Partner**  
**Membership No: 143503**  
**UDIN:22143503AJQYGZ3787**

**STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022**

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	11,276.87	11,590.47
(b) Other Intangible assets	2	59.87	18.82
(c) Intangible assets under development	2.1	-	16.42
(d) Financial assets			
(i) Investments	3	75,962.10	65,355.18
(ii) Loans	4	1,750.00	-
(iii) Other financial assets	5	67.75	56.68
(e) Other non-current assets	6	71.36	37.92
<b>Total non-current assets</b>		<b>89,187.95</b>	<b>77,075.49</b>
<b>Current assets</b>			
(a) Inventories	7	1,351.24	1,186.44
(b) Financial assets			
(i) Investments	8	3,632.57	3,303.29
(ii) Trade receivables	9	3,749.86	4,190.62
(iii) Cash and cash equivalents	10	245.83	144.52
(iv) Bank Balances other than (iii) above	11	35.41	74.97
(v) Loans	12	478.24	4,490.02
(vi) Other financial assets	13	1,045.63	1,354.25
(c) Current tax assets (Net)	14	120.86	163.65
(d) Other current assets	15	322.12	285.47
<b>Total current assets</b>		<b>10,981.76</b>	<b>15,193.23</b>
<b>Non-current assets classified as held for sale</b>	<b>2.2</b>	<b>112.99</b>	<b>-</b>
<b>Total Assets</b>		<b>1,00,282.70</b>	<b>92,268.72</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	16	738.45	738.45
(b) Other Equity	17	91,195.57	81,169.11
<b>Total equity</b>		<b>91,934.02</b>	<b>81,907.56</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	19.48	4.05
(b) Provisions	19	346.96	317.98
(c) Deferred tax liabilities (Net)	44	3,270.48	5,486.73
(d) Other non current liabilities	20	92.69	87.51
<b>Total non-current liabilities</b>		<b>3,729.61</b>	<b>5,896.27</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	10.86	38.04
(ii) Trade payables	22		
- total outstanding dues of micro and small enterprises		79.95	56.73
- total outstanding dues of creditors other than micro and small enterprises		4,163.93	3,891.53
(iii) Other financial liabilities	23	65.44	110.96
(b) Other current liabilities	24	148.85	151.18
(c) Provisions	25	150.04	216.45
<b>Total current liabilities</b>		<b>4,619.07</b>	<b>4,464.89</b>
<b>Total Equity and Liabilities</b>		<b>1,00,282.70</b>	<b>92,268.72</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the standalone financial statements</b>	<b>B (1 - 55)</b>		

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**

**Date: 26<sup>th</sup> May 2022**

**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**

**Raghu Mody**  
Chairman  
(DIN 00053329)

**P. K. Choudhary**  
Managing Director  
(DIN 00535670)

**Vikram Soni**

Company Secretary & Compliance Officer  
Membership No. A36705

**Sunil Jindal**

Chief Financial Officer

**STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**  
 (₹ in Lakhs)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
<b>I</b> Revenue from operations	26	23,263.96	18,458.75
<b>II</b> Other income	27	37.79	618.44
<b>III Total Income ( I + II)</b>		<b>23,301.75</b>	<b>19,077.19</b>
<b>IV Expenses</b>			
Cost of materials consumed	28	10,598.15	7,341.55
Changes in inventories of finished goods and work-in-progress	29	(83.35)	185.56
Employee benefits expense	30	3,605.88	3,259.14
Finance costs	31	7.80	19.59
Depreciation and amortisation expense	1 & 2	856.36	886.69
Other expenses	32	5,845.48	4,905.31
<b>Total Expenses</b>		<b>20,830.32</b>	<b>16,597.84</b>
<b>V Profit before tax ( III - IV)</b>		<b>2,471.43</b>	<b>2,479.35</b>
<b>VI Tax Expense:</b>	<b>44</b>		
Current tax		308.00	284.75
Deferred tax		3.27	95.44
<b>Total Tax Expense</b>		<b>311.27</b>	<b>380.19</b>
<b>VII Profit for the year</b>		<b>2,160.16</b>	<b>2,099.16</b>
<b>VIII Other Comprehensive Income</b>			
<b>A. (i)</b> Items that will not be reclassified to profit or loss	43	7,708.51	3,221.98
(ii) Income tax relating to items that will not be reclassified to profit or loss	44	1,024.14	(786.44)
<b>B. (i)</b> Items that will be reclassified to profit or loss	43	(1,402.21)	709.85
(ii) Income tax relating to items that will be reclassified to profit or loss	44	831.24	(206.71)
<b>IX Total Comprehensive Income for the year (VII + VIII)</b>		<b>10,321.84</b>	<b>5,037.84</b>
<b>Earnings per equity share of ₹ 5 each (Basic and Diluted)</b>	<b>37</b>	<b>14.63</b>	<b>14.21</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the standalone financial statements</b>	<b>B (1 - 55)</b>		

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**
**Date: 26<sup>th</sup> May 2022**
**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**
**Raghu Mody**  
 Chairman  
 (DIN 00053329)

**P. K. Choudhary**  
 Managing Director  
 (DIN 00535670)

**Vikram Soni**  
 Company Secretary & Compliance Officer  
 Membership No. A36705

**Sunil Jindal**  
 Chief Financial Officer

**STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**  
(₹ in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
<b>A Cash flow from operating activities:</b>		
Net profit before tax	2,471.43	2,479.35
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation	856.36	886.69
Net gain on sale / fair valuation of investments through profit and loss	(2,591.29)	(1,676.93)
(Profit)/Loss on Sale of property, plant and equipment (net)	6.73	(599.33)
Remeasurements of defined benefit plans	(94.81)	(144.58)
Provision for doubtful debts	72.95	-
Balances no longer payable written back	(7.76)	-
Interest expenses	7.80	19.60
<b>Operating profit before working capital changes</b>	<b>721.41</b>	<b>964.80</b>
<b>Adjustment for</b>		
(Increase)Decrease in Trade and other receivable	348.65	(514.84)
(Increase)Decrease in Inventories	(164.85)	70.21
(Decrease)Increase in Trade and other payables	215.28	856.44
<b>Cash generated from operations</b>	<b>1,120.49</b>	<b>1,376.61</b>
Direct taxes paid (net)	(629.21)	(459.02)
<b>Net cash generated from operating activities</b>	<b>491.28</b>	<b>917.59</b>
<b>B Cash generated from investing activities</b>		
Purchase of property, plant, equipment and Intangible assets	(712.28)	(392.37)
Proceeds from sale of property, plant and equipment	25.14	739.00
Purchase of Investments	(20,177.28)	(12,199.82)
Proceeds from Sale of Investments	14,502.95	9,191.41
Inter-Corporate Deposits Placed	(360.00)	-
Inter-Corporate Deposits Redeemed	1,615.00	970.00
(Increase)/Decrease in other receivable	1,181.49	(1,305.46)
Income from Investment (net)	4,404.93	3,015.45
<b>Net cash flow (used in) from investing activities</b>	<b>479.95</b>	<b>18.21</b>
<b>C Cash generated from financing activities</b>		
Proceeds/(repayment) from long-term borrowings (net)	15.43	(40.38)
Proceeds/(repayment) from short-term borrowings (net)	(19.42)	(503.41)
Dividend paid (including corporate dividend tax)	(295.38)	(295.38)
Interest paid	(7.80)	(19.60)
<b>Cash generated from financing activities</b>	<b>(307.17)</b>	<b>(858.77)</b>
<b>D Net Increase/ Decrease in cash and cash equivalent ( A+B+C)</b>	<b>664.06</b>	<b>77.03</b>
<b>Cash and Cash equivalents</b>		
<b>At the beginning of the year</b>	<b>733.70</b>	<b>656.67</b>
<b>At the end of the year (Refer note below)</b>	<b>1,397.76</b>	<b>733.70</b>

Note : The Closing Cash and Cash Equivalents include investment in Liquid Mutual fund of ₹ 1151.93 lakhs (Previous Year ₹ 589.22 lakhs)

**Significant accounting policies**

**A**

**See accompanying notes to the standalone financial statements**

**B (1 - 55)**

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**

**Date: 26<sup>th</sup> May 2022**

**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**

**Raghu Mody**

Chairman  
(DIN 00053329)

**P. K. Choudhary**

Managing Director  
(DIN 00535670)

**Vikram Soni**

Company Secretary & Compliance Officer  
Membership No. A36705

**Sunil Jindal**

Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**(a) Equity Share Capital**

(₹ in Lakhs)

Particulars	Amount
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>738.45</b>
Changes in equity share capital due to prior period errors	-
<b>Restated balance as at 31<sup>st</sup> March, 2020</b>	<b>738.45</b>
Changes in equity share capital during the year	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>738.45</b>
Changes in equity share capital due to prior period errors	-
<b>Restated balance as at 31<sup>st</sup> March, 2021</b>	<b>738.45</b>
Changes in equity share capital during the year	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>738.45</b>

**(b) Other Equity**

(₹ in Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income			Total
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Actuarial gain/ (loss)	
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>57.70</b>	<b>61,050.13</b>	<b>6,901.98</b>	<b>1,976.71</b>	<b>6,561.08</b>	<b>(120.95)</b>	<b>76,426.65</b>
Profit for the year	-	-	2,099.16	-	-	-	2,099.16
Other comprehensive income for the year (Net)	-	-	-	503.14	2,554.87	-	3,058.01
Remeasurements of net defined benefit plans (Net)	-	-	-	-	-	(119.33)	(119.33)
Amount transferred in respect of realised gain (Net)	-	-	1,191.31	-	(1,191.31)	-	-
Dividend paid during the year	-	-	(295.38)	-	-	-	(295.38)
Transfer to General reserve	-	1,000.00	(1,000.00)	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>57.70</b>	<b>62,050.13</b>	<b>8,897.07</b>	<b>2,479.85</b>	<b>7,924.64</b>	<b>(240.28)</b>	<b>81,169.11</b>
Profit for the year	-	-	2,160.16	-	-	-	2,160.16
Other comprehensive income for the year (Net)	-	-	-	(570.97)	8,810.89	-	8,239.92
Remeasurements of net defined benefit plans (Net)	-	-	-	-	-	(78.24)	(78.24)
Amount transferred in respect of realised gain (Net)	-	-	1,591.53	-	(1,591.53)	-	-
Dividend paid during the year	-	-	(295.38)	-	-	-	(295.38)
Transfer to General reserve	-	2,000.00	(2,000.00)	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>57.70</b>	<b>64,050.13</b>	<b>10,353.38</b>	<b>1,908.88</b>	<b>15,144.00</b>	<b>(318.52)</b>	<b>91,195.57</b>

Refer note 17 for nature and purpose of the reserves.

**Significant accounting policies**
**A**

See accompanying notes to the financial statements

**B (1 - 55)**

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**
**Date: 26<sup>th</sup> May 2022**
**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**
**Raghu Mody**  
 Chairman  
 (DIN 00053329)

**P. K. Choudhary**  
 Managing Director  
 (DIN 00535670)

**Vikram Soni**

 Company Secretary & Compliance Officer  
 Membership No. A36705

**Sunil Jindal**  
 Chief Financial Officer

## NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### CORPORATE OVERVIEW:

Hindustan Composites Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provision of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India.

The registered office of the Company is located at Peninsula Business Park, A Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 (Maharashtra).

The Company is engaged in the business of manufacturing and marketing of fibre based friction material, consisting of Brake Liners, Roll Lining, Brake Block, Clutch Facing etc and investment of its fund.

### A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

#### a) Basis Of Preparation of Financial Statements:

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act') read with rule 3 of the Companies (Indian Accounting standards) Rules, 2015 and amendment rules issued there after.

The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- i) Certain financial assets and liabilities are measured at Fair value (refer note no. 43 financial instruments)
- ii) Defined benefit employee plan (refer note no. 42)

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### b) Use of estimates and judgments:

The preparation of the financial statements requires the Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### Critical accounting judgements and key source of estimation uncertainty

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

#### (a) Depreciation / amortisation and useful lives of property plant and equipment and intangible assets

Property, plant and equipment and intangible assets are depreciated / amortised over their estimated useful lives, after taking into account its estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates. Depreciation on the fixed assets added / disposed off/ discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding.

#### (b) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time

value of money and the risks specific to the liability.

**(c) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized in the financial statements.

**(d) Measurement of defined benefit obligations**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis. The assumptions used in determining the net interest cost/(income) for defined benefit plans include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

**c) Property, plant and equipment and Intangible assets**

**Property, plant and equipment**

Freehold land is carried at cost. All other items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable GST and other expenses directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item 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 derecognised when replaced. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use before such date, are disclosed as capital work-in-progress.

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any, such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the balance Sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

**Intangible assets:**

Technical Know How and Computer software are stated at cost, less accumulated amortisation and impairments, if any.

**Depreciation/ amortisation methods, estimated useful lives and residual value**

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets. Leasehold land is amortised over period of lease. Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 and management believe that useful lives of assets are same as those prescribed in Schedule II of the Companies Act, 2013.

The Company amortizes computer software with a useful life using the straight-line method over the period of 6 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**Assets held for sale**

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met:

- (i) decision has been made to sell.
- (ii) the assets are available for immediate sale in its present condition.
- (iii) the assets are being actively marketed and
- (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

**d) As a lessee**

**Operating Lease**

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made on or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-



of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

**e) Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less, including money market deposits, commercial paper and investments. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**f) Inventories:**

Inventories of Raw Materials, Work-in-Progress, Stores and Spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company."

**g) Financial Instruments**

**Financial assets - Initial recognition**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

**Subsequent measurement**

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both (a) the entity's business model for managing the financial assets and (b) the contractual cash flow characteristics of the financial asset.

**(i) Measured at amortised cost:**

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that

are solely payments of principal and interest on the principal amount outstanding.

**(ii) Measured at fair value through other comprehensive income (FVTOCI):**

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

**(iii) Measured at fair value through profit or loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments:**

The company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

**Impairment** The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognised in Statement of Profit and Loss.

**De-recognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset

and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On de-recognition of equity instruments measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other equity to retained earnings as a reclassification adjustment.

**Financial Liabilities**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss."

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Derivative financial instruments:**

Derivative financial instruments such as future contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

**h) Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ✓ In the principal market for the asset or liability, or

- ✓ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ✓ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ✓ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ✓ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**i) Borrowings:**

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**j) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of

time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

**k) Provisions and contingent liabilities:**

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**l) Revenue recognition:**

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate

performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

**i) Variable Consideration:**

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those revenue is recognized for each performance obligation either at a point in time or over time.

**ii) Sale of goods:**

Revenue from the sale of goods is recognised when the control of the goods passes to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue.

**iii) Rendering of services:**

Revenue from sale of services are recognized when the services are rendered.

**iv) Other Income:**

Dividend income on investments is recognised when the right to receive dividend is

established. Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

**m) Employee Benefits:**

The Company provides following post-employment plans:

- (i) Defined benefit plans such as gratuity
- (ii) Defined contribution plans such as Provident fund

**a) Defined-benefit plan:**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of the plan assets. The defined benefit obligations is calculated annually by actuaries using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

**(b) Net interest expense or income**

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of the plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions, the effect of asset excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

**b) Defined-contribution plan:**

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the

defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

**c) Other employee benefit**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date based on an actuarial valuation.

**n) Foreign Currency Transaction:**

The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss as other income / miscellaneous expenses.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

**o) Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in such case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**p) Segment Reporting:**

The Company has identified its Managing Director as the Chief Operating Decision Maker. Operating segments are reported in a manner consistent with the internal reporting provided to managing director of the Company. The Managing Director evaluates the Company's performance and allocates resources as a whole

**q) Research and Development:**

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable, the Company has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

**r) Earnings Per Share:**

Basic EPS is arrived at based on net profit or (loss) after taxation available to equity shareholders to the weighted average number of equity shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**s) Contract balances:**

**i) Trade Receivables:**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due).

**ii) Contract liabilities:**

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the company performs under the contract.

**t) Recent Accounting Pronouncements :**

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23<sup>rd</sup> March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below :

- (a) Ind AS 16 – Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2022.
- (b) Ind AS 37 - Provisions, contingent liabilities and contingent assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2022, although early adoption is permitted.
- (c) Ind AS 103 – Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.
- (d) Ind AS 109 – Financial instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is in the process of evaluating the impact of these amendments.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**1 Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
<b>Gross Carrying Amount :</b>								
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>282.11</b>	<b>1.56</b>	<b>9,596.26</b>	<b>4,716.89</b>	<b>652.22</b>	<b>373.76</b>	<b>164.24</b>	<b>15,787.04</b>
Additions	-	-	9.69	321.27	29.18	5.72	20.86	386.72
Adjustments / Disposals	-	-	128.75	138.03	3.92	-	2.19	272.89
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>282.11</b>	<b>1.56</b>	<b>9,477.20</b>	<b>4,900.13</b>	<b>677.48</b>	<b>379.48</b>	<b>182.91</b>	<b>15,900.87</b>
Additions	-	-	-	522.83	128.31	13.77	17.92	682.83
Adjustments / Disposals	-	-	-	322.18	6.03	0.95	10.45	339.61
Assets held for sale	-	-	133.46	-	-	-	-	133.46
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>282.11</b>	<b>1.56</b>	<b>9,343.74</b>	<b>5,100.78</b>	<b>799.76</b>	<b>392.30</b>	<b>190.38</b>	<b>16,110.63</b>
<b>Accumulated Depreciation :</b>								
<b>Balance as at 31<sup>st</sup> March, 2020</b>	-	<b>0.10</b>	<b>853.18</b>	<b>2,122.03</b>	<b>329.29</b>	<b>153.41</b>	<b>102.54</b>	<b>3,560.55</b>
Depreciation charge for the year	-	0.02	178.76	562.30	73.04	47.11	21.80	883.03
Adjustments / Disposals	-	-	17.74	111.39	2.18	-	1.87	133.18
<b>Balance as at 31<sup>st</sup> March, 2021</b>	-	<b>0.12</b>	<b>1,014.20</b>	<b>2,572.94</b>	<b>400.15</b>	<b>200.52</b>	<b>122.47</b>	<b>4,310.40</b>
Depreciation charge for the year	-	0.02	176.87	533.56	78.07	42.45	20.79	851.76
Adjustments / Disposals	-	-	-	295.01	5.50	0.76	9.46	310.73
Assets held for sale	-	-	17.67	-	-	-	-	17.67
<b>Balance as at 31<sup>st</sup> March, 2022</b>	-	<b>0.14</b>	<b>1,173.40</b>	<b>2,811.49</b>	<b>472.72</b>	<b>242.21</b>	<b>133.80</b>	<b>4,833.76</b>
<b>Net Carrying Amount :</b>								
<b>As at 31<sup>st</sup> March, 2021</b>	<b>282.11</b>	<b>1.44</b>	<b>8,463.00</b>	<b>2,327.19</b>	<b>277.33</b>	<b>178.96</b>	<b>60.44</b>	<b>11,590.47</b>
<b>As at 31<sup>st</sup> March, 2022</b>	<b>282.11</b>	<b>1.42</b>	<b>8,170.34</b>	<b>2,289.29</b>	<b>327.04</b>	<b>150.09</b>	<b>56.58</b>	<b>11,276.87</b>

**Notes:**

- (i) Lease period in respect of Leasehold Land having cost of ₹ 0.80 lakhs is valid till 31/01/2079 and having cost of ₹ 0.76 lakhs is valid till 30/04/2081.
- (ii) Buildings include seven flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.
- (iii) Refer Note No. 34(a) for Capital Commitment and Note No. 35(i) for assets given as security.
- (iv) The Company has not revalued any of its Property, Plant and Equipment during the current and previous financial year.
- (v) The deeds of all immovable properties are in the name of Company.
- (vi) All lease agreements are duly executed in favour of the Company.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Particulars	(₹ in Lakhs)	
	Computer Software	Total
<b>2 Intangible assets</b>		
<b>Gross Carrying Amount :</b>		
<b>Balance as at 31<sup>st</sup> March, 2020</b>	26.08	26.08
Additions	5.55	5.55
Adjustments / Disposals	0.06	0.06
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>31.57</b>	<b>31.57</b>
Additions	46.00	46.00
Adjustments / Disposals	1.13	1.13
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>76.44</b>	<b>76.44</b>
<b>Accumulated Depreciation :</b>		
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>9.09</b>	<b>9.09</b>
Amortisation for the year	3.66	3.66
Adjustments / Disposals	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>12.75</b>	<b>12.75</b>
Amortisation for the year	4.60	4.60
Adjustments / Disposals	0.78	0.78
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>16.57</b>	<b>16.57</b>
<b>Net Carrying Amount :</b>		
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>18.82</b>	<b>18.82</b>
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>59.87</b>	<b>59.87</b>

Description	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	(₹ in Lakhs)				
<b>2.1 Ageing of Intangible assets under development as at 31<sup>st</sup> March, 2022.</b>					
<b>As at 31<sup>st</sup> March, 2022</b>					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31<sup>st</sup> March, 2021</b>					
Projects in progress - Computer Software	-	16.42	-	-	16.42
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>16.42</b>	<b>-</b>	<b>-</b>	<b>16.42</b>

Notes:

- (i) The Company has not revalued its intangible assets during the current year and previous year.
- (ii) There are no capital work in progress where completion is overdue against original planned timelines or where estimated cost exceeds its original planned cost as on 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>2.2 Assets held for sale</b>		
Property, Plant and Equipment - Building	112.99	-
<b>Total</b>	<b>112.99</b>	<b>-</b>

On 9<sup>th</sup> February, 2022, the Board of Directors of the Company has decided to sell above mentioned assets and accordingly, these assets are classified as assets held for sale. The Company expects to dispose off them within a period of next one year and hence, the same have been disclosed as assets held for sale.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>3 Non Current Investments (Refer note no. 40)</b>		
<b>Equities</b>		
Equity instruments	40,317.64	27,607.66
<b>Debt</b>		
Debentures and bonds	22,703.95	23,768.68
Pass through certificates (PTC)	501.48	501.27
Preference shares	1,694.91	3,010.01
Government securities	3,518.05	3,670.75
Real estate and debt funds	7,226.07	6,796.81
<b>Total</b>	<b>75,962.10</b>	<b>65,355.18</b>
<b>4 Non Current Loans</b>		
<b>Secured, considered good</b>		
Inter corporate deposits to related party * (Refer note no. 47)	1,750.00	-
<b>Total</b>	<b>1,750.00</b>	<b>-</b>
* Secured against mortgage of a property valued of ₹ 35.52 crore valued by an International Property Consultant		
<b>5 Non Current Other Financial Assets</b>		
Electricity deposits	19.34	19.34
Rent deposits	8.38	8.38
Other deposits*	25.93	27.46
Fixed Deposit with Banks having maturity for more than twelve months	4.50	1.50
Margin money deposits with bank	9.60	-
<b>Total</b>	<b>67.75</b>	<b>56.68</b>
* Includes water deposits, telephone deposits, gas deposits, MIDC and other deposits etc.		
<b>6 Other Non Current Assets</b>		
Capital advance	71.36	37.92
<b>Total</b>	<b>71.36</b>	<b>37.92</b>
<b>7 Inventories (Refer note no. A (f) for accounting policy on inventory)</b>		
Raw materials	727.55	627.35
Raw materials - Goods in transit	0.37	47.60
Work-in-progress	323.97	282.25
Finished goods	175.11	133.48
Stores and spares	124.24	95.76
<b>Total</b>	<b>1,351.24</b>	<b>1,186.44</b>
<b>8 Current Investments (Refer note no. 41)</b>		
<b>Debt</b>		
Debentures and bonds	2,477.95	2,714.07
Mutual funds unit	1,154.62	589.22
<b>Total</b>	<b>3,632.57</b>	<b>3,303.29</b>



NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>9 Trade Receivables *</b>		
<b>Unsecured, considered good</b>		
Joint venture	43.64	53.30
Other Trade Receivables	3,706.22	4,137.32
Unsecured, considered doubtful		
Other Trade Receivables - credit impaired	72.95	-
<b>Total</b>	<b>3,822.81</b>	<b>4,190.62</b>
<b>Less: Provision for doubtful debts</b>	<b>72.95</b>	<b>-</b>
<b>Total</b>	<b>3,749.86</b>	<b>4,190.62</b>

\* Refer note no. 45 (c) for credit risk

**Information about major customers**

Revenue from Composite Products to largest customers (greater than 10% of total sales) is ₹ 7315.52 Lakhs (Previous Year ₹ 6210.02 Lakhs)

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Ageing for trade receivables from the due date of payment for each of the category as at 31<sup>st</sup> March, 2022#</b>							
Undisputed trade receivables considered good	3,035.93	690.52	16.24	7.17	-	-	3,749.86
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	72.95	-	-	72.95
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,035.93</b>	<b>690.52</b>	<b>16.24</b>	<b>80.12</b>	<b>-</b>	<b>-</b>	<b>3,822.81</b>
Less: Provision for doubtful debts	-	-	-	72.95	-	-	72.95
<b>Total</b>	<b>3,035.93</b>	<b>690.52</b>	<b>16.24</b>	<b>7.17</b>	<b>-</b>	<b>-</b>	<b>3,749.86</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
<b>Ageing for trade receivables from the due date of payment for each of the category as at 31<sup>st</sup> March, 2021#</b>							
Undisputed trade receivables considered good	2,879.93	1,174.66	109.95	26.08	-	-	4,190.62
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,879.93</b>	<b>1,174.66</b>	<b>109.95</b>	<b>26.08</b>	<b>-</b>	<b>-</b>	<b>4,190.62</b>
Less: Provision for doubtful debts	-	-	-	-	-	-	-
<b>Total</b>	<b>2,879.93</b>	<b>1,174.66</b>	<b>109.95</b>	<b>26.08</b>	<b>-</b>	<b>-</b>	<b>4,190.62</b>

#There are no unbilled dues

Previous years' figures of trade receivable have been regrouped/reclassified where ever necessary to conform to current years' classification.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>10 Cash and Cash Equivalents</b>		
Balances with Banks	244.19	141.91
Cash on hand	1.64	2.61
<b>Total</b>	<b>245.83</b>	<b>144.52</b>
<b>11 Other Bank Balances</b>		
<b>Other Balances</b>		
In Dividend Accounts	23.87	27.79
In Margin money	11.54	47.18
<b>Total</b>	<b>35.41</b>	<b>74.97</b>
<b>12 Current Loans</b>		
<b>Secured, considered good</b>		
Inter corporate deposits	-	130.00
<b>Unsecured, considered good</b>		
Inter corporate deposits	475.00	1,600.00
Inter corporate deposits to related party * (Refer note no. 47)	-	1,750.00
Deposit with LIC Housing Finance Ltd.	-	1,000.00
Loans and advances to employees	3.24	10.02
<b>Total</b>	<b>478.24</b>	<b>4,490.02</b>

\* Secured against mortgage of a property valued of ₹ 35.52 crore valued by an International Property Consultant

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>13 Other Current Financial Assets</b>		
Interest accrued on investments	777.36	867.64
Interest accrued on inter corporate / other deposits	45.64	66.04
Receivable on sale / redemptions of current investments	197.00	379.33
Earnest Money Deposits	7.39	20.50
Other receivables*	18.24	20.74
<b>Total</b>	<b>1,045.63</b>	<b>1,354.25</b>
* Includes Export Incentive, ECGC Premium etc.		
<b>14 Current tax assets</b>		
Advance Income Tax (Net of provision ₹ 150.98 lakhs, previous year ₹119.30 lakhs)	120.86	163.65
<b>Total</b>	<b>120.86</b>	<b>163.65</b>
<b>15 Other Current Assets</b>		
Balance with Government authorities	18.12	15.07
Advance to suppliers	248.84	223.33
Prepaid expenses	55.16	47.07
<b>Total</b>	<b>322.12</b>	<b>285.47</b>
<b>16 Equity Share Capital</b>		
<b>AUTHORISED</b>		
16,000,000 Equity Shares of ₹ 5 each	800.00	800.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
14,769,000 Equity Shares of ₹ 5 each, fully paid-up	738.45	738.45
<b>Total</b>	<b>738.45</b>	<b>738.45</b>

(i) Details of Shareholding more than 5%

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	%	No. of Shares	%
Rasoi Ltd.	61,51,722	41.65%	61,51,722	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	24,75,582	16.76%
J L Morison (India) Ltd.	11,07,702	7.50%	11,07,702	7.50%

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**(ii) Details of shares held by promoters**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	%	No. of Shares	%
(Class of Shares - Equity Shares) *				
Rasoi Ltd.	61,51,722	41.65%	61,51,722	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	24,75,582	16.76%
J L Morison (India) Ltd.	11,07,702	7.50%	11,07,702	7.50%
Surdas Trading & Mfg Co Limited	2,52,000	1.71%	2,52,000	1.71%
Goodpoint Advisory Services LLP	1,98,000	1.34%	1,98,000	1.34%
Lotus Udyog LLP	1,89,720	1.28%	1,89,720	1.28%
Pallawi Resources Private Limited (Formerly known as Pallawi Resources Limited)	1,80,000	1.22%	1,80,000	1.22%
Pallawi Trading And Mfg Co Limited	1,74,000	1.18%	1,74,000	1.18%
Axon Trading & Mfg Co Limited	1,08,000	0.73%	1,08,000	0.73%
Looklink Advisory Services LLP	96,000	0.65%	96,000	0.65%
Silver Trading And Services Limited	84,000	0.57%	84,000	0.57%
Noble Business Solutions Limited	56,304	0.38%	56,304	0.38%

\* There is no change in % of holding during the current and previous financial year.

**(iii) Rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 5 each (Previous Year ₹ 5 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

**(iv) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of the year	1,47,69,000	1,47,69,000
Increase on account of share split	-	-
Bonus shares issued during the year	-	-
Balance at the end of the year	1,47,69,000	1,47,69,000

**(iv) For a period of 5 years immediately preceding the balance sheet date, the company has:**

Particulars	As at 31 <sup>st</sup> March				
	2022	2021	2020	2019	2018
Allotted shares on account of split in face value from ₹10 per share to ₹ 5 per share.	-	-	-	-	49,23,000
Bonus shares issued during the year	-	-	-	-	49,23,000
Bought back any shares issued	-	-	-	-	-

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

17 Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance.

A. Summary of Other Equity balance

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Capital Redemption Reserve	57.70	57.70
General Reserve	64,050.13	62,050.13
Retained Earnings	10,353.38	8,897.07
<b>Items of Other Comprehensive Income</b>		
- Fair value of Debt instruments through OCI	1,908.88	2,479.85
- Fair value of Equity instruments through OCI	15,144.00	7,924.64
- Remeasurements of defined benefit plans	(318.52)	(240.28)
<b>Total</b>	<b>91,195.57</b>	<b>81,169.11</b>

B. Nature and purpose of reserves

- (a) **Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of equity shares from its General Reserve. The Capital Redemption Reserve can be utilised for issue of bonus shares
- (b) **General Reserve:** The Company has transferred a portion of the net profit before declaring dividend to general reserve.
- (c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (d) **Debt Instruments through Other Comprehensive Income:** The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.
- (e) **Equity Instruments through Other Comprehensive Income:** This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income and subsequently not reclassified to the Statement of Profit and Loss.
- (f) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>18 Non Current Borrowings (Refer note no. 35)</b>		
<b>Term Loans</b>		
<b>Secured</b>		
From Banks - Vehicle Loan	19.48	4.05
<b>Total</b>	<b>19.48</b>	<b>4.05</b>
<b>19 Non Current Provisions</b>		
Provision for compensated absences	183.05	172.36
Provision for Gratuity	163.91	145.62
<b>Total</b>	<b>346.96</b>	<b>317.98</b>
<b>20 Other Non Current Liabilities</b>		
Security Deposits	92.69	87.51
<b>Total</b>	<b>92.69</b>	<b>87.51</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>21 Current Borrowings (Refer note no. 35)</b>		
<b>Term Loans</b>		
<b>Secured</b>		
From Banks - Vehicle Loan	10.86	38.04
<b>Total</b>	<b>10.86</b>	<b>38.04</b>
<b>22 Trade Payables</b>		
Total Outstanding Dues of Micro and small enterprises	79.95	56.73
Total Outstanding Dues of Creditors other than Micro and small enterprises	4,163.93	3,891.53
<b>Total</b>	<b>4,243.88</b>	<b>3,948.26</b>

**Dues to Micro, Small and Medium Enterprise**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows :

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Principal amount remaining unpaid to any supplier at the end of accounting year;	79.95	28.15
(b) Interest accrued and due to any supplier at the end of accounting year;	2.11	1.28
(c) Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year;	1.28	0.98
(d) Amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year;	Nil	Nil
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

**Note :**

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small enterprises" on the basis of information available with Company.

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Ageing for trade payables from the due date of payment for each of the category as at 31<sup>st</sup> March, 2022#</b>						
Undisputed dues- MSME	-	79.95	-	-	-	79.95
Undisputed dues - Others	3,592.96	562.54	8.43	-	-	4,163.93
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>3,592.96</b>	<b>642.49</b>	<b>8.43</b>	<b>-</b>	<b>-</b>	<b>4,243.88</b>

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Ageing for trade payables from the due date of payment for each of the category as at 31<sup>st</sup> March, 2021#</b>						
Undisputed dues- MSME	-	56.73	-	-	-	56.73
Undisputed dues - Others	2,922.83	934.59	34.11	-	-	3,891.53
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,922.83</b>	<b>991.32</b>	<b>34.11</b>	<b>-</b>	<b>-</b>	<b>3,948.26</b>

# There are no unbilled dues.

Previous years' figures of trade payable have been regrouped/reclassified where ever necessary to conform to current years' classification.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>23 Other Financial Liabilities</b>		
Unclaimed / Unpaid dividends	23.87	27.79
Capital Creditors	41.57	83.17
<b>Total</b>	<b>65.44</b>	<b>110.96</b>
<b>24 Other Current Liabilities</b>		
Statutory Dues	148.85	143.42
Deferral of Sales Tax Liability	-	7.76
<b>Total</b>	<b>148.85</b>	<b>151.18</b>
<b>25 Current Provisions</b>		
Provision for compensated absences	29.92	16.46
Provision for gratuity	120.12	199.99
<b>Total</b>	<b>150.04</b>	<b>216.45</b>

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>26 Revenue From Operations</b>		
<b>Sale of Products</b>		
Manufactured goods	18,511.31	14,961.58
<b>Investment Income</b>		
Dividend	251.93	276.56
Interest	3,182.01	3,321.65
Net gain on sale / Fair valuation of investments through profit/(loss) *	1,237.73	(145.94)
	<b>4,671.67</b>	<b>3,452.27</b>
<b>Other Operating Income</b>		
Export Incentives	26.51	14.96
Marketing Fees & Royalty Income	11.25	9.19
Insurance Claim	0.43	1.64
Scrap Sale	30.35	14.43
Others	12.44	4.68
	<b>80.98</b>	<b>44.90</b>
<b>Total</b>	<b>23,263.96</b>	<b>18,458.75</b>

\*Includes fair value gain /(loss) for the year ended 31<sup>st</sup> March, 2022 amounting to ₹ 269.58 lakhs, (Previous Year ₹ (105.97 Lakhs))

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>27 Other Income</b>		
Foreign Exchange Gain (Net)	13.54	11.44
Rent	6.87	7.67
Profit on sale of Property, Plant and Equipment (Net)	17.38	599.33
<b>Total</b>	<b>37.79</b>	<b>618.44</b>
<b>28 Cost of Materials Consumed</b>		
<b>Raw materials and Components</b>		
Opening Stock	627.36	471.30
Purchases	10,428.49	7,266.37
Less: Closing Stock	727.55	627.36
	<b>10,328.30</b>	<b>7,110.31</b>
<b>Stores and Spare parts consumed</b>		
Opening Stock	95.76	98.60
Purchases	298.33	228.40
Less: Closing Stock	124.24	95.76
	<b>269.85</b>	<b>231.24</b>
<b>Total</b>	<b>10,598.15</b>	<b>7,341.55</b>
<b>29 Changes in Inventories of Finished Goods and Work-In-Progress</b>		
<b>Opening Stock :-</b>		
Work-in-progress	282.25	340.79
Finished goods	133.48	260.50
<b>Total</b>	<b>415.73</b>	<b>601.29</b>
<b>Closing Stock :-</b>		
Work-in-progress	323.97	282.25
Finished goods	175.11	133.48
<b>Total</b>	<b>499.08</b>	<b>415.73</b>
<b>Changes in inventories</b>	<b>(83.35)</b>	<b>185.56</b>
<b>30 Employee Benefits Expense</b>		
Salaries, wages and incentives	3,242.87	2,953.76
Contributions to provident and other fund	230.63	212.97
Staff welfare expenses	132.38	92.41
<b>Total</b>	<b>3,605.88</b>	<b>3,259.14</b>
<b>31 Finance Cost</b>		
Interest expense	7.21	14.41
Other borrowing costs	0.59	5.18
<b>Total</b>	<b>7.80</b>	<b>19.59</b>



NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>32 Other Expenses</b>		
Packing materials consumed	449.82	373.29
Power and Fuel	1,107.99	974.17
Rent	63.32	41.56
Rates and taxes	32.02	29.86
Insurance (including transit insurance)	66.67	66.28
Freight and Forwarding	687.62	609.25
Repairs & Maintenance:		
Plant & Machinery	195.00	129.79
Buildings	59.42	44.26
Others	47.15	50.60
Job charges	1,337.37	1,066.92
Travelling & Conveyance	273.06	183.64
Sales Promotion Expenses	96.67	151.19
Provision for doubtful debts	72.95	-
Postage, Printing & Stationery	24.57	25.50
Communication Expenses	23.32	24.52
Loss on sale/discarding of property, plant and equipment	24.11	-
Investment management and other expenses	414.43	200.80
Legal & Professional Expenses	345.09	441.54
Remuneration to Auditors:		
Audit fees (including limited review fees)	10.50	9.00
Reimbursement of out of pocket expenses	0.73	0.7
Contribution towards Corporate Social Responsibility (CSR) (Refer Note No. 54)	60.00	70.00
Charity and donations	339.78	321.20
Miscellaneous Expenses	113.89	91.21
<b>Total</b>	<b>5,845.48</b>	<b>4,905.31</b>

**33 Contingent Liabilities:**

- (a) Contingent Liabilities not provided for in respect of :  
-Disputed labour matter related to ex-workmen - amount unascertainable.
- (b) The Company's litigations comprises of claims related to property disputes and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required. The Company has also disclosed the pending matters under contingent liability wherever the amount of liability is not adequately measurable. However, the Company does not reasonably expect the outcome of these proceedings will have a material impact on its financial statements. (Also Refer Note 33(a)).

**34 Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31<sup>st</sup> March 2022 for ₹156.56 lakhs (net of advance of ₹ 71.36 lakhs); Previous Year (₹ 100.26 lakhs (net of advance of ₹ 37.92 lakhs)).
- (b) In respect of investments made with private equity funds / debt funds, the Company is further committed to invest as at 31<sup>st</sup> March 2022 for ₹ 6197.44 lakhs; Previous Year (₹ 2868.00 lakhs).

**35 (i) Secured Loans:**

- (a) Interest Rate on Working capital loans as at 31<sup>st</sup> March 2022 is Repo Rate 4.00% plus Spread 3.95% ( Previous Year Repo Rate 4.00% plus Spread 3.95%). Fund base limit as per bank is utilised as at 31<sup>st</sup> March 2022 of ₹ Nil (Previous Year ₹ Nil ) and Non Fund base limit as per bank is utilised as at 31<sup>st</sup> March 2022 of ₹ 275.30 lakhs (Previous Year ₹ 633.56 lakhs) are secured by Fixed Deposit of ₹ 9.60 Lakhs and lien over investment of ₹ 2093.69 lakhs ( Previous Year secured by Fixed Deposit of ₹ 27.87 lakhs and lien over investment of ₹ 1840.00 lakhs).
- (b) Vehicle loan (repayable within two years) is secured by way of hypothecation of vehicles purchased their against and carry Interest in the range of 7.10% to 8.45% (Previous Year 8.45%).

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(ii) There is no default in repayment of principal and interest on secured and unsecured loans during the year.

- 36** The accounts of Trade receivable, Trade payable, Loans and Advances are subject to formal confirmations / reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial statements due to the same.

(₹ in lakhs except EPS and No. of equity shares)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>37 Earnings Per Share</b>		
Net Profit as per Profit & Loss Account	2,160.16	2,099.16
Weighted average number of equity shares outstanding	1,47,69,000	1,47,69,000
Basic and Diluted EPS (Face value of ₹ 5 each)	14.63	14.21
<b>38 Research and Development Expenditure</b>		
Debited to respective expenses heads in the Statement of Profit & Loss	185.37	198.22
<b>39 Segment Reporting:</b>		
<b>Segment Revenue</b>		
Composite Products	18,592.29	15,006.48
Investment	4,671.67	3,452.27
<b>Total</b>	<b>23,263.96</b>	<b>18,458.75</b>
<b>Segment Expenses</b>		
Composite Products	18,301.68	14,387.95
Investment	1,175.19	919.33
<b>Total</b>	<b>19,476.87</b>	<b>15,307.28</b>
<b>Segment Results</b>		
Profit/(Loss) before Interest, Tax and Exceptional Items from each segment		
Composite Products	290.61	618.53
Investment	3,496.48	2,532.94
<b>Total</b>	<b>3,787.09</b>	<b>3,151.47</b>
<b>Unallocated Expenses</b>		
Interest Expenses	7.80	19.59
Other Income	(37.79)	(618.44)
Tax Expenses	311.27	380.19
Profit after taxation	2,160.16	2,099.16
<b>Segment Assets</b>		
Composite Products	9,386.26	9,280.72
Investment	87,330.72	78,878.07
Unallocated Assets	3,565.71	3,702.86
<b>Total</b>	<b>1,00,282.69</b>	<b>91,861.65</b>
<b>Segment Liabilities</b>		
Composite Products	4,988.04	4,385.68
Investment	2,145.16	4,326.61
Unallocated Liabilities	1,215.52	1,241.80
<b>Total</b>	<b>8,348.72</b>	<b>9,954.09</b>
<b>Other Information:</b>		
<b>Capital Expenditure - Composite Products</b>	<b>728.83</b>	<b>392.27</b>
<b>Depreciation &amp; Amortisation</b>	<b>856.36</b>	<b>886.69</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022****Operating Segments:**

The chief operational decision maker (CODM) has identified 2 operating segments viz., Composite products and Investments.

**Identification of Segments:**

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

**Segment revenue and results**

The expenses and incomes which are not directly attributable to any business segment are shown as un-allocable expenditure (net of unallocated income).

**Segment assets and liabilities**

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents, Investments and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of un-allocable assets / liabilities.

**Geographical Information**

The Company has all the manufacturing facilities which are located in india only hance there is no grographical segment applicable.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**40 Non-Current Investments: (Non Trade & Fully paid up)**

Investment carried at fair value through OCI

(₹ in Lakhs)

Particulars	Face Value	As on 31/03/2022		As on 31/03/2021	
	₹	Nos.	₹	Nos.	₹
<b>Equity Instruments</b>					
<b>Equity Shares</b>					
<b>- Quoted</b>					
J.L.Morison (India) Ltd.	10	2,72,800	5,046.80	2,72,800	5,482.73
ZF Steering Gear (I) Ltd.	10	100	0.41	100	0.38
<b>Total</b>			<b>5,047.21</b>		<b>5,483.11</b>
<b>- Unquoted</b>					
Rasoi Ltd.	200	19,300	8,202.50	18,065	4,706.47
Prabhukripa Overseas Ltd.	10	2,31,053	31.38	2,31,053	35.63
Regen Powertech Private Ltd.	10	48,300	-	48,300	-
<b>Total</b>			<b>8,233.88</b>		<b>4,742.10</b>
<b>Total Equity Shares</b>			<b>13,281.09</b>		<b>10,225.21</b>
<b>Equity PMS (Quoted) \$</b>					
ASK IEP Equity PMS	-	-	1,639.84	-	929.00
Ambit Coffee Can PMS			2,250.89	-	1,969.19
<b>Total Equity PMS</b>			<b>3,890.73</b>		<b>2,898.19</b>
<b>Index Funds/REIT/ InVIT (Quoted)</b>					
ICICI Prudential Nifty ETF	10	18,68,504	3,509.24	12,68,504	1,988.63
ICICI Prudential Mutual Fund Nifty Next 50 ETF	1	47,00,000	1,985.28	35,00,000	1,219.40
Motilal Oswal Mutual Fund - NASDAQ 100 ETF	1	2,29,000	266.12	-	-
Brookfield India Real Estate Trust REIT	100	1,59,600	499.77	-	-
Power Grid Investment Trust InVIT	100	3,15,600	424.10	-	-
Mindspace Business Park REIT	100	1,75,000	606.45	-	-
Shrem InVIT	100	2,00,000	206.00	-	-
National Highways Infra Trust InVIT	100	6,00,000	696.60	-	-
<b>Total Index Funds/REIT/ InVIT</b>			<b>8,193.56</b>		<b>3,208.03</b>
<b>Investment in Joint Venture (49% stake) (refer note no. 50)</b>					
Compo Advics (India) Pvt. Ltd. (Unquoted Equity Shares)	10	49,00,000	-	49,00,000	-
Compo Advics (India) Pvt. Ltd. (Unquoted Convertible Preference Shares)	10	49,00,000	-	49,00,000	-
<b>Total Investment in Joint Venture</b>			<b>-</b>		<b>-</b>
<b>Private Equity (Unquoted) *</b>					
India Business Excellence Fund - I	-	-	-	-	431.00
KKR India Debt Opportunities Fund II	1,000	14,679	57.10	29,688	212.24
Multiples Private Equity Fund Scheme I	1,00,000	-	13.26	500	128.24
TVS Shriram Growth Fund - 1B	1,000	-	-	50,000	228.42
Zephyr Peacock India Fund	-	-	-	-	-
India Business Excellence Fund - II	1,000	50,000	1,179.77	-	794.69
Indiareit Apartment Strategy Fund	-	-	202.42	-	275.16
Edelweiss Stressed & Troubled Assets Revival Fund - I	10,000	-	-	10,000	60.56
Multiples Private Equity Fund II LLP	-	-	1,667.59	-	1,242.48
Aventus Absolute Return Fund	-	-	3,868.94	-	3,634.99
IIFL Special Opportunities Fund	10	45,30,295	406.28	45,30,295	529.86
IIFL Special Opportunities Fund - Series 4	10	49,13,991	469.02	49,13,991	545.09
India Business Excellence Fund - III	1,000	98,000	2,084.46	-	1,197.56
Vantage Equity Fund	100	-	-	9,93,542	1,140.69
TVS Shriram Growth Fund - 3	1,000	25,000	387.50	21,500	255.25
Aventus Future Leaders Fund I	1,00,000	1,000	1,266.32	600	600.00
Multiple Private Equity Fund III	-	-	374.13	-	-
Kotak Pre IPO Opportunities Fund	1,000	64,949	703.12	-	-

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Contd...

(₹ in Lakhs)

Particulars	Face Value	As on 31/03/2022		As on 31/03/2021	
	₹	Nos.	₹	Nos.	₹
India Business Excellence Fund IV	-	-	150.00	-	-
Sixth Sense India Opportunités III	1,000	55,000	589.99	-	-
ICICI Prudential Long Short Fund Series - II	100	12,64,737	1,264.74	-	-
<b>Total Private Equity</b>			<b>14,684.62</b>		<b>11,276.23</b>
<b>Equity Mutual Funds (Unquoted)</b>					
Motilal Oswal S&P 500 Index Fund - Direct - Growth	10	16,93,091	267.64	-	-
<b>Total Equity Mutual Funds</b>			<b>267.64</b>		<b>-</b>
* The Maturity of above funds range between 2 years to 8 years					
<b>Total Equity Instruments</b>			<b>40,317.64</b>		<b>27,607.66</b>
<b>Debentures and Bonds</b>					
<b>Bonds (Quoted)</b>					
<b>Secured-</b>					
8.20% HUDCO Tax Free Bond-March 2027	1,000	97,310	1,120.57	97,310	1,139.57
8.56% HUDCO Tax Free Bond -Sep 2028	10,00,000	1	12.27	1	12.28
8.76% HUDCO Tax Free Bond -Jan 2034	1,000	1,00,000	1,349.61	1,00,000	1,362.01
8.51% HUDCO Tax Free Bond -Oct 2028	1,000	-	-	50,000	614.39
8.26% IIFCL Tax Free Bonds -Aug 2028	10,00,000	-	-	80	965.13
8.19% IIFCL Tax Free Bonds -Aug 2033	10,00,000	-	-	20	259.69
8.66% IIFCL Tax Free Bonds -Jan 2034	1,000	50,000	661.56	50,000	674.32
7.40% IIFCL Tax Free Bonds -Jan 2033	1,000	50,000	606.50	50,000	609.34
8.67% NHPC Tax Free Bonds -Nov 2033	1,000	48,315	654.21	48,315	654.04
8.76% NHB Tax Free Bond -Jan 2034	5,000	50,000	3,374.01	50,000	3,413.90
8.68% NHB Tax Free Bonds -Mar 2029	5,000	6,384	396.93	6,384	399.63
8.93% NHB Tax Free Bonds Series 2A -Mar 2029	5,000	10,000	617.71	10,000	625.98
8.30% PFC- Tax Free Bonds -Feb 2027	1,000	7,120	81.89	7,120	83.50
8.67% PFC Tax Free Bonds -Nov 2033	1,000	-	-	1,61,945	2,186.81
8.46% REC Tax Free Bonds -Aug 2028	10,00,000	-	-	50	610.19
7.37% NTPC Tax Free Bonds SR-3A - Oct 2035 #	1,000	9,369	118.34	9,369	117.59
7.25% IRFC Tax Free Bonds SR-104 - Dec 2035	1,000	15,100	190.00	15,100	187.34
9% Muthoot Finance Limited - Apr 2023	1,000	20,000	206.18	20,000	209.04
8.55% Cholamandalam Investment And Finance Company Ltd Nov 2026	10,00,000	50	505.09	50	522.07
8.65% Aditya Birla Finance Ltd Series C1 - Jun 2024	10,00,000	50	522.32	50	501.63
8.70% Aditya Birla Finance Ltd Series D1 - July 2029	10,00,000	50	503.15	50	520.45
8.70% LIC Housing Finance Ltd-Mar 2029	10,00,000	100	1,082.90	100	1,101.80
6.83% HDFC Ltd -Jan 2031 #	10,00,000	100	977.08	100	1,001.80
6.92% Bajaj Finance Limited Sr-270 Dec-2030	10,00,000	50	493.91	50	496.65
6.88% HDFC Ltd - June 2031 #	10,00,000	100	979.57	-	-
7.02% Bajaj Finance Limited - April 2031	10,00,000	50	494.90	-	-
6.88% HDFC Ltd - Sep 2031	10,00,000	50	489.49	-	-
7.05% HDFC Ltd - Dec 2031	10,00,000	100	996.44	-	-
7.10% Tata Capital Financial Services Limited - Sep 2031	10,00,000	100	991.69	-	-
7.15% Bajaj Finance Ltd - Dec 2031	10,00,000	50	499.00	-	-
<b>Total</b>			<b>17,925.31</b>		<b>18,269.15</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

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(₹ in Lakhs)

Particulars	Face Value ₹	As on 31/03/2022		As on 31/03/2021	
		Nos.	₹	Nos.	₹
<b>Unsecured-</b>					
9.75% IFCI Ltd. Sr.60- April 2028	10,00,000	-	-	50	500.00
10.75% Tata Power Co. Ltd. -Aug 2072	10,00,000	25	254.75	25	256.27
9.90% ING Vysya Bank Ltd Bond -Dec 2022	10,00,000	-	-	50	548.95
8.85% HDFC Bank Limited BD Perpetual Bonds - Series 1	10,00,000	-	-	50	512.12
7.74% SBI Perpetual Bonds Sr -1	10,00,000	150	1,534.50	150	1,498.13
8.50% SBI Perpetual Bonds Series II	10,00,000	50	512.37	50	511.08
8.80% REC Ltd - May 2029	10,00,000	-	-	100	1,104.33
6.65% Food Corporation of India - Oct 2030	10,00,000	100	974.46	-	-
7.09% Food Corporation of India - Aug 2031	10,00,000	50	496.56	-	-
7.95% Bank of Baroda Perpetual Bond	1,00,00,000	10	1,006.00	-	-
<b>Total</b>			<b>4,778.64</b>		<b>4,930.88</b>
<b>Total Bonds</b>			<b>22,703.95</b>		<b>23,200.03</b>
<b>Debentures (Quoted)</b>					
<b>Secured-</b>					
RV Investments Pvt. Ltd. SR B - Sept 2022	10,00,000	-	-	54	268.65
10% ATS InfraBuild Pvt. Ltd. Jun 2022	10,00,000	-	-	30	300.00
<b>Total Debentures</b>			<b>-</b>		<b>568.65</b>
<b>Total Debentures and Bonds</b>			<b>22,703.95</b>		<b>23,768.68</b>
# Pledged with bank to avail fund and non fund based limit (Refer Note No. 35(I)(a))					
<b>Pass Through Certificates (Quoted)</b>					
<b>Secured-</b>					
Liquid Gold Series I Oct 2020 Series A	10,00,000	50	501.48	50	501.27
<b>Total Pass Through Certificates</b>			<b>501.48</b>		<b>501.27</b>
<b>Preference Shares</b>					
<b>Quoted</b>					
8.10% Kotak Mahindra Bank Limited Preference Shares	5	1,00,00,000	502.16	-	-
<b>Total</b>			<b>502.16</b>		<b>-</b>
<b>Unquoted</b>					
7.15% Tata Capital Preference Shares (Tranche Z)	1,000	-	-	80,000.00	806.45
7.10% Tata Capital Preference Shares (Series AA)	1,000	-	-	1,00,000.00	1,010.81
7.50% Tata Capital Preference Shares (Tranche V)	1,000	67,000	696.55	67,000.00	696.55
7.33% Tata Capital Preference Shares (Tranche Y)	1,000	50,000	496.20	50,000.00	496.20
<b>Total</b>			<b>1,192.75</b>		<b>3,010.01</b>
<b>Total Preference Shares</b>			<b>1,694.91</b>		<b>3,010.01</b>
<b>Government Securities (Quoted)</b>					
<b>Secured-</b>					
9.20% GOI 30 -Sep 2030	5,00,00,000	1	573.00	1	588.75
8.30% GOI 02 -July 2040	5,00,00,000	1	553.85	1	577.40
8.83% GOI 12 -Dec 2041	5,00,00,000	2	1,171.20	2	1,229.60
9.23% GOI 23 -Dec 2043	5,00,00,000	2	1,220.00	2	1,275.00
<b>Total Government securities</b>			<b>3,518.05</b>		<b>3,670.75</b>
<b>Investments carried at fair value through profit or loss</b>					
<b>Real Estate and Debt Fund</b>					
<b>- Quoted</b>					
Brookfield India Real Estate Trust REIT	100	-	-	1,59,600	356.24
<b>Total</b>			<b>-</b>		<b>356.24</b>

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Contd...

(₹ in Lakhs)

Particulars	Face Value	As on 31/03/2022		As on 31/03/2021	
	₹	Nos.	₹	Nos.	₹
<b>- Unquoted</b>					
Peninsula Brookfield India Real Estate Fund	1,00,000	705	52.70	705	88.79
IIFL Income Opportunities Fund Series - Special Situations	10	-	-	46,64,616	63.29
India Realty Excellance Fund II LLP	-	-	139.92	-	202.92
IIFL Real Estate Fund (Domestic) Series -2	10	91,86,729	335.32	91,86,729	432.49
Annuities in Senior Secured Estate Transcations Asset - 1	100	56,014	55.89	58,368	58.26
ICICI Prudential PMS India Real Estate Securities Portfolio-Series XII	-	-	119.66	-	120.35
IIFL Real Estate Fund (Domestic) Series -3	10	49,83,975	122.45	49,83,975	143.04
Investcorp Score Fund (Formerly known as IDFC Score Fund)	1,000	49,250	280.11	49,250	399.86
Annuities in Senior Secured Estate Transcations 2 Asset - 2	100	3,54,510	331.17	4,54,845	490.35
Edelweiss Real Estate Opportunities Fund	10,000	1,768	175.80	2,131	240.85
Edelweiss Credit Opportunities Fund	1,000	11,755	88.75	18,100	168.37
Aventus Structured Credit Fund - I	5,00,000	18	88.84	107	533.78
India Housing Fund	10	22,63,994	228.75	21,73,663	266.77
UTI Structured Debt Opportunities Fund I	100	4,05,841	402.19	-	710.65
Edelweiss Infrastructure Yield Plus Fund	10,000	5,375	715.76	5,375	596.58
India Realty Excellence Fund IV	100	7,20,000	746.27	-	626.94
EISAF II Onshore Fund	10,000	12,305	1,477.03	10,647	1,197.28
BPEA Credit India Fund III Scheme F	100	3,65,000	367.96	1,00,000	100.00
Emerging India Credit Opportunities Fund I	1,00,000	1,298	1,297.50	-	-
Aventus Structured Credit Fund II	1,00,000	200	200.00	-	-
<b>Total</b>			<b>7,226.07</b>		<b>6,440.57</b>
<b>Total Real Estate and Debt Funds</b>			<b>7,226.07</b>		<b>6,796.81</b>
* The Maturity of above funds range between 2 years to 8 years					
<b>Total Non Current Investments</b>			<b>75,962.10</b>		<b>65,355.17</b>
<b>Aggregate amount of quoted investment and market value thereof</b>			<b>44,357.14</b>		<b>39,886.27</b>
<b>Aggregate amount of unquoted investments</b>			<b>31,604.96</b>		<b>25,468.90</b>

\$ The Company invests through Portfolio Managers who provide Portfolio Management Services which are in the nature of investment administrative management services and include the responsibility to manage, invest and operate the fund as per the agreement(s) entered with them.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**41 Current Investments:**

Investments carried at fair value through OCI

**Debentures and Bonds**

(₹ in Lakhs)

Particulars	Face Value	As on 31/03/2022		As on 31/03/2021	
	₹	Nos.	₹	Nos.	₹
<b>Bonds (Quoted)</b>					
<b>Secured-</b>					
8.10% HUDCO Tax Free Bond -March 2022	1,000	-	-	30,000	311.00
7.93% REC-Tax Free Bond -March 2022	1,000	-	-	30,619	316.79
9.50% JM Financial Credit Solutions Ltd. - May 2021	10,00,000	-	-	13	130.56
10% ATS Infra Build Pvt. Ltd. Jun 2022	10,00,000	30	300.00	-	-
9.25% Manappuram Finance Limited - Feb 2022	10,00,000	-	-	30	307.48
<b>Total</b>			<b>300.00</b>		<b>1,065.83</b>
<b>Unsecured-</b>					
9.90% ING Vysya Bank Ltd Bond -Dec 2022	10,00,000	50	521.74	-	-
8.85% HDFC Bank Limited BD Perpetual Bonds - Series 1	10,00,000	50	501.74	-	-
<b>Total</b>			<b>1,023.48</b>		<b>-</b>
<b>Total Bonds</b>			<b>1,323.48</b>		<b>1,065.83</b>
<b>Debentures (Quoted)</b>					
<b>Secured-</b>					
Ecap Equities Limited Sr- K0K705A BR NCD May 21	1,00,000	-	-	300	393.68
Hansdeep Industries & Trading Company Ltd Oct 2021	10,00,000	-	-	50	508.11
<b>Total</b>			<b>-</b>		<b>901.79</b>
<b>Debentures (Unquoted)</b>					
<b>Secured-</b>					
Shashwati Realty Pvt. Ltd.	10,00,000	30	150.05	30.00	150.05
Zuari Global Investment	10,00,000	100	1,004.42	-	-
<b>Total</b>			<b>1,154.47</b>		<b>150.05</b>
<b>Total Debentures and Bonds</b>			<b>2,477.95</b>		<b>2,117.67</b>
<b>Investments carried at fair value through profit or loss</b>					
<b>Debentures and Bonds</b>					
<b>Debentures (Quoted)</b>					
<b>Secured-</b>					
Aventus Finance Private Limited Sr A BR LOA Sep 21 MLD	10,00,000	-	-	50.00	596.40
<b>Total</b>			<b>-</b>		<b>596.40</b>
<b>Total Debentures and Bonds</b>			<b>-</b>		<b>596.40</b>
<b>Mutual Funds</b>					
<b>Liquid Mutual Funds (Unquoted) *</b>					
Axis Overnight Fund Direct Plan Growth	1,000	61,641.859	692.77	54,160.674	589.22
Kotak Overnight Fund Direct Growth	1,000	40,735.735	461.85	-	-
<b>Total</b>			<b>1,154.62</b>		<b>589.22</b>
<b>Total Mutual Funds</b>			<b>1,154.62</b>		<b>589.22</b>
<b>Total Current Investments</b>			<b>3,632.57</b>		<b>3,303.29</b>
<b>Aggregate amount of quoted investment and market value thereof</b>			<b>1,323.49</b>		<b>2,564.02</b>
<b>Aggregate amount of unquoted investments</b>			<b>2,309.08</b>		<b>739.27</b>

\* Liquid mutual fund has been shown as cash and cash equivalents in cash flow statement.



**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**42 Employee Benefits**

**(a) Defined contribution plan**

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12 % of basic salary and other allowances as per regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognised during the period towards defined contribution plan is ₹ 140.63 lakhs (March 31, 2021 ₹ 142.36 lakhs).

**(b) Defined benefit plan**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity for employees who are in continuous services for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity is a funded plan and the Company make contributions to recognised funds in India.

(₹ in Lakhs)

Particulars	Present Value of Obligation	Fair Value of plan assets	Net amount
<b>As at March 31, 2020</b>	<b>594.53</b>	<b>472.88</b>	<b>121.65</b>
Current service cost	36.31	-	36.31
Interest expense/(income)	40.61	32.30	8.31
<b>Total amount recognised in statement of profit and loss</b>	<b>76.92</b>	<b>32.30</b>	<b>44.62</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in internet expense/(income)	4.00	-	4.00
<b>Net actuarial (gain)/loss</b>			<b>-</b>
Change in experience	141.61	-	141.61
Change in demographic assumptions	-	-	-
Change in financial assumptions	(1.03)	-	(1.03)
<b>Total amount recognised in other comprehensive income</b>	<b>144.58</b>	<b>-</b>	<b>144.58</b>
Employer Contribution	-	17.00	(17.00)
Benefits payment	(26.69)	(26.69)	-
<b>As at March 31, 2021</b>	<b>789.34</b>	<b>495.49</b>	<b>293.85</b>
<b>As at March 31, 2021</b>	<b>789.34</b>	<b>495.49</b>	<b>293.85</b>
Current service cost	46.43	-	46.43
Interest expense/(income)	54.07	33.94	20.13
	100.50	33.94	66.56
<b>Total amount recognised in statement of profit and loss</b>	<b>100.50</b>	<b>33.94</b>	<b>66.56</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in internet expense/(income)	(8.48)	-	(8.48)
<b>Net actuarial (gain)/loss</b>			
Change in experience	120.08	-	120.08
Change in demographic assumptions	(0.22)	-	(0.22)
Change in financial assumptions	(16.58)	-	(16.58)
<b>Total amount recognised to comprehensive income</b>	<b>94.80</b>	<b>-</b>	<b>94.80</b>
Employer contribution	-	227.07	(227.07)
Benefits payment	(13.00)	(13.00)	-
<b>As at March 31, 2022</b>	<b>971.64</b>	<b>743.50</b>	<b>228.14</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

The net liability disclosed above relates to funded and unfunded plans are as follows: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	(971.64)	(789.34)
Fair value of plan assets	743.50	495.49
Deficit of funded plan *	(228.14)	(293.85)

\* Excluding provision made in respect of employees who are out of coverage under the policy ₹ 55.89 lakhs (Previous year ₹ 51.76 lakhs)

**Significant estimates: actuarial assumptions and sensitivity**
**Financial assumption:**

Discount rate	7.15%	6.85%
Salary escalation rate	6.00%	6.00%

**Demographic assumption:**

Mortality rate	IALM (2012-14) Urban	IALM (2006-08) Ultimate
Attrition rate	2%	2%
Retirement age	58 & 60 Years	58 & 60 Years

**Sensitivity analysis**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

**Discount rate**

a) Discount rate - 100 basis points	57.49	54.70
b) Discount rate + 100 basis points	(51.61)	(48.86)

**Salary escalation rate**

a) Rate - 100 basis points	(52.61)	(49.68)
a) Rate + 100 basis points	57.58	54.62

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>The major categories of plan asset are as follows:</b>		
Equities	0%	0%
Bonds	0%	0%
Gilts	0%	0%
Pooled assets with an insurance company	100%	100%
Other	0%	0%
	<b>100%</b>	<b>100%</b>
<b>The defined benefit obligations shall mature after year end March 31, 2022 as follows:</b>		
Year 1	145.42	58.18
Year 2	38.62	42.80
Year 3	108.67	51.48
Year 4	108.48	94.04
Year 5	135.59	95.02
Years 6-10	473.57	463.26
Years 11 and above	575.77	542.97

The weighted average duration of the defined benefit obligation is 7 years (Previous Year 2021: 8 years).

**Risk exposure:**

Through its defined benefit plans, Company is exposed to a number of risks, the most significant of which are detailed below:

**Investment risk:** The present value of the defined benefit plan liability is calculated using discount rate determined by reference to market yields at the end of reporting period on government bond yields.

**Interest risk:** - A decrease in the bond interest will increase in plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to best estimate of the mortality of plan participants both during and at the end of employment. An increase in the life expectancy of the plan participants will increase the plan liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such an increase in salary of the plan participants will increase the plan liability.

**The Code on Social Security :**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**43 Financial instruments**

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 40 and 41.

**Financial assets and liabilities**

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

**a. Financial assets**
**Instruments carried at fair value**

(₹ in Lakhs)

Particulars	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL	Instruments carried at amortized cost	Total carrying value	Total fair value
<b>As at 31<sup>st</sup> March, 2021</b>						
Investments	27,607.66	33,068.38	7,982.43	-	68,658.47	68,658.47
Trade receivables	-	-	-	4,190.62	4,190.62	4,190.62
Cash and cash equivalents	-	-	-	144.52	144.52	144.52
Other Bank balances	-	-	-	74.97	74.97	74.97
Loans	-	-	-	4,490.02	4,490.02	4,490.02
Other financial assets	-	-	-	1,410.93	1,410.93	1,410.93
<b>Total</b>	<b>27,607.66</b>	<b>33,068.38</b>	<b>7,982.43</b>	<b>10,311.06</b>	<b>78,969.53</b>	<b>78,969.53</b>
<b>As at 31<sup>st</sup> March, 2022</b>						
Investments	40,317.63	30,896.38	8,380.66	-	79,594.67	79,594.67
Trade receivables	-	-	-	3,749.86	3,749.86	3,749.86
Cash and cash equivalents	-	-	-	245.83	245.83	245.83
Other Bank balances	-	-	-	35.41	35.41	35.41
Loans	-	-	-	2,228.24	2,228.24	2,228.24
Other financial assets	-	-	-	1,113.38	1,113.38	1,113.38
<b>Total</b>	<b>40,317.63</b>	<b>30,896.38</b>	<b>8,380.66</b>	<b>7,372.72</b>	<b>86,967.39</b>	<b>86,967.39</b>

**b. Financial liabilities**

(₹ in Lakhs)

Particulars	Fair value through profit and loss	At amortized cost	Total carrying amount (A+B)	Total fair value
<b>As at 31<sup>st</sup> March, 2021</b>				
Borrowings	-	42.09	42.09	42.09
Trade payables	-	3,948.26	3,948.26	3,948.26
Other financial liabilities	-	110.96	110.96	110.96
<b>Total</b>	<b>-</b>	<b>4,101.31</b>	<b>4,101.31</b>	<b>4,101.31</b>
<b>As at 31<sup>st</sup> March, 2022</b>				
Borrowings	-	30.34	30.34	30.34
Trade payables	-	4,243.88	4,243.88	4,243.88
Other financial liabilities	-	65.44	65.44	65.44
<b>Total</b>	<b>-</b>	<b>4,339.66</b>	<b>4,339.66</b>	<b>4,339.66</b>

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

c. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows:

- Level 1: quoted prices for identical instruments in active market.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at March 31, 2022, and March 31, 2021 measured at fair value:

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31<sup>st</sup> March, 2021</b>				
<b>Assets at fair value</b>				
<b>Equities</b>				
Equity instruments	11,589.33	16,018.33	-	27,607.66
<b>Debt</b>				
Debentures and bonds	19,218.65	6,314.05	950.05	26,482.75
Pass through certificates (PTC)	501.27	-	-	501.27
Preference shares	-	-	3,010.01	3,010.01
Government bonds	3,670.75	-	-	3,670.75
Real estate and debt funds	6,796.81	-	-	6,796.81
Mutual Fund	589.22	-	-	589.22
	<b>42,366.03</b>	<b>22,332.39</b>	<b>3,960.05</b>	<b>68,658.47</b>

**As at 31<sup>st</sup> March, 2022**

**Assets at fair value**

**Equities**

Equity instruments	17,131.49	23,186.14	-	40,317.63
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**Debt**

Debentures and bonds	23,727.49	1,004.42	450.05	25,181.95
Pass through certificates (PTC)	501.48	-	-	501.48
Preference shares	-	-	1,694.90	1,694.90
Government Bonds	3,518.05	-	-	3,518.05
Real estate and debt funds	7,226.04	-	-	7,226.04
Mutual fund	1,154.62	-	-	1,154.62
	<b>53,259.17</b>	<b>24,190.55</b>	<b>2,144.95</b>	<b>79,594.67</b>

**Fair value of financial assets and liabilities measured at amortised cost:-**

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2022		As at 1 <sup>st</sup> April, 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Trade receivables	3,749.86	3,749.86	4,190.62	4,190.62
Cash and cash equivalents	245.83	245.83	144.52	144.52
Other Bank balances	35.41	35.41	74.97	74.97
Loans	2,228.24	2,228.24	4,490.02	4,490.02
Other financial assets	1,113.38	1,113.38	1,410.93	1,410.93
	<b>7,372.72</b>	<b>7,372.72</b>	<b>10,311.06</b>	<b>10,311.06</b>
<b>Financial liabilities</b>				
Borrowings	30.34	30.34	42.09	42.09
Trade payables	4,243.88	4,243.88	3,948.26	3,948.26
Other financial liabilities	65.44	65.44	110.96	110.96
	<b>4,339.66</b>	<b>4,339.66</b>	<b>4,101.31</b>	<b>4,101.31</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

The Management assessed that fair value of cash and cash equivalents, trade receivables, investments in term deposits, loans, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) is considered to be equal to the carrying amount of these items due to their short-term nature.

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

**44 Income Taxes**
**A. Components of Income Tax Expense**

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(a) Tax expense recognised in the Statement of Profit and Loss</b>		
<b>i) Current tax</b>		
Current year	308.00	284.75
<b>Total current tax</b>	<b>308.00</b>	<b>284.75</b>
<b>ii) Deferred tax</b>		
Relating to origination and reversal of temporary difference	3.27	95.44
<b>Total deferred income tax expense/(credit)</b>	<b>3.27</b>	<b>95.44</b>
<b>Total i) + ii)</b>	<b>311.27</b>	<b>380.19</b>
<b>(b) Tax on Other Comprehensive Income</b>		
<b>i) Tax relating to items that will not be reclassified to profit or loss</b>		
Tax on realized gain of equity instruments	380.56	251.51
Tax on remeasurements of net defined benefit plans	(16.56)	(25.26)
Tax on equity instrument through other comprehensive income	1,704.88	560.19
Deferred Tax liability of earlier periods on equity instrument through other comprehensive income*	(3,093.02)	-
	<b>(1,024.14)</b>	<b>786.44</b>
<b>ii) Income tax on items that will be reclassified to profit or loss</b>		
Tax on debt instrument through other comprehensive income	(364.26)	206.71
Deferred Tax liability of earlier periods debt instrument through other comprehensive income*	(466.98)	-
	<b>(831.24)</b>	<b>206.71</b>
<b>Total i) + ii)</b>	<b>(1,855.38)</b>	<b>993.15</b>

**B. Reconciliation of tax expenses and the accounting profit for the year**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :		
<b>Profit before tax</b>	<b>2,471.43</b>	<b>2,479.35</b>
Enacted income tax rate in India	29.12%	29.12%
<b>Expected income tax expense during the year at statutory rate</b>	<b>719.68</b>	<b>721.99</b>
Differences due to:		
Expenses not deductible for tax purposes	28.12	34.00
Exempt Income	(155.34)	(214.64)
Impact of Minimum alternate tax	(287.87)	(24.84)
Tax Rate Difference etc.	6.68	(136.32)
<b>Effective tax expenses</b>	<b>311.27</b>	<b>380.19</b>

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

C. The movement in deferred tax assets and liabilities

(₹ in Lakhs)

Movement during the year ended March 31, 2021	As at 31 <sup>st</sup> March, 2020	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	As at 31 <sup>st</sup> March, 2021
<b>Deferred tax assets/(liabilities)</b>				
On expenses allowable for tax purposes when paid	30.84	7.87	-	38.71
On depreciation	(1,121.20)	(159.01)	-	(1,280.21)
On fair valuation of financial assets	(3,509.19)	30.86	(766.90)	(4,245.23)
	<b>(4,599.55)</b>	<b>(120.28)</b>	<b>(766.90)</b>	<b>(5,486.73)</b>
<b>Movement during the year ended March 31, 2022</b>				
	As at 31 <sup>st</sup> March, 2021	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income*	As at 31 <sup>st</sup> March, 2022
On expenses allowable for tax purposes when paid	38.71	(51.60)	-	(12.89)
On depreciation	(1,280.21)	48.47	-	(1,231.74)
On fair valuation of financial assets	(4,245.23)	-	2,219.38	(2,025.85)
<b>Total</b>	<b>(5,486.73)</b>	<b>(3.13)</b>	<b>2,219.38</b>	<b>(3,270.48)</b>

Note:

\* The Company, in accordance with its policy of periodical review of effective tax rates for the purposes of providing deferred tax liability, keeping in view the reasonably predictable finality of assessed tax rates, has changed the effective tax rates for providing deferred tax liability with effect from 1<sup>st</sup> April, 2021 and because of this change, the Other Comprehensive Income (OCI) for the year ended 31<sup>st</sup> March, 2022 are higher by ₹ 3,560.00 lakhs.

45 **Risk Management**

**Financial risk management objective and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The risk management policies aims to mitigate the following risk arising from the financial instruments: (a) Market risk; (b) Liquidity risk and (c) Credit risk.

**Financial risk factors**

The Company's principal financial liabilities comprise borrowings, deposits from dealers and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risk arising from the financial instruments: (a) Market risk; (b) Liquidity risk and (c) Credit risk (d) COVID 19.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

Risk	Exposure arising from	Measurement	Management
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities; working capital management
Credit risk	Cash and cash equivalents, trade receivables, Investments, loans and other financial assets measured at fair /amortised cost.	Ageing analysis/ Credit ratings / Assets Coverage	Diversification in various class of assets, credit limits
Market Risk - Foreign exchange	Financial assets and liabilities denominated in INR	Cash flow forecasting Sensitivity analysis	Hedging Forex planning
Market Risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market Risk - Price risk	Investments in Equities, Bonds, debentures, funds	Sensitivity analysis; market fluctuations; credit rating	Continuous monitoring, Diversification

**(a) Liquidity risk**

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintain sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

**(i) Financing arrangements**

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period:

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Secured working capital credit facility from Banks	600.00	600.00

**(ii) The following is the contractual maturities of the financial liabilities:**

(₹ in Lakhs)

Particulars	Carrying amount	Total	Payable on demand	Less than 1 month	1-12 months	more than 12 months
<b>As at 31<sup>st</sup> March, 2021</b>						
<b>Non-derivative liabilities</b>						
Borrowings	42.09	42.09	-	-	38.04	4.05
Trade payables	3,948.26	3,948.26	-	2,261.56	1,686.70	-
Other financial liabilities	110.96	110.96	-	79.71	31.25	-
<b>As at 31<sup>st</sup> March, 2022</b>						
<b>Non-derivative liabilities</b>						
Borrowings	30.34	30.34	-	1.00	9.86	19.48
Trade payables	4,243.88	4,243.88	-	2,891.74	1,352.14	-
Other financial liabilities	65.44	65.44	23.87	41.57	-	-



**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**(b) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

**(i) Foreign currency risk**

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company does have transactions in currency other than functional currency i.e. in US Dollar (USD) for purchase of raw material from overseas supplier. However, those are not very significant considering the nature and size of the operations of the Company.

<b>Foreign Currency Exposure</b>		(₹ in Lakhs)	
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	
	<b>USD</b>	<b>USD</b>	
Trade payable	0.12	2.18	
Trade receivables	2.43	3.75	
Net Exposure - [Receivable/(Payable)]	2.31	1.57	

The company's exposure to the foreign currency risk is not significant considering the nature and size of the operations.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's Long term borrowings have fixed rate of interest and carried at amortized costs and short term borrowings have variable rate of interest. The Company also has significant investments in Bonds i.e. Government securities; Debentures; Preference shares and Debt funds. These investments are subject to the Market risk - Interest rate risk.

**Exposure to Interest rate risk - Financial liabilities**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Total borrowings	30.34	42.09
% of borrowings out of above bearing variable rate of interest and short term in nature	100.00%	100.00%

Hence, the Company is not significantly exposed to the interest rate risk as working capital facility are, as per contractual terms, primarily of short term in nature.

Exposure to Interest rate risk - Financial assets - Investments in Government Bonds, Bonds, Debentures, Debt funds and Preference Shares

Market price risk for government bonds, debentures, Preference shares and other bonds is movement in the interest rate and impact thereof on the yield. The Company's major part of investments is in Bonds/Debentures, which exposes Company to a price risk and consequently impact on the profitability and value of instruments

**Sensitivity**

The table below summarises the impact of increase/decrease in the interest rate over the value of bonds/debentures. The analysis is based on the assumption that the Interest rate has increased by 100 bps or decrease by 100bps with all other variables held constant.

<b>Impact on profit before tax</b>	(₹ in Lakhs)	
	<b>For the year ended 31<sup>st</sup> March, 2022</b>	<b>For the year ended 31<sup>st</sup> March, 2021</b>
Increase of 100 bps -Gain/(loss)	1,435.00	1,474.64
Decrease of 100 bps-Gain/(loss)	(1,435.00)	(1,474.64)

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**(iii) Price Risk**

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. To manage its price risk arising from its investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company in accordance with the guidelines provided by the Board of directors of the Company.

**Exposure**

Nature of Investments	As at March 31, 2022		As at March 31, 2021	
	Amount	%	Amount	%
Equity instruments	40,317.63	50.65%	27,607.66	40.21%
Debentures and bonds	25,181.95	31.64%	26,482.75	38.57%
Preference Shares	1,694.90	2.13%	501.27	0.73%
Government Bonds	3,518.05	4.42%	3,010.01	4.38%
Real estate and debt funds	7,226.04	9.08%	3,670.75	5.35%
Pass through certificates (PTC)	501.48	0.63%	6,796.81	9.90%
Mutual fund	1,154.62	1.45%	589.22	0.86%
<b>Total</b>	<b>79,594.67</b>	<b>100.00%</b>	<b>68,658.47</b>	<b>100.00%</b>

**Investments in Equity Instruments and Equity mutual funds (including investment through Private Equity funds)**

The Company's quoted equity instruments are subject to the market price risk arising from the fluctuation in the market price of those instruments. This risk arises from instruments which are classified as Fair value through P&L or Fair value through OCI. The Company's investment in equity instruments mainly consists of Investments in certain of its group companies wherein the price fluctuations, based on the historical trends, are not very significant.

**Sensitivity**

The table below summarises the impact of Increase/decrease of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5% or decrease by 5% with all other variables held constant and that all the Company's equity instruments moved in line with the index.

Impact on total comprehensive income	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
BSE Sensex - Increase 5% -Gain/(loss)	2,015.88	1,380.38
BSE Sensex - Decrease 5% -Gain/(loss)	(2,015.88)	(1,380.38)

**(c) Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an on-going basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counterparty
  - (i) Expected credit loss for trade receivables under simplified approach ( Refer Note 9 for ageing of Trade Receivable)

**Commodity Risk**

The Company is exposed to the risk of price fluctuation of raw materials proactively managed through forward booking, inventory management and proactive vendor development practices.

**(d) Covid - 19 Risk**

The Company presently working at its normal capacity similar to the pre COVID levels with adequate precautions for safety and wellbeing of its employees. The management apart from considering the internal and external information upto the date of approval of these financial results expects to recover the carrying amount of the assets including financial investments. The Company will continue to closely monitor any material changes to future economic conditions.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

46 Capital Risk Management

(a) The Company's objectives when managing capital are to :

- ◆ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which includes capital and other strategic investments. The Company's intention is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Total equity	91,934.02	81,907.56
Net Debt	(215.49)	(140.47)
Total Capital (Borrowings and Equity)	91,718.53	81,767.09
Gearing Ratio	-0.23%	-0.17%

- (i) Net debt represents total borrowings (non-current & current) as reduced by cash and cash equivalents.
- (ii) Equity comprises of all components including other comprehensive income.

(b) Dividend

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Equity Shares		
Final dividend for the year ended March 31, 2021 of ₹ 2.00 per share (March 31, 2020 - ₹ 2.00) per fully paid share	295.38	295.38

In addition to the above dividend, since year end the directors have recommended the payment of a final dividend of ₹ 2 fully paid equity share (31<sup>st</sup> March, 2022 – ₹ 2). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

47 Related party disclosure with whom transactions have been entered during the year in the ordinary course of the business :

(A) Relationships:

(i) Joint ventures in which the entity is a joint venturer:

CompoAdvics (India) Pvt. Ltd.

(ii) Key Management Personnel (KMP):

Mr. Raghu Mody - Executive Chairman  
Mr. P. K. Choudhary - Managing Director  
Mr. Sunil Jindal - Chief Financial Officer (CFO)  
Mr. Vikram Soni - Company Secretary and Compliance Officer

(iii) Relatives of Key Managerial Personnel / Directors:

Mrs. Shashi Mody (Daughter-in-law of Mr. Raghu Mody, Executive Chairman)

(iv) Non Executive Directors:

Mr. Ashok B Vaidya, Independent Director  
Mr. K. S. Brar, Independent Director  
Mr. Deepak Sethi, Independent Director  
Mr. Lalit Kumar Bararia, Independent Director  
Mrs. Preeti Vimal Agrawal, Independent Director

(v) Other Related Parties: (promoter/promoter group)

Rasoi Ltd., \*  
Leaders Healthcare Ltd. \*  
J.L. Morison (India) Ltd.  
Pallawi Resources Pvt. Ltd. (Formerly known as Pallawi Resources Ltd.)  
Rasoi Express Pvt. Ltd.  
Mr. Varunn Mody - President Treasury

\* Entities belonging to promoter/promoter group holding 10% or more shareholding in the company.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**(B) Transactions carried out with related parties referred in (A) above, in ordinary course of business:**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(i) Inter Corporate Deposits Given</b>		
Leaders Healthcare Ltd.	60.00	Nil
<b>(ii) Inter Corporate Deposits Refund Received</b>		
Leaders Healthcare Ltd.	60.00	Nil
<b>(iii) Rent Paid *</b>		
J.L. Morison (India) Ltd.	14.52*	7.13*
Mr. Varunn Mody	16.80	19.82*
Pallawi Resources Pvt. Ltd.*	4.67	4.67
* Including GST		
<b>(iv) Income</b>		
<b>Royalty</b>		
- Compo Advics (India) Pvt. Ltd.	11.25	8.56
<b>Interest</b>		
- Pallawi Resources Pvt. Ltd.	175.00	175.00
- Leaders Healthcare Ltd.	0.72	Nil
<b>Dividend</b>		
J.L. Morison (India) Ltd.	2.73	2.73
<b>(v) Purchase of Investment - Rasoi Ltd. Equity Shares</b>		
Leaders Healthcare Ltd.	524.88	Nil
<b>(vi) Salary and other employee benefits to Whole Time Directors and KMP</b>		
Mr. Raghu Mody	156.29	144.57
Mr. P.K. Choudhary	90.42	84.18
Mr. Sunil Jindal	26.22	23.32
Mr. Vikram Soni	13.00	10.82
<b>(vii) Salary and other employee benefits to relatives of Directors &amp; Key Managerial Personnel</b>		
Mrs. Shashi Mody	29.33	29.02

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**(B) Transactions carried out with related parties referred in (A) above, in ordinary course of business:**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(viii) Directors sitting fees and commission to independent and non executive directors</b>		
Mr. Ashok B Vaidya	3.40	3.20
Mr. K. S. Brar	3.40	3.20
Mr. Deepak Sethi	2.80	2.80
Mr. Lalit Kumar Bararia	3.10	2.20
Mrs. Preeti Vimal Agarwal	2.50	2.40
<b>(x) Other Transactions</b>		
Rasoi Express Pvt. Ltd. (Purchase of Air Tickets)	20.85	3.33
Compo Advics (India) Pvt. Ltd. (Purchase of Raw Material)	47.59	3.91
Compo Advics (India) Pvt. Ltd. (Sale of Raw Material)	93.94	64.51
Mr. Varunn Mody (Salary)	84.29	78.07

**(C) Balances outstanding with related parties referred in (A) above, in ordinary course of business:**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(I) Receivable:</b>		
<b>- Inter Corporate Deposits:</b>		
Pallawi Resources Pvt. Ltd.(secured)	1,750.00	1,750.00
<b>- Others Receivable:</b>		
Compo Advics (India) Pvt. Ltd. (Trade Receivable)	43.64	53.30
Pallawi Resources Pvt. Ltd.(Interest Receivable)	40.99	42.13
Mr. Varunn Mody (Rent Deposit Receivable)	6.60	6.60
<b>(ii) Payable:</b>		
<b>- Commission to independent directors</b>		
Mr. Ashok B Vaidya	1.90	1.93
Mr. K. S. Brar	1.90	1.93
Mr. Deepak Sethi	1.90	1.93
Mr. Lalit Kumar Bararia	1.90	1.93
Mrs. Preeti Vimal Agarwal	1.90	1.93
<b>(iii) Investment in: (at cost)</b>		
J.L. Morison (India) Ltd.	515.49	515.49
Rasoi Limited	1,876.23	1,351.36
Compo Advics (India) Pvt. Ltd. (Refer Note I) below)	980.00	980.00

**Note:**

- i) No amount pertaining to related parties has been provided for as doubtful debts except diminution in value of investment in Compo Advics (India) Pvt. Ltd. of ₹ 980 lakhs (Previous year ₹ 980 lakhs). Also no amount has been written off/back.
- ii) The related parties are as identified by the Company and relied upon by the Auditors.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>48 (a) Loans and Advances in nature of loans.</b>		
Loans where there is no interest or at an interest rate below that specified in the Companies Act, 2013.		
<b>Amount Outstanding end of the year</b>		
Employees (as per general rules of the Company)	2.37	7.77
<b>Maximum amount Outstanding During the Year</b>		
Employees (as per general rules of the Company)	7.91	7.77
<b>(b) Details of Short Term Inter Corporate Deposits: #</b>		
Gillanders Arbuthnot & Co. Ltd	-	500.00
Globe Financial Services Pvt. Ltd.	-	130.00
India Glycols Limited	475.00	1,100.00
Pallawi Resources Pvt. Ltd.	-	1,750.00
<b>Total</b>	<b>475.00</b>	<b>3,480.00</b>
<b>(c) Details of Long Term Inter Corporate Deposits: #</b>		
Pallawi Resources Pvt. Ltd.	1,750.00	Nil

#Inter corporate deposits (ICD) given for general corporate purpose of the borrowing company on interest in the range of 10% to 13% (Previous Year 10% to 13%).

**49 Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.**

(₹ in Lakhs)

Particulars	As At March 2020	Cash Flow	Non- Cash Changes	As At March 2021	Cash Flow	Non- Cash Changes	As At March 2022
Long Term Borrowing*	108.58	(40.38)	-	68.20	15.43	-	83.63
Short Term Borrowing	477.29	(503.41)	-	(26.12)	(19.42)	-	(45.54)

\* Including current maturity of long term borrowing.

- 50** The Company has investment of ₹ 980 lakhs (Previous Year ₹ 980 lakhs) in Compo Advics India Private Limited, a Joint Venture Company which has accumulated losses of ₹ 1,287.29 lakhs (Previous Year 1,187.61 lakhs), being Company's Share i.e. 49%. In view of the accumulated losses, there is diminution in the value of Company's investments in the Joint Venture company and hence full value of investment of ₹ 980 Lakhs has been marked down to Zero and has been adjusted with Other Comprehensive Income in the year ended 31<sup>st</sup> March 2021. However, considering the investment is of long term and strategic in nature no amount pertaining to this investment has been written off.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**51 Accounting Ratios**

Sr. No.	Name of the Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Remarks
1	Current Ratio (in times)	Current assets	Current liabilities	2.38	3.40	-30.00%	Due to recovery of short term loans
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.00	0.00	0.00%	NA
3	Debt Service coverage ratio (in times)	Earnings available for debt service (Net profit after taxes + depreciation & Amortization + Finance Cost)	Total debt service (Finance Cost + Principal repayment of long term borrowing during the year)	255.43	96.73	164.06%	Due to repayment of borrowings
4	Return on equity (in %)	Total Comprehensive Income for the year	Average shareholder equity	11.87%	6.33%	87.48%	Due to increase in earnings
5	Inventory Turnover Ratio (in times)	Sale of products	Average inventory	14.59	12.25	19.10%	NA
6	Trade receivables turnover ratio (in times)	Sale of products	Average Trade receivables	4.66	3.76	23.94%	NA
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	2.62	2.00	31.00%	Due to increase in cost of materials
8	Net capital turnover ratio (in times)	Revenue from operations	Working Capital	2.72	1.94	40.21%	Due to refund of Loans
9	Net profit ratio (in %)	Net profit	Revenue from operations	9.29%	11.37%	-18.35%	NA
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	2.85%	3.14%	-9.20%	NA
11	"Return on investment (in %)"	Investment Income Through P & L + Investment Income Through OCI	Average invested funds	14.29%	10.74%	33.00%	Due to increase in Return of Investments

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**52 Relationship with Struck Off companies**

Details of struck off companies with whom the Company has transaction during the year or outstanding balance:

Name of Struck off Company	Nature of transactions with struck-off Company	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021	Nature of transactions with struck-off Company
Electro Diesel Pvt Ltd	Unclaimed Dividend	0.00*	0.00*	Shares held by Struck off Company
Jermin Investments Pvt Ltd	Unclaimed Dividend	0.00*	0.00*	Shares held by Struck off Company
Kuber Bhandar (India) Limited	Unclaimed Dividend	0.00*	0.00*	Shares held by Struck off Company
Universal Asbestos Mfg Co P Ltd	Unclaimed Dividend	0.00*	0.00*	Shares held by Struck off Company
Wheelaway Motor Private Ltd	Unclaimed Dividend	0.00*	0.00*	Shares held by Struck off Company

\* Unclaimed dividend - Amounts are below ₹ 1 thousand and the percentage of shares held by the struck off Companies are less than 1 % of the total shareholding of the Company.

**53 Other Disclosures**

- a) No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder in the current or previous financial years.
- b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c) The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.
- d) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 during the current and previous financial year.
- e) The Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender in the current and previous financial year.
- h) The Company does not have any subsidiary as defined in section 2(87) of the Companies Act, 2013 in the current and previous financial years.
- l) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial years.
- J) There are no loans or advances in the nature of loan granted to promoters, directors, KMP and / or their relatives in the current or previous financial years which are repayable on demand or without specifying any term or period for repayment.



NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

54 Corporate Social Responsibility:

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(a) Amount required to be spent as per Section 135 of Companies Act, 2013</b>	53.39	54.32
<b>(b) Amount Spent during the year</b>		
i) Construction/Acquisition of assets	-	-
ii) On purpose other than above	60.00	70.00
<b>(c) Excess amount spent under section 135 (5)</b>		
Carried forward Opening Balance Excess/(Short)	-	-
Amount required to be spent during the year	-	-
Actual amount spent/incurred during the year	60.00	70.00
Carried forward Closing Balance Excess/(Short)	-	-
<b>(d) Nature of CSR activities</b>	Contribution to PM Cares Fund for Social economic development & relief , welfare of the schedule cast. tribes, other backward classes, minorities and women.	
<b>(e) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard</b>	-	-

55 Previous years' figures have been regrouped/reclassified where ever necessary to conform to current years' classification.

Signatures to Notes 1 to 55 which form an integral part of the financial statements.

For and on behalf of the Board of Directors

**Raghu Mody**  
Chairman  
(DIN 00053329)

**P.K. Choudhary**  
Managing Director  
(DIN 00535670)

**Vikram Soni**  
Company Secretary & Compliance Officer  
Membership No. A36705

**Sunil Jindal**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> May 2022

## INDEPENDENT AUDITOR'S REPORT

**To The Members of Hindustan Composites Limited**

### Opinion

#### Report on the Audit of Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Hindustan Composites Limited and its Joint Venture** (the Holding Company and its Joint Venture together referred to as "the Group"), which comprises of Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss, Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended (Refer "Other Matters" section below) , and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022, its consolidated profits, consolidated other comprehensive income, consolidated changes in equity 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's response
<p><b>Valuation and Impairment of unquoted equity Instruments /Debt Investments:</b></p> <p>We focused on the valuation of unquoted Equity/Debt Instruments due to the materiality of the investments and the nature of their valuation which involve the use of judgmental assumptions. As disclosed in Note no 3 and 8, as at 31 March 2022 the Group has unquoted equity /debt Investments of ₹ 33,914.04 Lakhs. These Investments are classified and measured at fair value through other comprehensive income.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed and tested the design and the operating effectiveness of the key controls that management has established to support the review and approval of the model design, key model inputs and valuation.</p> <p>We assessed the appropriateness of the valuation method used by management by verifying the key inputs used in determining the assumptions as also corroborating the information.</p>

#### Information Other than the Consolidated Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Corporate Governance report and Shareholder's information, but does not include the consolidated financial statement 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.

## Responsibilities of Management and those charged with Governance for the Consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated changes in equity 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, read with Rule 7 of the Companies (Account) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 statements 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 reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control 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 entity'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 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 entity 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.

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 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 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 in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) We draw your attention to the Note 38 to the consolidated financial statements regarding the assessment made by Management relating to impact of COVID-19 pandemic on the operations of the Group
- (b) We did not audit the financial statements of a joint venture in India included in the consolidated financial statements, whose financial statements reflect Group's share of loss of ₹ 138.15 Lakhs for the year ended March 31, 2022, whose losses have exceeded the Group's investments and therefore, have not been considered in the consolidated financial statements in compliance with IND AS 28. Refer note no 39 to the consolidated financial statements. These financial statements have been audited by other auditor, whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

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.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books and records.
- (c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including consolidated other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) 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 (Account) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Holding Company and its Joint Venture incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 "A"**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the matters to be included in the Auditor's report in accordance with the 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 Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements. [Refer Note No.33 to 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
  - iv. a) The Managements of the Holding Company and its Joint Venture incorporated in India have represented that, to the best of their knowledge and belief, no funds other than disclosed in the consolidated financial statements (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its Joint Venture incorporated in India to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its Joint Venture

incorporated in India (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. [Refer note no 53 (e) to standalone financial statements].

- b) The Managements of the Holding Company and its Joint Venture incorporated in India have represented, that, to the best of their knowledge and belief, no funds other than disclosed in the consolidated financial statements (which are material either individually or in the aggregate) have been received by the Holding Company and its Joint Venture incorporated in India from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its Joint Venture incorporated in India shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. [Refer note no 53 (f) to standalone financial statements].
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.
- v. a) The final dividend paid by the Holding Company during the year declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- b) The Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the Members at the ensuing annual general meeting. The dividend recommended by the Board is in accordance with Section 123 of the Act to the extent it applies to the recommendation of dividend [Refer note no 46 (b) to standalone financial statements].
- vi With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor’s Report) Order 2020 (the “Order”/ “CARO”), issued by the Central Government in terms of Section 143(11) of the Act, based on the CARO reports issued of Holding Company and its Joint Venture incorporated in India, included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the respective CARO reports of the Holding Company and its Joint Venture.

**For Bagaria & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No: 113447W/W-100019**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2022**

**Vinay Somani**  
**Partner** Membership No: 143503  
**UDIN:22143503AJQZGH7886**

## Annexure A

### ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN COMPOSITES LIMITED FOR THE YEAR ENDED MARCH 31, 2022

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

In conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Hindustan Composites Limited (“the Holding Company”) and its Joint Venture.

#### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and a joint venture incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and a joint venture incorporated in India 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 Group’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 Group’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 includes 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 authorizations of management and directors of the Company; (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 financial statements and (4) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the Group from time to time.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us the Group has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Group 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 Bagaria & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No: 113447W/W-100019**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2022**

**Vinay Somani**  
**Partner Membership No: 143503**  
**UDIN: 22143503AJQZGH7886**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022**

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	11,276.87	11,590.47
(b) Other Intangible assets	2	59.87	18.82
(c) Intangible assets under development	2.1	-	16.42
(d) Financial assets			
(i) Investments	3	75,962.10	65,355.18
(ii) Loans	4	1,750.00	-
(iii) Other financial assets	5	67.75	56.68
(e) Other non-current assets	6	71.36	37.92
<b>Total non-current assets</b>		<b>89,187.95</b>	<b>77,075.49</b>
<b>Current assets</b>			
(a) Inventories	7	1,351.24	1,186.44
(b) Financial assets			
(i) Investments	8	3,632.57	3,303.29
(ii) Trade receivables	9	3,705.82	4,137.55
(iii) Cash and cash equivalents	10	245.83	144.52
(iv) Bank Balances other than (iii) above	11	35.41	74.97
(v) Loans	12	478.24	4,490.02
(vi) Other financial assets	13	1,045.63	1,354.25
(c) Current tax assets (Net)	14	120.86	163.65
(d) Other current assets	15	322.12	285.47
<b>Total current assets</b>		<b>10,937.72</b>	<b>15,140.16</b>
<b>Non-current assets classified as held for sale</b>	<b>2.2</b>	<b>112.99</b>	<b>-</b>
<b>Total Assets</b>		<b>1,00,238.66</b>	<b>92,215.65</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	16	738.42	738.45
(b) Other Equity	17	90,987.96	80,961.50
<b>Total equity</b>		<b>91,726.38</b>	<b>81,699.95</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	19.48	4.05
(b) Provisions	19	346.96	317.98
(c) Deferred tax liabilities (Net)	44	3,270.48	5,486.73
(d) Other non current liabilities	20	92.69	87.51
<b>Total non-current liabilities</b>		<b>3,729.61</b>	<b>5,896.27</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	10.86	38.04
(ii) Trade payables	22		
- total outstanding dues of micro and small enterprises		79.95	56.73
- total outstanding dues of creditors other than micro and small enterprises		4,327.53	4,046.07
(iii) Other financial liabilities	23	65.44	110.96
(b) Other current liabilities	24	148.85	151.18
(c) Provisions	25	150.04	216.45
<b>Total current liabilities</b>		<b>4,782.67</b>	<b>4,619.43</b>
<b>Total Equity and Liabilities</b>		<b>1,00,238.66</b>	<b>92,215.65</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the consolidated financial statements</b>	<b>B (1 - 41)</b>		

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**

**Date: 26<sup>th</sup> May, 2022**

**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**

**Raghu Mody**

Chairman

(DIN 00053329)

**P.K. Choudhary**

Managing Director

(DIN 00535670)

**Vikram Soni**

Company Secretary & Compliance Officer

Membership No. A36705

**Sunil Jindal**

Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**  
 (₹ in Lakhs)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
<b>I Revenue from operations</b>	26	23,263.96	18,458.75
<b>II Other income</b>	27	37.79	618.44
<b>III Total Income ( I + II)</b>		<b>23,301.75</b>	<b>19,077.19</b>
<b>IV Expenses</b>			
Cost of materials consumed	28	10,598.15	7,341.55
Changes in inventories of finished goods and work-in-progress	29	(83.35)	185.56
Employee benefits expense	30	3,605.88	3,259.14
Finance costs	31	7.80	19.59
Depreciation and amortisation expense	1 & 2	856.36	886.69
Other expenses	32	5,845.48	4,905.31
<b>Total Expenses</b>		<b>20,830.32</b>	<b>16,597.84</b>
<b>V Profit before tax ( III - IV)</b>		<b>2,471.43</b>	<b>2,479.35</b>
<b>VI Share of (loss) of joint venture</b>	39	-	(126.80)
<b>VII Profit before tax ( V - VI)</b>		<b>2,471.43</b>	<b>2,352.55</b>
<b>VIII Tax Expense:</b>			
Current tax		308.00	284.75
Deferred tax		3.27	95.44
<b>Total Tax Expense</b>		<b>311.27</b>	<b>380.19</b>
<b>IX Profit for the year</b>		<b>2,160.16</b>	<b>1,972.36</b>
<b>X Other Comprehensive Income</b>			
<b>A. (i) Items that will not be reclassified to profit or loss</b>		7,708.51	4,201.98
(ii) Income tax relating to items that will not be reclassified to profit or loss		1,024.14	(786.44)
<b>B. (i) Items that will be reclassified to profit or loss</b>		(1,402.21)	709.85
(ii) Income tax relating to items that will be reclassified to profit or loss		831.24	(206.71)
<b>XI Total Comprehensive Income for the year ( IX + X)</b>		<b>10,321.84</b>	<b>5,891.04</b>
<b>Earnings per equity share of ₹ 5 each (Basic and Diluted)</b>	35	<b>14.63</b>	<b>13.35</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the consolidated financial statements</b>	<b>B (1 - 41)</b>		

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**
**Date: 26<sup>th</sup> May, 2022**
**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**
**Raghu Mody**  
 Chairman  
 (DIN 00053329)

**P.K. Choudhary**  
 Managing Director  
 (DIN 00535670)

**Vikram Soni**  
 Company Secretary & Compliance Officer  
 Membership No. A36705

**Sunil Jindal**  
 Chief Financial Officer



**STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**  
(₹ in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
<b>A Cash flow from operating activities:</b>		
Net profit before tax	2,471.43	2,352.55
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation	856.36	886.69
Net gain on sale / fair valuation of investments through profit and loss	(2,591.29)	(1,676.93)
(Profit)/Loss on Sale of property, plant and equipment (net)	6.73	(599.33)
Remeasurements of defined benefit plans	(94.81)	(144.58)
Provision for doubtful debts	72.95	-
Balances no longer payable written back	(7.76)	-
Interest expenses	7.80	19.60
<b>Operating profit before working capital changes</b>	<b>721.41</b>	<b>838.00</b>
<b>Adjustment for</b>		
(Increase)Decrease in Trade and other receivable	339.35	(832.52)
(Increase)Decrease in Inventories	(164.81)	70.15
(Decrease)Increase in Trade and other payables	224.54	1,301.05
<b>Cash generated from operations</b>	<b>1,120.49</b>	<b>1,376.68</b>
Direct taxes paid (net)	(629.21)	(459.02)
<b>Net cash generated from operating activities</b>	<b>491.28</b>	<b>917.66</b>
<b>B Cash generated from investing activities</b>		
Purchase of property, plant, equipment and Intangible assets	(712.28)	(392.37)
Proceeds from sale of property, plant and equipment	25.14	739.00
Purchase of Investments	(20,177.28)	(12,199.82)
Proceeds from Sale of Investments	14,502.95	9,191.31
Inter-Corporate Deposits Placed	(360.00)	-
Inter-Corporate Deposits Redeemed	1,615.00	970.00
(Increase)/Decrease in other receivable	1,181.49	(1,305.46)
Income from Investment (net)	4,404.93	3,015.55
Net cash flow (used in) from investing activities	479.95	18.21
<b>C Cash generated from financing activities</b>		
Proceeds/(repayment) from long-term borrowings (net)	15.43	(40.38)
Proceeds/(repayment) from short-term borrowings (net)	(19.42)	(503.41)
Dividend paid (including corporate dividend tax)	(295.38)	(295.38)
Interest paid	(7.80)	(19.60)
<b>Cash generated from financing activities</b>	<b>(307.17)</b>	<b>(858.77)</b>
<b>D Net Increase/ Decrease in cash and cash equivalent ( A+B+C)</b>	<b>664.06</b>	<b>77.10</b>
<b>Cash and Cash equivalents</b>		
<b>At the beginning of the year</b>	<b>733.70</b>	<b>656.67</b>
<b>At the end of the year (Refer note below)</b>	<b>1,397.76</b>	<b>733.70</b>

Note: The Closing Cash and Cash Equivalents include investment in Liquid Mutual fund of ₹ 1151.93 lakhs (Previous Year ₹ 589.22 lakhs)

**Significant accounting policies**

See accompanying notes to the consolidated financial statements

**A**

**B (1 - 41)**

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**

**Date: 26<sup>th</sup> May, 2022**

**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**

**Raghu Mody**

Chairman  
(DIN 00053329)

**Vikram Soni**

Company Secretary & Compliance Officer  
Membership No. A36705

**P.K. Choudhary**

Managing Director  
(DIN 00535670)

**Sunil Jindal**

Chief Financial Officer

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**(a) Equity Share Capital**

(₹ in Lakhs)

Particulars	Amount
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>738.45</b>
Changes in equity share capital due to prior period errors	-
<b>Restated balance as at 31<sup>st</sup> March, 2020</b>	<b>738.45</b>
Changes in equity share capital during the year	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>738.45</b>
Changes in equity share capital due to prior period errors	-
<b>Restated balance as at 31<sup>st</sup> March, 2021</b>	<b>738.45</b>
Changes in equity share capital during the year	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>738.45</b>

**(b) Other Equity**

(₹ in Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income			Total
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Actuarial gain/ (loss)	
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>57.70</b>	<b>61,050.13</b>	<b>5,841.16</b>	<b>1,976.71</b>	<b>6,561.08</b>	<b>(120.94)</b>	<b>75,365.84</b>
Profit for the year	-	-	1,972.36	-	-	-	1,972.36
Other comprehensive income for the year (Net)	-	-	-	503.14	3,534.87	-	4,038.01
Remeasurements of net defined benefit plans (Net)	-	-	-	-	-	(119.33)	(119.33)
Amount transferred in respect of realised gain (Net)	-	-	1,191.31	-	(1,191.31)	-	-
Dividend paid during the year	-	-	(295.38)	-	-	-	(295.38)
Transfer to General reserve	-	1,000.00	(1,000.00)	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>57.70</b>	<b>62,050.13</b>	<b>7,709.45</b>	<b>2,479.85</b>	<b>8,904.64</b>	<b>(240.27)</b>	<b>80,961.50</b>
Profit for the year	-	-	2,160.16	-	-	-	2,160.16
Other comprehensive income for the year (Net)	-	-	-	(570.97)	8,810.89	-	8,239.92
Remeasurements of net defined benefit plans (Net)	-	-	-	-	-	(78.24)	(78.24)
Amount transferred in respect of realised gain (Net)	-	-	1,591.53	-	(1,591.53)	-	-
Dividend paid during the year	-	-	(295.38)	-	-	-	(295.38)
Transfer to General reserve	-	2,000.00	(2,000.00)	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>57.70</b>	<b>64,050.13</b>	<b>9,165.76</b>	<b>1,908.88</b>	<b>16,124.00</b>	<b>(318.51)</b>	<b>90,987.96</b>

**Significant accounting policies**
**A**

 See accompanying notes to the consolidated financial statements **B (1 - 41)**

## CORPORATE OVERVIEW:

The consolidated financial statements comprise financial statements of Hindustan Composites Limited is a public limited company and its joint venture, namely Compo Advics (India) Pvt. Ltd., (collectively referred to as "the Group") for the year ended 31<sup>st</sup> March 2022. The Group's share in the Joint Venture is 49%.

Hindustan Composites Limited ("the Group") is a public limited Group domiciled in India and is incorporated under the provision of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) of India.

The registered office of the Holding Company is located at Peninsula Business Park, A Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

The Group is engaged in the business of manufacturing and marketing of fibre based friction material, consisting of Brake Liners, Roll Lining, Brake Block, Clutch Facing, Disc Brakes Pads etc and investment of its funds.

## A. SIGNIFICANT ACCOUNTING POLICIES:

### a) Basis Of Preparation of Financial Statements:

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act') read with rule 3 of the Companies (Indian Accounting standards) Rules, 2015 and amendment rules issued there after.

The consolidated financial statements of the Group are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- i) Certain financial assets and liabilities are measured at Fair value
- ii) Defined benefit employee plan

All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### b) Uses of estimates and judgments:

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

### (a) Depreciation / amortisation and useful lives of property plant and equipment and intangible assets

Property, plant and equipment and intangible assets are depreciated / amortised over their estimated useful lives, after taking into account its estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates. Depreciation on the fixed assets added / disposed off/ discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding.

### (b) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### (c) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very

difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized in the financial statements.

**(d) Measurement of defined benefit obligations**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis. The assumptions used in determining the net interest cost/(income) for defined benefit plans include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

**c) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Group as at 31<sup>st</sup> March 2022.

**Investment in joint venture:**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that

event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

Distributions received from an associate or a joint venture reduce the carrying amount of the investment. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the assets transferred.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

**d) Property, plant and equipment and Intangible assets**

**Property, plant and equipment**

Freehold land is carried at cost. All other items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use before such date, are disclosed as capital work-in-progress.

The Group assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any, such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the balance Sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

**Intangible assets:**

Technical Know How and Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Depreciation/ amortisation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets. Leasehold land is amortised over period of lease. Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 and management believe that useful lives of assets are same as those prescribed in Schedule II of the Companies Act, 2013.

The Group amortizes computer software with a useful life using the straight-line method over the period of 6 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

#### Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met:

- (i) decision has been made to sell.
- (ii) the assets are available for immediate sale in its present condition.
- (iii) the assets are being actively marketed and
- (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

#### e) As a lessee

##### Operating Lease

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made on or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease

payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

#### f) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less, including money market deposits, commercial paper and investments. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### g) Inventories:

Inventories of Raw Materials, Work-in-Progress, Stores and spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The Goods and Service Tax (GST) in respect of closing inventory of finished goods is included as part of finished goods. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Group.

#### h) Financial Instruments

##### Financial assets - Initial recognition

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

##### Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both (a) the entity's business model for managing the financial assets and (b) the contractual cash flow characteristics of the financial asset."

##### (i) Measured at amortised cost:

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (ii) Measured at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at FVTOCI, if these financial assets are held within a business model

whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

**(iii) Measured at fair value through profit or loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments:**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

**Impairment**

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognised in Statement of Profit and Loss.

**De-recognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

**Financial Liabilities**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Derivative financial instruments:**

Derivative financial instruments such as future contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

**i) Fair Value Measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:  In the principal market for the asset or liability, or  In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest."

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:"

- ✓ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ✓ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- ✓ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above."

**j) Borrowings:**

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**k) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

**l) Provisions and contingent liabilities:**

Provisions for legal claims, volume discounts and returns are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**m) Revenue recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

**Sale of goods -**

Timing of recognition: Sales are recognised when substantial risk and rewards of ownership are transferred to customer. In case of domestic sales take place when goods are dispatched or delivery is handed over to customer's logistics. In case of export sales take place when goods are shipped on-board, based on bill of lading.

**Interest income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

**Dividend income:**

Dividend income is recognised when the Group's right to receive the payment has been established.

**n) Employee Benefits:**

The Group provides following post-employment plans:(i) Defined benefit plans such as gratuity and pension &(ii) Defined contribution plans such as Provident fund"

**a) Defined-benefit plan:**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of the plan assets. The defined benefit obligations is calculated annually by actuaries using the projected unit credit method.

The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of the plan assets.

This cost is included in employee benefit expenses in the consolidated statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions, the effect of asset excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

**b) Defined-contribution plan:**

Under defined contribution plans, provident fund, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Group's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

**c) Other employee benefit**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date based on an actuarial valuation.

**o) Foreign Currency Transaction:**

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

**p) Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in such case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as

determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

**q) Segment Reporting:**

The Group has identified its Managing Director as the Chief Operating Decision Maker. Operating segments are reported in a manner consistent with the internal reporting provided to managing director of the Group. The Managing Director evaluates the Group's performance and allocates resources as a whole.

**r) Research and Development:**

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable, the Group has an intention and ability to complete and use or sell the product and the costs can be measured reliably.



**s) Earnings Per Share:**

Basic EPS is arrived at based on net profit or (loss) after taxation available to equity shareholders to the weighted average number of equity shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive."

**t) Recent Accounting Pronouncements:**

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below :

(a) Ind AS 16 – Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2022.

(b) Ind AS 37 - Provisions, contingent liabilities and contingent assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2022, although early adoption is permitted.

(c) Ind AS 103 – Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 – Financial instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is in the process of evaluating the impact of these amendments.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**
**1 Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
<b>Gross Carrying Amount :</b>								
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>282.11</b>	<b>1.56</b>	<b>9,596.26</b>	<b>4,716.89</b>	<b>652.22</b>	<b>373.76</b>	<b>164.24</b>	<b>15,787.04</b>
Additions	-	-	9.69	321.27	29.18	5.72	20.86	386.72
Adjustments / Disposals	-	-	128.75	138.03	3.92	-	2.19	272.89
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>282.11</b>	<b>1.56</b>	<b>9,477.20</b>	<b>4,900.13</b>	<b>677.48</b>	<b>379.48</b>	<b>182.91</b>	<b>15,900.87</b>
Additions	-	-	-	522.83	128.31	13.77	17.92	682.83
Adjustments / Disposals	-	-	-	322.18	6.03	0.95	10.45	339.61
Assets held for sale	-	-	133.46	-	-	-	-	133.46
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>282.11</b>	<b>1.56</b>	<b>9,343.74</b>	<b>5,100.78</b>	<b>799.76</b>	<b>392.30</b>	<b>190.38</b>	<b>16,110.63</b>
Accumulated Depreciation :								
<b>Balance as at 31<sup>st</sup> March, 2020</b>	-	<b>0.10</b>	<b>853.18</b>	<b>2,122.03</b>	<b>329.29</b>	<b>153.41</b>	<b>102.54</b>	<b>3,560.55</b>
<b>Depreciation charge for the year</b>	-	<b>0.02</b>	<b>178.76</b>	<b>562.30</b>	<b>73.04</b>	<b>47.11</b>	<b>21.80</b>	<b>883.03</b>
Adjustments / Disposals	-	-	17.74	111.39	2.18	-	1.87	133.18
<b>Balance as at 31<sup>st</sup> March, 2021</b>	-	<b>0.12</b>	<b>1,014.20</b>	<b>2,572.94</b>	<b>400.15</b>	<b>200.52</b>	<b>122.47</b>	<b>4,310.40</b>
Depreciation charge for the year	-	0.02	176.87	533.56	78.07	42.45	20.79	851.76
Adjustments / Disposals	-	-	-	295.01	5.50	0.76	9.46	310.73
Assets held for sale	-	-	17.67	-	-	-	-	17.67
<b>Balance as at 31<sup>st</sup> March, 2022</b>	-	<b>0.14</b>	<b>1,173.40</b>	<b>2,811.49</b>	<b>472.72</b>	<b>242.21</b>	<b>133.80</b>	<b>4,833.76</b>
<b>Net Carrying Amount :</b>								
<b>As at 31<sup>st</sup> March, 2021</b>	<b>282.11</b>	<b>1.44</b>	<b>8,463.00</b>	<b>2,327.19</b>	<b>277.33</b>	<b>178.96</b>	<b>60.44</b>	<b>11,590.47</b>
<b>As at 31<sup>st</sup> March, 2022</b>	<b>282.11</b>	<b>1.42</b>	<b>8,170.34</b>	<b>2,289.29</b>	<b>327.04</b>	<b>150.09</b>	<b>56.58</b>	<b>11,276.87</b>

**Notes:**

- (i) Lease period in respect of Leasehold Land having cost of ₹ 0.80 lakhs is valid till 31/01/2079 and having cost of ₹ 0.76 lakhs is valid till 30/04/2081.
- (ii) Buildings include seven flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.
- (iii) The Group has not revalued any of its Property, Plant and Equipment during the current and previous financial year.
- (iv) The deeds of all immovable properties are in the name of the respective group entities.
- (v) All lease agreements are duly executed in favour of the respective group entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Particulars	(₹ in Lakhs)	
	Computer Software	Total
<b>2 Intangible assets</b>		
<b>Gross Carrying Amount :</b>		
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>26.08</b>	<b>26.08</b>
Additions	5.55	5.55
Adjustments / Disposals	0.06	0.06
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>31.57</b>	<b>31.57</b>
Additions	46.00	46.00
Adjustments / Disposals	1.13	1.13
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>76.44</b>	<b>76.44</b>
<b>Accumulated Depreciation :</b>		
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>9.09</b>	<b>9.09</b>
Amortisation for the year	3.66	3.66
Adjustments / Disposals	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>12.75</b>	<b>12.75</b>
Amortisation for the year	4.60	4.60
Adjustments / Disposals	0.78	0.78
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>16.57</b>	<b>16.57</b>
<b>Net Carrying Amount :</b>		
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>18.82</b>	<b>18.82</b>
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>59.87</b>	<b>59.87</b>

Description	Amount in Intangible assets under development for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
<b>2.1 Ageing of Intangible assets under development as at 31<sup>st</sup> March, 2022.</b>						
<b>As at 31<sup>st</sup> March , 2022</b>						
Projects in progress	-	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31<sup>st</sup> March , 2021</b>						
Projects in progress -						
Computer Software	-	16.42	-	-	-	16.42
Projects temporarily suspended	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>16.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.42</b>

Notes:

- (i) The Company has not revalued its intangible assets during the current year and previous year.
- (ii) There are no capital work in progress where completion is overdue against original planned timelines or where estimated cost exceeds its original planned cost as on 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>2.2 Assets held for sale</b>		
Property, Plant and Equipment - Building	112.99	-
<b>Total</b>	<b>112.99</b>	<b>-</b>

On 9<sup>th</sup> February, 2022, the Board of Directors of the Company has decided to sell above mentioned assets and accordingly, these assets are classified as assets held for sale. The Company expects to dispose off them within a period of next one year and hence, the same have been disclosed as assets held for sale.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**B. NOTES ON ACCOUNTS**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>3 Non Current Investments</b>		
<b>Equities</b>		
<b>Equity instruments</b>		
Investment in Joint venture	980.00	980.00
Less: Share of accumulated loss	(980.00)	(980.00)
Interest in Joint venture	-	-
Other Equity instruments	40,317.64	27,607.66
<b>Debt</b>		
Debentures and bonds	22,703.95	23,768.68
Pass through certificates (PTC)	501.48	501.27
Preference shares	1,694.91	3,010.01
Government securities	3,518.05	3,670.75
Real estate and debt funds	7,226.07	6,796.81
<b>Total</b>	<b>75,962.10</b>	<b>65,355.18</b>
<b>4 Non Current Loans</b>		
<b>Secured, considered good</b>		
Inter corporate deposits to related party *	1,750.00	-
<b>Total</b>	<b>1,750.00</b>	<b>-</b>
* Secured against mortgage of a property valued of ₹ 35.52 crore valued by an International Property Consultant		
<b>5 Non Current Other Financial Assets</b>		
Electricity deposits	19.34	19.34
Rent deposits	8.38	8.38
Other deposits*	25.93	27.46
Fixed Deposit with Banks having maturity for more than twelve months	4.50	1.50
Margin money deposits with bank	9.60	-
<b>Total</b>	<b>67.75</b>	<b>56.68</b>
* Includes water deposits, telephone deposits, gas deposits, MIDC and other deposits etc.		
<b>6 Other Non Current Assets</b>		
Capital advance	71.36	37.92
<b>Total</b>	<b>71.36</b>	<b>37.92</b>
<b>7 Inventories (Refer note no. A (f) for accounting policy on inventory)</b>		
Raw materials	727.55	627.35
Raw materials - Goods in transit	0.37	47.60
Work-in-progress	323.97	282.25
Finished goods	175.11	133.48
Stores and spares	124.24	95.76
<b>Total</b>	<b>1,351.24</b>	<b>1,186.44</b>
<b>8 Current Investments</b>		
<b>Debt</b>		
Debentures and bonds	2,477.95	2,714.07
Mutual funds	1,154.62	589.22
<b>Total</b>	<b>3,632.57</b>	<b>3,303.29</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>9 Trade Receivables</b>		
<b>Unsecured, considered good</b>		
Other Trade Receivables	3,705.82	4,137.55
Unsecured, considered doubtful		
Other Trade Receivables - credit impaired	72.95	-
<b>Total</b>	<b>3,778.77</b>	<b>4,137.55</b>
Less: Provision for doubtful debts	72.95	-
<b>Total</b>	<b>3,705.82</b>	<b>4,137.55</b>

Information about major customers

Revenue from Composite Products to large customers (greater than 10% of total sales) is aggregating to ₹ 7,315.52 Lakhs (Previous Year ₹ 6,210.02 Lakhs)

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Ageing for trade receivables from the due date of payment for each of the category as at 31<sup>st</sup> March, 2022#</b>							
Undisputed trade receivables considered good	2,991.89	690.52	16.24	7.17	-	-	3,705.82
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	72.95	-	-	72.95
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,991.89</b>	<b>690.52</b>	<b>16.24</b>	<b>80.12</b>	<b>-</b>	<b>-</b>	<b>3,778.77</b>
Less: Provision for doubtful debts	-	-	-	72.95	-	-	72.95
<b>Total</b>	<b>2,991.89</b>	<b>690.52</b>	<b>16.24</b>	<b>7.17</b>	<b>-</b>	<b>-</b>	<b>3,705.82</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
<b>Ageing for trade receivables from the due date of payment for each of the category as at 31<sup>st</sup> March, 2021#</b>							
Undisputed trade receivables considered good	2,826.86	1,174.66	109.95	26.08	-	-	4,137.55
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,826.86</b>	<b>1,174.66</b>	<b>109.95</b>	<b>26.08</b>	<b>-</b>	<b>-</b>	<b>4,137.55</b>
Less: Provision for doubtful debts	-	-	-	-	-	-	-
<b>Total</b>	<b>2,826.86</b>	<b>1,174.66</b>	<b>109.95</b>	<b>26.08</b>	<b>-</b>	<b>-</b>	<b>4,137.55</b>

# There are no unbilled dues.

Previous years' figures of trade receivable have been regrouped/reclassified where ever necessary to conform to current years' classification.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>10 Cash and Cash Equivalents</b>		
Balances with Banks	244.19	141.91
Cash on hand	1.64	2.61
<b>Total</b>	<b>245.83</b>	<b>144.52</b>
<b>11 Other Bank Balances</b>		
<b>Other Balances</b>		
In Dividend Accounts	23.87	27.79
In Margin money	11.54	47.18
<b>Total</b>	<b>35.41</b>	<b>74.97</b>
<b>12 Current Loans</b>		
<b>Secured, considered good</b>		
Inter corporate deposits	-	130.00
Inter corporate deposits to related party *	-	1,750.00
<b>Unsecured, considered good</b>		
Inter corporate deposits	475.00	1,600.00
Deposit with LIC Housing Finance Ltd.	-	1,000.00
Loans and advances to employees	3.24	10.02
<b>Total</b>	<b>478.24</b>	<b>4,490.02</b>

\* Secured against mortgage of a property valued of ₹ 35.52 crore valued by an International Property Consultant

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ in Lakhs)

Particulars	As at	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>13 Other Current Financial Assets</b>		
Interest accrued on investments	777.36	867.64
Interest accrued on inter corporate / other deposits	45.64	66.04
Receivable on sale / redemptions of current investments	197.00	379.33
Earnest Money Deposits	7.39	20.50
Other receivables*	18.24	20.74
<b>Total</b>	<b>1,045.63</b>	<b>1,354.25</b>
* Includes Export Incentive, ECGC Premium etc.		
<b>14 Current tax assets</b>		
Advance Income Tax (Net of provision ₹ 150.98 lakhs, previous year ₹119.30 lakhs)	120.86	163.65
<b>Total</b>	<b>120.86</b>	<b>163.65</b>
<b>15 Other Current Assets</b>		
Balance with Government authorities	18.12	15.07
Advance to suppliers	248.84	223.33
Prepaid expenses	55.16	47.07
<b>Total</b>	<b>322.12</b>	<b>85.47</b>
<b>16 Equity Share Capital</b>		
<b>AUTHORISED</b>		
16,000,000 Equity Shares of ₹ 5 each	800.00	800.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
14,769,000 Equity Shares of ₹5 each, fully paid-up	738.45	738.45
<b>Total</b>	<b>738.45</b>	<b>738.45</b>

(i) Details of Shareholding more than 5%

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	%	No. of Shares	%
Rasoi Ltd.	61,51,722	41.65%	61,51,722	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	24,75,582	16.76%
J L Morison (India) Ltd.	11,07,702	7.50%	11,07,702	7.50%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**(ii) Details of shares held by promoters**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	%	No. of Shares	%
(Class of Shares - Equity Shares) *				
Rasoi Ltd.	61,51,722	41.65%	61,51,722	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	24,75,582	16.76%
J L Morison (India) Ltd.	11,07,702	7.50%	11,07,702	7.50%
Surdas Trading & Mfg Co Limited	2,52,000	1.71%	2,52,000	1.71%
Goodpoint Advisory Services LLP	1,98,000	1.34%	1,98,000	1.34%
Lotus Udyog LLP	1,89,720	1.28%	1,89,720	1.28%
Pallawi Resources Private Limited (Formerly known as Pallawi Resources Limited)	1,80,000	1.22%	1,80,000	1.22%
Pallawi Trading And Mfg Co Limited	1,74,000	1.18%	1,74,000	1.18%
Axon Trading & Mfg Co Limited	1,08,000	0.73%	1,08,000	0.73%
Looklink Advisory Services LLP	96,000	0.65%	96,000	0.65%
Silver Trading And Services Limited	84,000	0.57%	84,000	0.57%
Noble Business Solutions Limited	56,304	0.38%	56,304	0.38%

\* There is no change in % of holding during the current and previous financial year.

**(iii) Rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 5 each (Previous Year ₹ 5 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

**(iv) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance at the beginning of the year	1,47,69,000	1,47,69,000
Increase on account of share split	-	-
Bonus shares issued during the year	-	-
Balance at the end of the year	1,47,69,000	1,47,69,000

**(iv) For a period of 5 years immediately preceding the balance sheet date, the company has:**

Particulars	As at 31 <sup>st</sup> March				
	2022	2021	2020	2019	2018
Allotted shares on account of split in face value from ₹10 per share to ₹ 5 per share.	-	-	-	-	49,23,000
Bonus shares issued during the year	-	-	-	-	49,23,000
Bought back any shares issued	-	-	-	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

17 Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance.

A. Summary of Other Equity balance

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Capital Redemption Reserve</b>	57.70	57.70
General Reserve	64,050.13	62,050.13
Retained Earnings	9,165.76	7,709.45
Items of Other Comprehensive Income		
- Fair value of Debt instruments through OCI	1,908.88	2,479.85
- Fair value of Equity instruments through OCI	16,124.00	8,904.64
- Remeasurements of defined benefit plans	(318.51)	(240.27)
<b>Total</b>	<b>90,987.96</b>	<b>80,961.50</b>

B. Nature and purpose of reserves

- (a) **Capital Redemption Reserve:** The Group has recognised Capital Redemption Reserve on buyback of equity shares from its General Reserve. The Capital Redemption Reserve can be utilised for issue of bonus shares
- (b) **General Reserve:** The Group has transferred a portion of the net profit of the Company before declaring dividend to general reserve.
- (c) **Retained Earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (d) **Debt Instruments through Other Comprehensive Income:** The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.
- (e) **Equity Instruments through Other Comprehensive Income:** This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income and subsequently not reclassified to the Statement of Profit and Loss.
- (f) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>18 Non Current Borrowings</b>		
<b>Term Loans</b>		
<b>Secured</b>		
From Banks - Vehicle Loan	19.48	4.05
<b>Total</b>	<b>19.48</b>	<b>4.05</b>
<b>19 Non Current Provisions</b>		
Provision for compensated absences	183.05	172.36
Provision for Gratuity	163.91	145.62
<b>Total</b>	<b>346.96</b>	<b>317.98</b>
<b>20 Other Non Current Liabilities</b>		
Security Deposits	92.69	87.51
<b>Total</b>	<b>92.69</b>	<b>87.51</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>21 Current Borrowings</b>		
<b>Secured</b>		
<b>From Bank</b>		
Working Capital Loan	10.86	38.04
<b>Total</b>	<b>10.86</b>	<b>38.04</b>
<b>22 Trade Payables</b>		
Total Outstanding Dues of Micro and small enterprises	79.95	56.73
Total Outstanding Dues of Creditors other than Micro and small enterprises	4,327.53	4,046.07
<b>Total</b>	<b>4,407.48</b>	<b>4,102.80</b>

**Dues to Micro, Small and Medium Enterprise**

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows :

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Principal amount remaining unpaid to any supplier at the end of accounting year;	79.95	28.15
(b) Interest accrued and due to any supplier at the end of accounting year;	2.11	1.28
(c) Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year;	1.28	0.98
(d) Amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year;	Nil	Nil
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

**Note :**

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small enterprises" on the basis of information available with Group.

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Ageing for trade payables from the due date of payment for each of the category as at 31<sup>st</sup> March, 2022#</b>						
Undisputed dues- MSME	-	79.95	-	-	-	79.95
Undisputed dues - Others	3,756.56	562.54	8.43	-	-	4,327.53
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>3,756.56</b>	<b>642.49</b>	<b>8.43</b>	<b>-</b>	<b>-</b>	<b>4,407.48</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Ageing for trade payables from the due date of payment for each of the category as at 31<sup>st</sup> March, 2021#</b>						
Undisputed dues- MSME	-	56.73	-	-	-	56.73
Undisputed dues - Others	3,077.37	934.59	34.11	-	-	4,046.07
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>3,077.37</b>	<b>991.32</b>	<b>34.11</b>	<b>-</b>	<b>-</b>	<b>4,102.80</b>

# There are no unbilled dues.

Previous years' figures of trade payable have been regrouped/reclassified where ever necessary to conform to current years' classification.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>23 Other Financial Liabilities</b>		
Unclaimed / Unpaid dividends	23.87	27.79
Capital Creditors	41.57	83.17
<b>Total</b>	<b>65.44</b>	<b>110.96</b>
<b>24 Other Current Liabilities</b>		
Statutory Dues	148.85	143.42
Deferral of Sales Tax Liability	-	7.76
<b>Total</b>	<b>148.85</b>	<b>151.18</b>
<b>25 Current Provisions</b>		
Provision for compensated absences	29.92	16.46
Provision for gratuity	120.12	199.99
<b>Total</b>	<b>150.04</b>	<b>216.45</b>

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>26 Revenue From Operations</b>		
<b>Sale of Products</b>		
Manufactured goods	18,511.31	14,961.58
<b>Investment Income</b>		
Dividend	251.93	276.56
Interest	3,182.01	3,321.65
Net gain on sale / Fair valuation of investments through profit/(loss) *	1,237.73	(145.94)
	<b>4,671.67</b>	<b>3,452.27</b>
<b>Other Operating Income</b>		
Export Incentives	26.51	14.96
Marketing Fees & Royalty Income	11.25	9.19
Insurance Claim	0.43	1.64
Scrap Sale	30.35	14.43
Others	12.44	4.68
	<b>80.98</b>	<b>44.90</b>
<b>Total</b>	<b>23,263.96</b>	<b>18,458.75</b>

\* Includes fair value (loss) for the year ended 31<sup>st</sup> March, 2022 amounting to ₹ (269.58 lakhs), (Previous Year ₹ 105.97 lakhs))

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>27 Other Income</b>		
Foreign Exchange Gain (Net)	13.54	11.44
Rent	6.87	7.67
Profit on sale of Property, Plant and Equipment (Net)	17.38	599.33
<b>Total</b>	<b>37.79</b>	<b>618.44</b>
<b>28 Cost of Materials Consumed</b>		
Raw materials and Components		
Opening Stock	627.36	471.30
Purchases	10,428.49	7,266.37
Less: Closing Stock	727.55	627.36
	<b>10,328.30</b>	<b>7,110.31</b>
Stores and Spare parts consumed		
Opening Stock	95.76	98.60
Purchases	298.33	228.40
Less: Closing Stock	124.24	95.76
	<b>269.85</b>	<b>231.24</b>
<b>Total</b>	<b>10,598.15</b>	<b>7,341.55</b>
<b>29 Changes in Inventories of Finished Goods and Work-In-Progress</b>		
<b>Opening Stock :-</b>		
Work-in-progress	282.25	340.79
Finished goods	133.48	260.50
<b>Total</b>	<b>415.73</b>	<b>601.29</b>
<b>Closing Stock :-</b>		
Work-in-progress	323.97	282.25
Finished goods	175.11	133.48
<b>Total</b>	<b>499.08</b>	<b>415.73</b>
<b>Changes in inventories</b>	<b>(83.35)</b>	<b>185.56</b>
<b>30 Employee Benefits Expense</b>		
Salaries, wages and incentives	3,242.87	2,953.76
Contributions to provident and other fund	230.63	212.97
Staff welfare expenses	132.38	92.41
<b>Total</b>	<b>3,605.88</b>	<b>3,259.14</b>
<b>31 Finance Cost</b>		
Interest expense	7.21	14.41
Other borrowing costs	0.59	5.18
<b>Total</b>	<b>7.80</b>	<b>19.59</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>32 Other Expenses</b>		
Packing materials consumed	449.82	373.29
Power and Fuel	1,107.99	974.17
Rent	63.32	41.56
Rates and taxes	32.02	29.86
Insurance (including transit insurance)	66.67	66.28
Freight and Forwarding	687.62	609.25
Repairs & Maintenance:		
Plant & Machinery	195.00	129.79
Buildings	59.42	44.26
Others	47.15	50.60
Job charges	1,337.37	1,066.92
Travelling & Conveyance	273.06	183.64
Sales Promotion Expenses	96.67	151.19
Provision for doubtful debts	72.95	-
Postage, Printing & Stationery	24.57	25.50
Communication Expenses	23.32	24.52
Loss on sale/discarding of property, plant and equipment	24.11	-
Investment management and other expenses	414.43	200.80
Legal & Professional Expenses	345.09	441.54
Remuneration to Auditors:		
Audit fees (including limited review fees)	10.50	9.00
Reimbursement of out of pocket expenses	0.73	0.73
Contribution towards Corporate Social Responsibility (CSR)	60.00	70.00
Charity and donations	339.78	321.20
Miscellaneous Expenses	113.89	91.21
<b>Total</b>	<b>5,845.48</b>	<b>4,905.31</b>

**33 Contingent Liabilities:**

(a) Contingent Liabilities not provided for in respect of:

- Disputed labour matter related to ex-workmen - amount unascertainable.

(b) The Group's litigations comprises of claims related to property disputes and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required. The Company has also disclosed the pending matters under contingent liability wherever the amount of liability is not adequately measurable. However, the Company does not reasonably expect the outcome of these proceedings will have a material impact on its financial statements. (Also Refer Note 33(a)).

**34 Commitments:**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31<sup>st</sup> March 2022 for ₹ 156.56 lakhs (net of advance of ₹ 71.36 lakhs); Previous Year (₹ 100.26 lakhs (net of advance of ₹ 37.92 lakhs)).

(b) In respect of investments made with private equity funds / debt funds, the Company is further committed to invest as at 31<sup>st</sup> March 2022 for ₹ 6197.44 lakhs; Previous Year (₹ 2868.00 lakhs).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**35 Earnings Per Share**

(₹ in Lakhs except EPS)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Net Profit as per Profit & Loss Account	2,160.16	1,972.36
Weighted average number of equity shares outstanding	1,47,69,000	1,47,69,000
Basic and Diluted EPS (Face value of ₹ 5 each)	14.63	13.35

**36 Related party disclosure with whom transactions have been entered during the year in the ordinary course of the business :**
**(A) Relationships:**
**(i) Joint ventures in which the entity is a joint venturer:**

Compo Advics (India) Pvt. Ltd.

**(ii) Key Management Personnel (KMP):**

Mr. Raghu Mody - Executive Chairman  
 Mr. P. K. Choudhary - Managing Director  
 Mr. Sunil Jindal - Chief Financial Officer (CFO)  
 Mr. Vikram Soni - Company Secretary and Compliance Officer

**(iii) Relatives of Key Managerial Personnel / Directors:**

Mrs. Shashi Mody (Daughter-in-law of Mr. Raghu Mody, Executive Chairman)

**(iv) Non Executive Directors:**

Mr. Ashok B Vaidya, Independent Director  
 Mr. K. S. Brar, Independent Director  
 Mr. Deepak Sethi, Independent Director  
 Mr. Lalit Kumar Bararia, Independent Director  
 Mrs. Preeti Vimal Agrawal, Independent Director

**(v) Other Related Parties: (promoter/promoter group)**

Rasoi Ltd., \*  
 Leaders Healthcare Ltd. \*  
 J.L. Morison (India) Ltd.  
 Pallawi Resources Pvt. Ltd. (Formerly known as Pallawi Resources Ltd.)  
 Rasoi Express Pvt. Ltd.  
 Mr. Varunn Mody - President Treasury

\* Entities belonging to promoter/promoter group holding 10% or more shareholding in the company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(B) Transactions carried out with related parties referred in (A) above, in ordinary course of business:

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(i) Inter Corporate Deposits Given</b>		
Leaders Healthcare Ltd.	60.00	Nil
<b>(ii) Inter Corporate Deposits Refund Received</b>		
Leaders Healthcare Ltd.	60.00	Nil
<b>(iii) Rent Paid</b>		
J.L. Morison (India) Ltd.	14.52	17.13*
Mr. Varunn Mody	16.80	19.82*
Pallawi Resources Pvt. Ltd.*	4.67	4.67
* Including GST		
<b>(iv) Income</b>		
<b>Marketing Fees and Royalty</b>		
- Compo Advics (India) Pvt. Ltd.	11.25	8.56
<b>Interest Income</b>		
- Pallawi Resources Pvt. Ltd.	175.00	175.00
- Leaders Healthcare Ltd.	0.72	Nil
<b>Dividend</b>		
J.L. Morison (India) Ltd.	2.73	2.73
<b>(v) Purchase of Investment - Rasoi Ltd. Equity Shares</b>		
Leaders Healthcare Ltd.	524.88	Nil
<b>(vi) Salary and other employee benefits to Whole Time Directors and KMP</b>		
Mr. Raghu Mody	156.29	144.57
Mr. P.K. Choudhary	90.42	84.18
Mr. Sunil Jindal	26.22	23.32
Mr. Vikram Soni	13.00	10.82
<b>(vii) Salary and other employee benefits to relatives of Directors &amp; Key Managerial Personnel</b>		
Mrs. Shashi Mody	29.33	29.02
<b>(viii) Directors sitting fees and commission to independent and non executive directors</b>		
Mr. Ashok B Vaidya	3.40	3.20
Mr. K. S. Brar	3.40	3.20
Mr. Deepak Sethi	2.80	2.80
Mr. Lalit Kumar Bararia	3.10	2.20
Mrs. Preeti Vimal Agarwal	2.50	2.40
<b>(ix) Other Transactions</b>		
Rasoi Express Pvt. Ltd. (Purchase of Air Ticket)	20.85	3.33
Compo Advics (India) Pvt. Ltd. (Purchase of Raw Material)	47.59	3.91
Compo Advics (India) Pvt. Ltd. (Sale of Raw Material)	93.94	64.51
Mr. Varunn Mody (Salary)	84.29	78.07

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**(C) Balances outstanding with related parties referred in (A) above, in ordinary course of business:**

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(i) Receivable:</b>		
<b>- Inter Corporate Deposits:</b>		
Pallawi Resources Pvt. Ltd.(secured)	1,750.00	1,750.00
<b>- Others Receivable:</b>		
Pallawi Resources Pvt. Ltd.(Interest Receivable)	40.99	42.13
Mr. Varunn Mody (Rent Deposit Receivable)	6.60	6.60
<b>(ii) Payable:</b>		
<b>- Commission to independent directors</b>		
Mr. Ashok B Vaidya	1.90	1.93
Mr. K. S. Brar	1.90	1.93
Mr. Deepak Sethi	1.90	1.93
Mr. Lalit Kumar Bararia	1.90	1.93
Mrs. Preeti Vimal Agarwal	1.90	1.93
<b>- Others</b>		
Compo Advics (India) Pvt. Ltd. (Trade Payable)	163.58	154.32
<b>(iii) Investment in: (at cost)</b>		
J.L. Morison (India) Ltd.	515.49	515.49
Rasoi Limited	1,876.23	1,351.36

Note:

- i) No amount pertaining to related parties has been provided for as doubtful debts. Also no amount has been written off/back
- ii) The related parties are as identified by the Company and relied upon by the Auditors.

**37 Investment in other entities:**
**Details and financial information of material joint venture**

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group	
			As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Compo Advics (India) Pvt. Ltd.	Manufacturing of Disc Brake Pads	Place of incorporation - Mumbai, Principal place of business - Bhalgaon Dist. Aurangabad	49.00%	49.00%

The above joint venture is accounted for using the equity method in these consolidated financial statements.

**Summarised financial information of material joint ventures**

Summarised financial information in respect of each of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ in Lakhs)

Particulars	As % of consolidated net assets	Net Assets, i.e., total assets minus total liabilities As at 31 <sup>st</sup> March, 2022	As % of consolidated net assets	Net Assets, i.e., total assets minus total liabilities As at 31 <sup>st</sup> March, 2021
<b>Non-current assets</b>	<b>49%</b>	<b>496.72</b>	<b>49%</b>	<b>537.85</b>
<b>Current assets</b>				
Cash & Cash equivalents		0.38		6.97
Others		209.15		203.76
<b>Total Assets [A]</b>	<b>49%</b>	<b>706.25</b>	<b>49%</b>	<b>748.58</b>
<b>Non-current liabilities</b>				
<b>Current liabilities</b>				
Current financial liabilities		982.01		887.48
Others		31.53		31.11
<b>Total Liabilities [B]</b>	<b>49%</b>	<b>1,013.54</b>	<b>49%</b>	<b>918.59</b>
<b>Net Assets [A-B]</b>	<b>49%</b>	<b>(307.29)</b>	<b>49%</b>	<b>(170.01)</b>

Particulars	As % of consolidated profit or loss	Share in profit or loss Year ended As at 31 <sup>st</sup> March, 2022	As % of consolidated profit or loss	Share in profit or loss Year ended As at 31 <sup>st</sup> March, 2021
Revenue	49%	599.43	49%	453.29
(Loss) for the year		(138.15)		(127.20)
Other comprehensive income for the year		0.86		0.40
Total comprehensive income for the year	49%	(137.29)	49%	(126.80)
Dividends received from the associate during the year		-		-

The above profit/(loss) for the year include the followings:

Particulars	As % of consolidated profit or loss	Share in profit or loss Year ended As at 31 <sup>st</sup> March, 2022	As % of consolidated profit or loss	Share in profit or loss Year ended As at 31 <sup>st</sup> March, 2021
Depreciation and amortisation	49%	53.95	49%	53.79
Interest income		-		-
Interest expenses	49%	48.14	49%	48.13
Income tax expenses		-		-

Reconciliation of the above summarised financial information to the carrying amount of the interest in recognised in the consolidated financial statements:

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Net assets of the joint venture	(307.29)	(170.01)
<b>Add/(Less) Consolidation Adjustments</b>		
Impact of gain on downstream transactions	(307.29)	(170.01)
Proportion of the Group's ownership interest in	49.00%	49.00%
Carrying amount of the Group's interest in Joint venture	-	-
Obligation towards Joint venture	163.58	154.32

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

- 38 The Company presently working at its normal capacity similar to the pre COVID levels with adequate precautions for safety and well being of its employees. The management apart from considering the internal and external information upto the date of approval of these financial results expects to recover the carrying amount of the assets including financial investments. The Company will continue to closely monitor any material changes to future economic conditions.
- 39 The Company's share of losses in the Joint Venture Company has exceeded its investment value and therefore, in compliance with IND AS 28, the Company has discontinued recognizing its share of further losses in the consolidated financial statements from 1st April 2021 onwards.
- 40 The group has one Joint venture with no significant material transactions. Notes to accounts as required in accordance Schedule III and Companies (Indian accounting standard) Rules 2015 being similar to that disclosed of holding company in their standalone financial statements, have not been disclosed here-in-above.
- 41 Previous years' figures have been regrouped/reclassified whenever necessary to conform to current years' classification.

Signatures to Notes 1 to 41 which form an integral part of the financial statements.

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**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**

**Raghu Mody**  
Chairman  
(DIN 00053329)

**P.K. Choudhary**  
Managing Director  
(DIN 00535670)

**Vikram Soni**  
Company Secretary & Compliance Officer  
Membership No. A36705

**Sunil Jindal**  
Chief Financial Officer

**Place: Mumbai**  
**Date: 26<sup>th</sup> May, 2022**

### Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

Not Applicable as the Company does not have any subsidiaries

#### Part "B": Associates and Joint Ventures

Statement pursuant to the provision of Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

		(₹ in Lakhs)
Sr. No.	Name of Joint Ventures	Compo Advics (India) Private Limited
1	Latest audited Balance Sheet Date	31-03-22
2	Shares of Associate/Joint Ventures held by the company on the year end	
	i) No. of shares held as on 31 <sup>st</sup> March, 2021	49,00,000
	ii) No. of compulsory convertible preference shares held as on 31 <sup>st</sup> March 2021	49,00,000
	iii) Amount of Investment in Joint Venture	980
	iv) Extend of Holding %	49%
3	Description of how there is significant influence Holding 49% voting powers and as per Joint Venture Agreement	
4	Reason why the joint venture is not consolidated	N.A.
5	Net Worth attributable to Shareholding as per latest audited Balance Sheet	(307.29)
6	Profit / Loss for the year	
	i) Considered in Consolidation	Nil
	ii) Not Considered in Consolidation (Unaudited)	Nil

- Names of associates or joint ventures which are yet to commence operations: None
- Names of associates or joint ventures which have been liquidated or sold during the financial year: None
- The Company's share of losses in the Joint Venture Company has exceeded its investment value and therefore, in compliance with IND

AS 28, the Company has discontinued recognizing its share of further losses in the consolidated account from 1st April 2021 onwards.

**For and on behalf of the Board of Directors  
of Hindustan Composites Limited**

**Raghu Mody**  
Chairman  
(DIN 00053329)

**P.K. Choudhary**  
Managing Director  
(DIN 00535670)

**Vikram Soni**  
Company Secretary & Compliance Officer  
Membership No. A36705

**Sunil Jindal**  
Chief Financial Officer

Place: Mumbai  
Date: 26<sup>th</sup> May, 2022



**Our participation at ACMA Expo at Guwahati in December, 2021**



**Recognition to Sales (aftermarket) Achievers in the year 21-22**



If undelivered, please return to:



Peninsula Business Park, 'A' Tower,  
8th Floor, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400013.