

HINDCON CHEMICALS LIMITED

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CIN NO. : L24117WB1998PLC087800



Date: 2nd August, 2023

The Secretary,
National Stock Exchange of India Ltd,
Exchange Plaza, C-1, Block 'G',
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Ref: Symbol - HINDCON

Dear Sir/Madam,

Sub: Compliance under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015- Annual Report for the Financial Year ended 31st March, 2023

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year ended 31st March, 2023 along with the Notice of Annual General Meeting of the Company scheduled to be held on **Saturday, 26th August, 2023** as send to the members of the Company on 2nd August, 2023 through electronic mode.

The Annual Report for the Financial Year 2022-23 is also available on the Company's website at www.hindcon.com

This is for your information and record.

Thanking You

Yours faithfully,

For Hindcon Chemicals Limited

Ankita Banerjee
Company Secretary

Encl: As stated



Making structures live longer

How our business of
infrastructure protection is
core to India's growth story

Hindcon Chemicals Limited
Annual Report 2022-23

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Statutory section

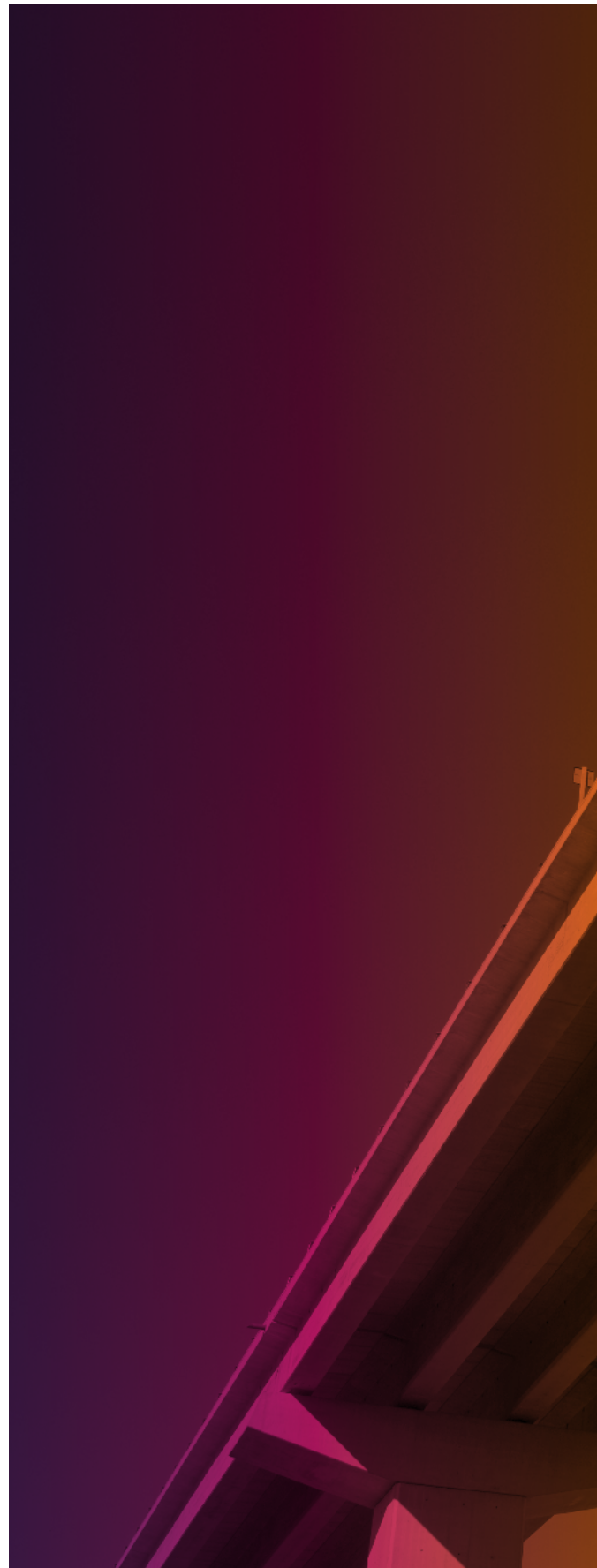
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Forward-looking statement

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





Making structures live longer

At a time when India is making an unprecedented investment in new infrastructure, a considerably large market opens up.

This market comprises the need to protect infrastructure – new and old – from fatigue and ensure that it endures (as intended) into the long-term.

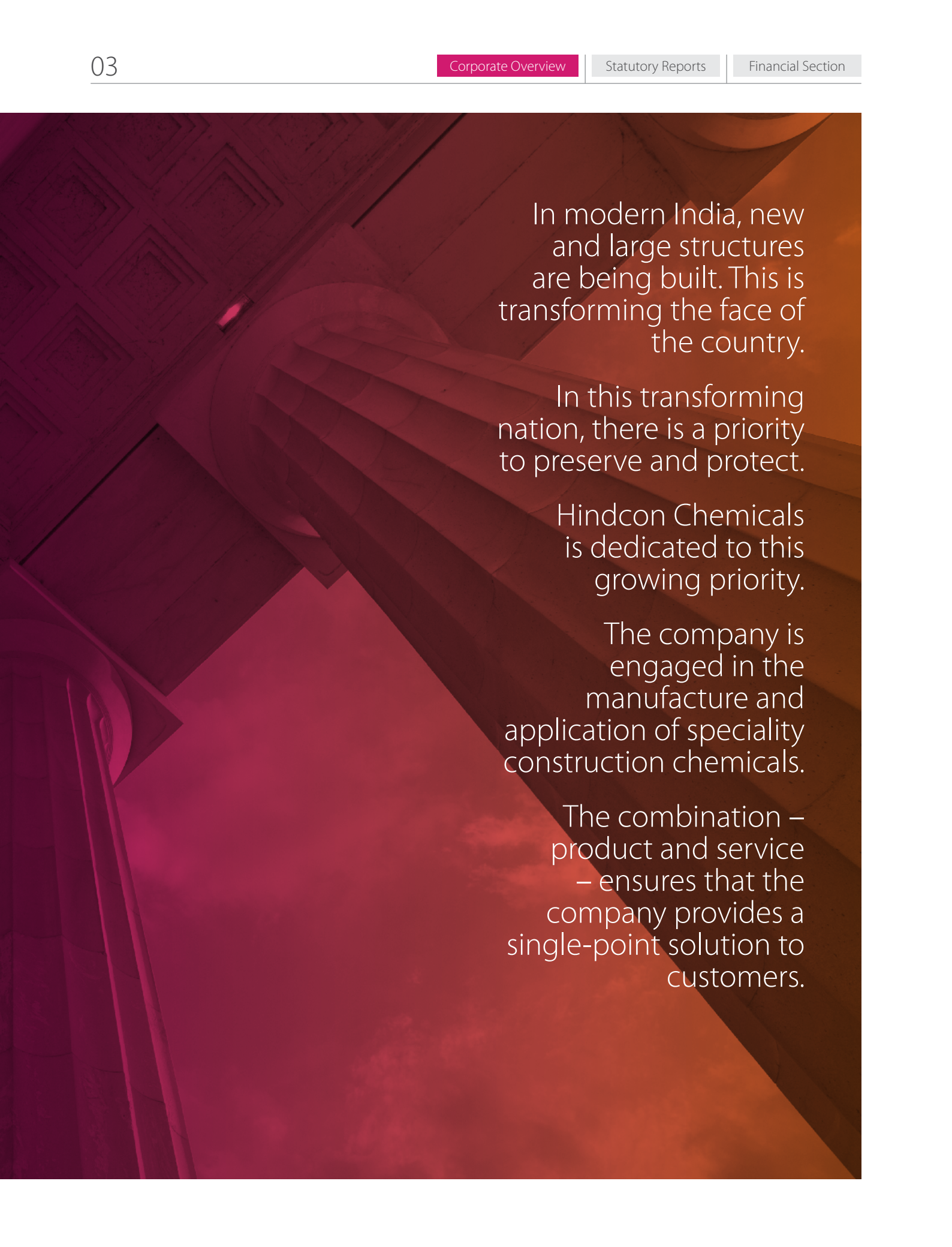
This increasing priority is shifting the needle to companies like ours that are dedicated to the manufacture of protection chemicals.

‘Keep things the same way’.

At Hindcon Chemicals, we made that our business.

By protecting homes, commercial buildings, monuments and infrastructure.

Through products and applications that make us a single-point service provider.



In modern India, new and large structures are being built. This is transforming the face of the country.

In this transforming nation, there is a priority to preserve and protect.

Hindcon Chemicals is dedicated to this growing priority.

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

The combination – product and service – ensures that the company provides a single-point solution to customers.

Corporate snapshot

‘Rahe saalo-saal.’

These three words comprise the aspiration of every builder – of home, monument or infrastructure.

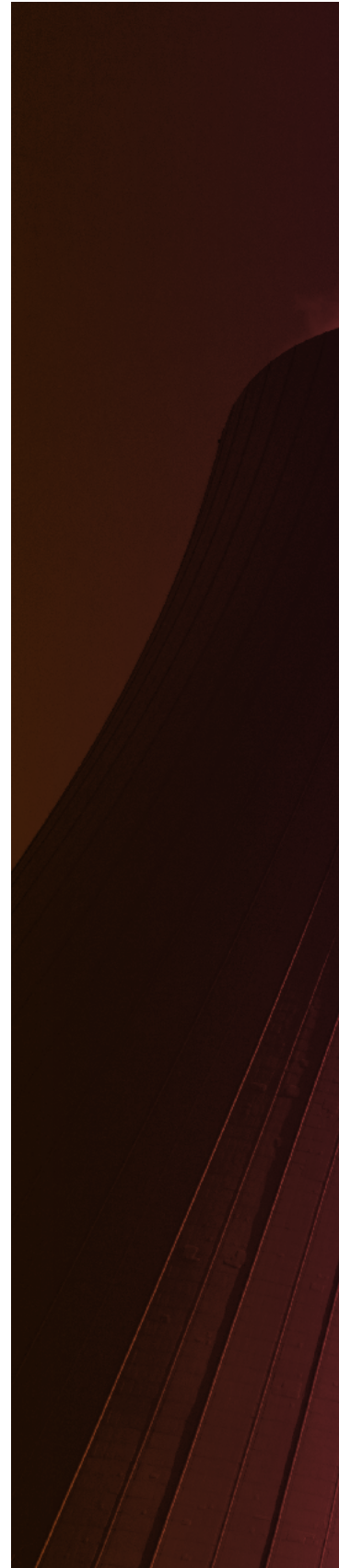
Most people who build assume that their structures will endure if they use superior building materials.

The reality is that in the face of unprecedented climate change, marked by extreme impact, there is a premium on the capacity to protect.

This protection is delivered through the prudent use of speciality chemicals.

The combination of product integrity and application specialisation is strengthening infrastructure robustness, moderating maintenance costs and extending asset life.

Hindcon Chemicals is among select manufacturers of chemicals with a proven specialisation in extending infrastructure longevity and helping owners unleash the full value of what they have built.





68.16

Promoters' holding, 31st March, 2023 (%)

8,103.48

Market capitalisation, 31st March, 2023 (₹ lacs)

115

Team size, 31st March, 2023



Origins

After working in the industry for 39 years, Mr. Sanjay Goenka established Hind Silicates Private Limited in 1998. The company changed its name to Hindcon Chemicals Limited in 2012. Over the years, the company diversified its operations to include the manufacture of construction chemicals and sodium silicate.



Location

The company's factory is situated at the Jalan Industrial Complex, which is on the outskirts of Kolkata. The majority (62%) of the company's income is generated from the Eastern region of India. The company is headquartered in Kolkata, India.



Scale of production

The company possesses an annual production capacity of 18,000 MT for sodium silicate and 12,000 MT for cement additives. In FY 2022-23, the manufacturing facility operated at 69.03% of its overall capacity.



Offerings

The company specializes in the production of construction-related products like concrete and mortar admixtures, floorings, protective waterproofing coatings and adhesives. In addition to manufacturing these products, the company provides a range of services, including waterproofing, turnkey projects, repair services and retrofits for damaged structures. The result is that the company is respected as a complete solutions provider.



Accreditation

The company ensures quality control and management through its adherence to ISO 9001:2015, ISO 22716:2007, BIS 9103 and BIS 2645 accreditations. The company is affiliated with various industry organizations, including FOSMI, Merchant Chamber of Commerce and Indian Chamber of Commerce. It is also an active member of the Indian Green Building Council, an organization dedicated to promoting the development of eco-friendly products and practices in the construction industry.



Clientele

The company's products are trusted by prominent construction companies like Afcons Infrastructure Ltd., Apco Infratech Pvt. Ltd., Dineshchandra R Agarwal Infracon Pvt. Ltd., Dilip Buildcon Ltd., Hindusthan Construction Company Ltd., Jaiprakash Associates Ltd., Larsen & Toubro Ltd., Megha Engineering & Infrastructures Ltd., Patel Engineering Ltd., S.P. Singla Constructions Pvt. Ltd., Tata Projects Ltd., Construction Development Corporation Ltd.(Bhutan), Navayuga Engineering Company Ltd.(Bhutan), Druk Green Power Corporation (Bhutan), among others.



Employees

Hindcon's specialised R&D team is committed to the development of cutting-edge products. As of 31st March, 2023, Hindcon employed 115 permanent employees.



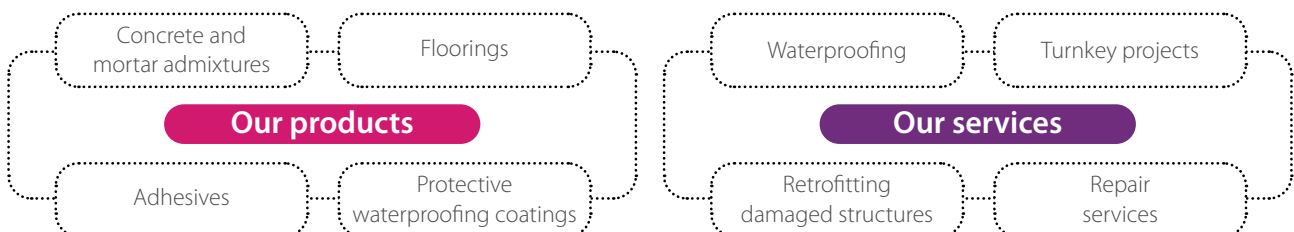
Listing

The company was listed on the NSE main board from the second quarter of FY 2021-22 and enjoyed a market capitalization of ₹8,103.48 lacs as of 31st March, 2023.



Customers

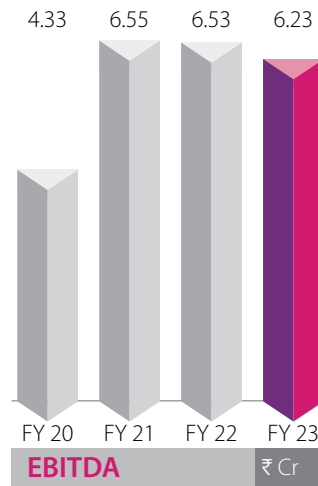
The company serves business-to-business (B2B) and business-to-consumer (B2C) customers. During FY 2022-23, B2B customers accounted for 71% of the company's revenues.



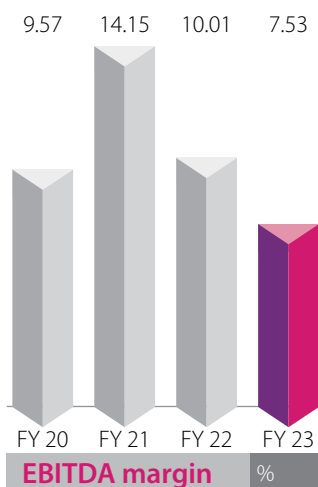
How we have performed across the years



Performance: Aggregate revenues grew 26.75% to ₹82.72 crores during FY 2022-23, following an increase in retail sales, wallet share and customers.



Performance: EBITDA decreased by 4.60% to ₹6.23 crores in FY 2022-23.



Performance: The company's EBITDA margin decreased by 248 bps during FY 2022-23 on account of weaker realisations.



Performance: The company's gearing increased marginally from 0.01 during FY 2019-20 to 0.02 during FY 2022-23, indicating adequate financial robustness.

The Chairman's message



India is preparing a **growth** runway for the next 24 years to 2047 where much of its growth is likely to be derived from a long-awaited correction in its infrastructure under-investment.

For decades, India was principally a consumption-driven economy.

Much of the country's growth was generated from its growing population, increasing aspirations and evolving lifestyles.

This growth transpired despite an extensive and long-standing under-investment in India's infrastructure.

The result was that even as personal incomes grew, the growth of India's infrastructure continued to be muted.

Then came the Union Budgets of FY 2022-23 and FY 2023-24.

These two Budgets have initiated a structural shift from a consumption-driven economy to a consumption cum infrastructure-driven economy.

This transition will emerge as a capex multiplier – from one government raising the infrastructure investment bar to thousands of companies doing the same across the breadth of the economy.

This transition will enhance investing confidence in larger structures like roads, ports, airports and bridges – and their protection.

This transition will result in a quicker pace of infrastructure spending – what would happen in a decade in the past is now likely to be compressed within a couple of years.

India is preparing a growth runway for the next 24 years to 2047 where much of its growth is likely to be derived from a long-awaited correction in its infrastructure under-investment.

It is this projected reality that convinces me that India is at the cusp of a momentous infrastructure transition that was triggered during the FY 2022-23 Union Budget and validated during the FY 2023-24 Budget.

Performance review

Your **company** enjoys a strong recall, is a leader in Eastern India, has delivered outstanding value to customers and is respected for its waterproofing solutions.



Overview

The performance of your company during the last financial year was divergent.

While revenues increased, profits declined.

The company recognised that following an increase in manufacturing capacity and the Indian infrastructure sector at the cusp of unprecedented growth, there was a premium on the need to market wider, sell deeper and build long-term customers.

We also believed that by entering into such product-centric relationships, there would be a preferred Hindcon recall when it came to related services across the foreseeable future. In view of this, your company focused on capturing market share for admixtures and resin capsules, moving with speed in response to evolving market realities.

Market overview

Sodium silicate realisations were also affected during the last financial year on account of increased competition. A prominent buyer of your company's products commenced direct manufacture, putting a pressure on your company to find new buyers and also resist a decline in realisations triggered by competition.

The market for construction chemicals grew attractively last year. There was an increase in competition and the company will continue to address the scope in the segment through the power of its composite solution, experience and terrain understanding.

Responsiveness

Your company responded with the assurance of a complete solution that comprises the product, coupled with

the knowledge and service of the right product application, enhancing delivered effectiveness. The fact that your company delivered ₹6.18 cr in cash profit is an index of its brand strength and respect for its composite solution.

products pan-India, translating into higher offtake.

There were two developments connected with shareholders that I would like to touch upon. The company was listed on

Your company intends to strengthen its competitiveness through a backward integration during the current financial year. By the virtue of manufacturing the raw material going into your principal products (second quarter of FY 2023-24), your company is confident of widening its value chain and enhancing its competitiveness across market cycles.

Your company intends to strengthen its competitiveness through a backward integration during the current financial year. By the virtue of manufacturing the raw material going into your principal products (second quarter of FY 2023-24), your company is confident of widening its value chain and enhancing its competitiveness across market cycles. We believe that this will deepen our ability to withstand a decline in realisations through a better ability to enhance the capture of value from within.

Outlook

Your company is addressing the future through the appointment of marketing executives to cover the National Capital Region and Gujarat. The sales push in these rapidly growing geographies is expected to enhance capacity utilisation, strengthening the company's capital efficiency. The focus of the company across the foreseeable future will be to enhance the visibility and traction for its

the National Stock Exchange during the last financial year, enhancing visibility, which we hope will translate into higher liquidity for your company's shares. Your company also refrained from announcing a dividend, utilising all the cash at its disposal in the capacity expansion and working capital needs, strengthening its overall sustainability. We believe that a reinvestment will strengthen the business and empower it to generate superior multi-year sustainability.

I will end on a note of cautious optimism. Your company enjoys a strong recall, is a leader in Eastern India, has delivered outstanding value to customers and is respected for its waterproofing solutions.

I am optimistic that the complement of these realities will translate into enhanced stakeholder value across the foreseeable future.

Sanjay Goenka
Managing Director

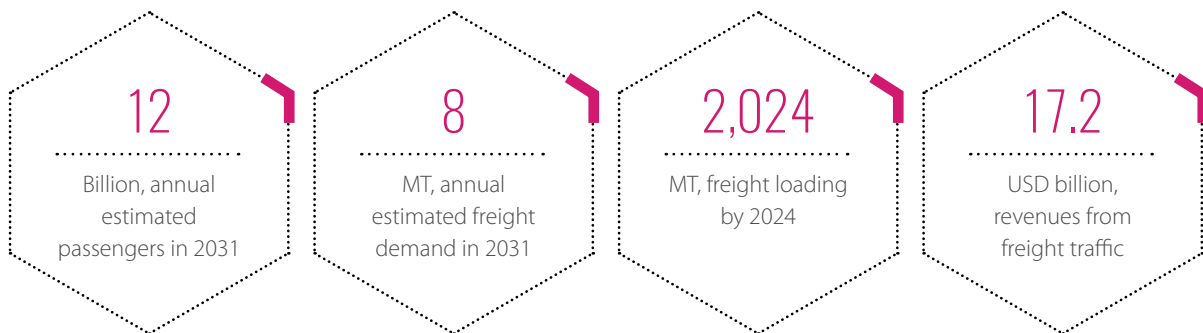
The India infrastructure story...

And how this is likely to widen the
market for players like Hindcon



Overview

Hindcon has strategically invested in a business that capitalises on India's economic growth. The company's performance thrives as the Indian economy strengthens. From a broader viewpoint, Hindcon is positioned to benefit from India's favourable macroeconomic conditions. As of FY 2022-23, India's population was around 1.41 billion, and its economy was estimated at USD 3.75 trillion, the fifth largest in the world. Projections indicate that India is poised to accelerate its growth to become the world's third-largest economy by the end of this decade.



(Source: investindia.gov.in, statista.com)

Ports: Port infrastructure is vital for the economic prosperity of a nation like India, which comprises a coastline of approximately 7,500 kilometres. The majority of India's exports, accounting for almost 95% by volume and 70% by value, is facilitated through ports. The Indian government streamlined the process for 100% foreign direct investment (FDI) in port and harbour construction, as well as maintenance projects. Additionally, companies involved in constructing, operating, and maintaining ports, inland waterways, and inland ports can benefit from a 10-year tax relief, facilitating their success in the sector.

Airports: India has become the third-largest domestic aviation market. It is projected to surpass United Kingdom and become the third-largest air passenger market by 2024. The Indian government plans to establish 220 new airports by 2025. Infrastructure development will be done in collaboration with the private sector. The Ministry of Civil Aviation will invest USD 11.8 billion over four years. The private sector will contribute USD 7.5 billion, and the Indian government will invest USD 4.3 billion through AAI.

Railways: India possesses the world's fourth-largest railway network, ranking behind the United States, Russia and China. The Indian Railways encompasses a vast track length of 1,26,366 km and serves 7,335 stations. The Indian Railways intends to revamp most of its stations to the world standard, creating a large construction opportunity. Indian Railways has set a capital spend target of ₹2.6 lac crore for FY 2023-24.



Bridges and infrastructure: India's rapid growth in 2023 and beyond will largely depend on significant advancements in crucial industries, with infrastructure development playing a vital role in facilitating this progress.

Infrastructure development and economic growth:

Investments in infrastructure are essential for India to become a USD 26 trillion economy.

Government initiatives:

The government's focus on infrastructure development is evident through initiatives like the USD 1.3 trillion national master plan for infrastructure, Gati Shakti.

Prime Minister Narendra Modi emphasizes infrastructure as a pillar of good governance.

National infrastructure pipeline (NIP):

The government launched the NIP, along with 'Make in India' and production-linked incentives (PLI) to boost infrastructure growth.

The NIP aims to ensure the time-bound creation of world-class infrastructure in sectors like power, bridges, dams, roads, and urban development.

Infrastructure sector as a driver:

The infrastructure sector plays a vital role in propelling India's overall development.

It acts as a catalyst for economic growth by driving allied sectors like housing, construction, and townships.

Government allocations:

The government allocated ₹10 lac crore (USD 130.57 billion) to enhance the infrastructure sector.

₹1,34,015 crore (USD 17.24 billion) was allocated to the National Highways Authority of India (NHAI).

An outlay of ₹60,000 crore (USD 7.72 billion) was announced for the Ministry of Road Transport and Highways.

₹76,549 crore (USD 9.85 billion) was allocated to the Ministry of Housing and Urban Affairs.

(Source: ibef.org)



The Indian real estate market is set for substantial growth

200

USD billion, Indian real estate market size in 2021

1

USD trillion, Indian real estate market size projected to reach by 2040

13

% contribution to India's GDP by 2025

1,700

Acres of land deals in the first nine months of FY 2021-22 for retail, hospitality and commercial real estate in the top eight Indian cities.

10.3

USD billion, foreign investments in the commercial estate sector between 2017 and 2021

48

USD billion, Indian firms are expected to raise through infrastructure and real estate investments trust in 2022

40

million square feet approximately delivered by the real estate sector in 2021

40

% is projected share of the real estate sector to be captured in the next two to three years

15-18

Million square feet expected demand increase for data centers by 2025

38.25

Million square feet office absorption reached in the top seven cities of India in 2022

3.4

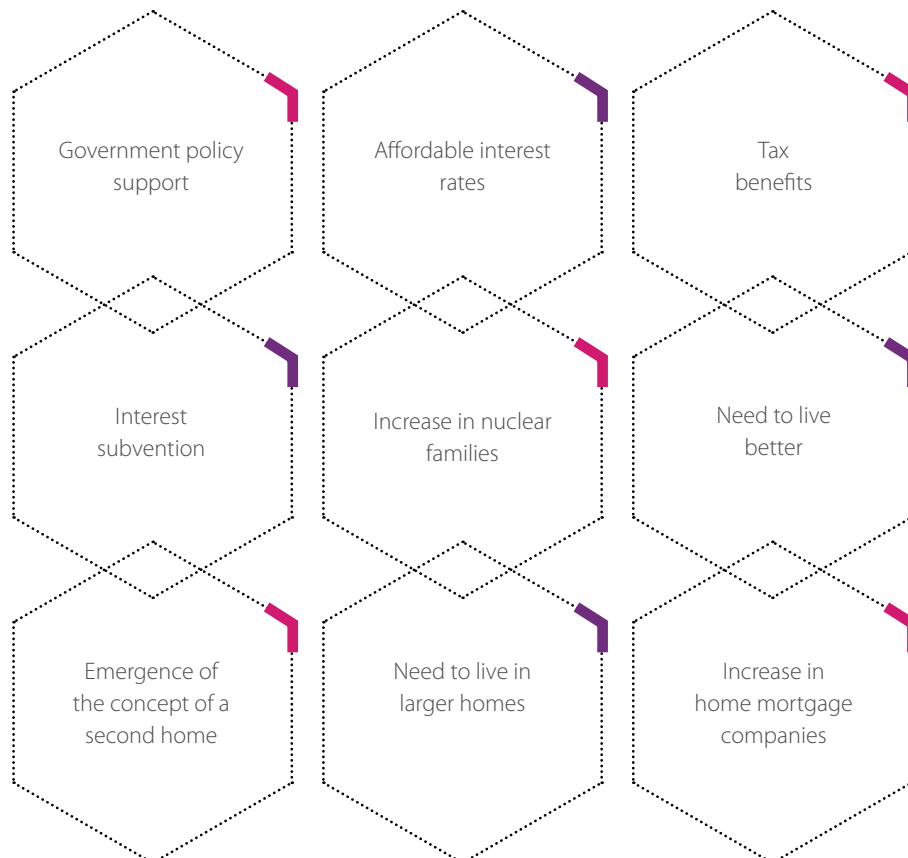
USD million, private equity investments in the real estate sector in 2022

The recent growth in India's real estate sector can be attributed to a rising demand for office and residential spaces.

(Source: ibef.org)

Homes represent the largest consumers of speciality protection chemicals

India's real estate sector is poised for its largest expansion for good reasons



Growing room for pre-cast construction

And how this could widen the opportunity for Hindcon



Precast concrete construction reduces the risk of project delays by saving time during construction. Other on-site tasks like surveying and earthwork can be done concurrently with casting precast concrete.

Quality control: For precast concrete, the main variables that control construction quality (curing, temperature, mix design, formwork, etc.) can be observed.

Utilisation of pre-stressed concrete: By utilising pre-stressed precast, structural materials with high strength and load-bearing capacity can be obtained, which can lead to a greater clear span and a smaller cross-section of structural members, among other benefits.

Cost-effective: The streamlined construction process reduces the

dependence on time and costs, while enhancing productivity, quality and safety.

Durability: Precast concrete buildings last longer and require less maintenance. Precast concrete with a higher density is more resistant to acid attacks, corrosion, impacts, surface voids and dust build-up.

Aesthetics: Since the structures are prefabricated in a controlled factory setting, a variety of colour and texture combinations are possible. Smooth finishing and a wide variety

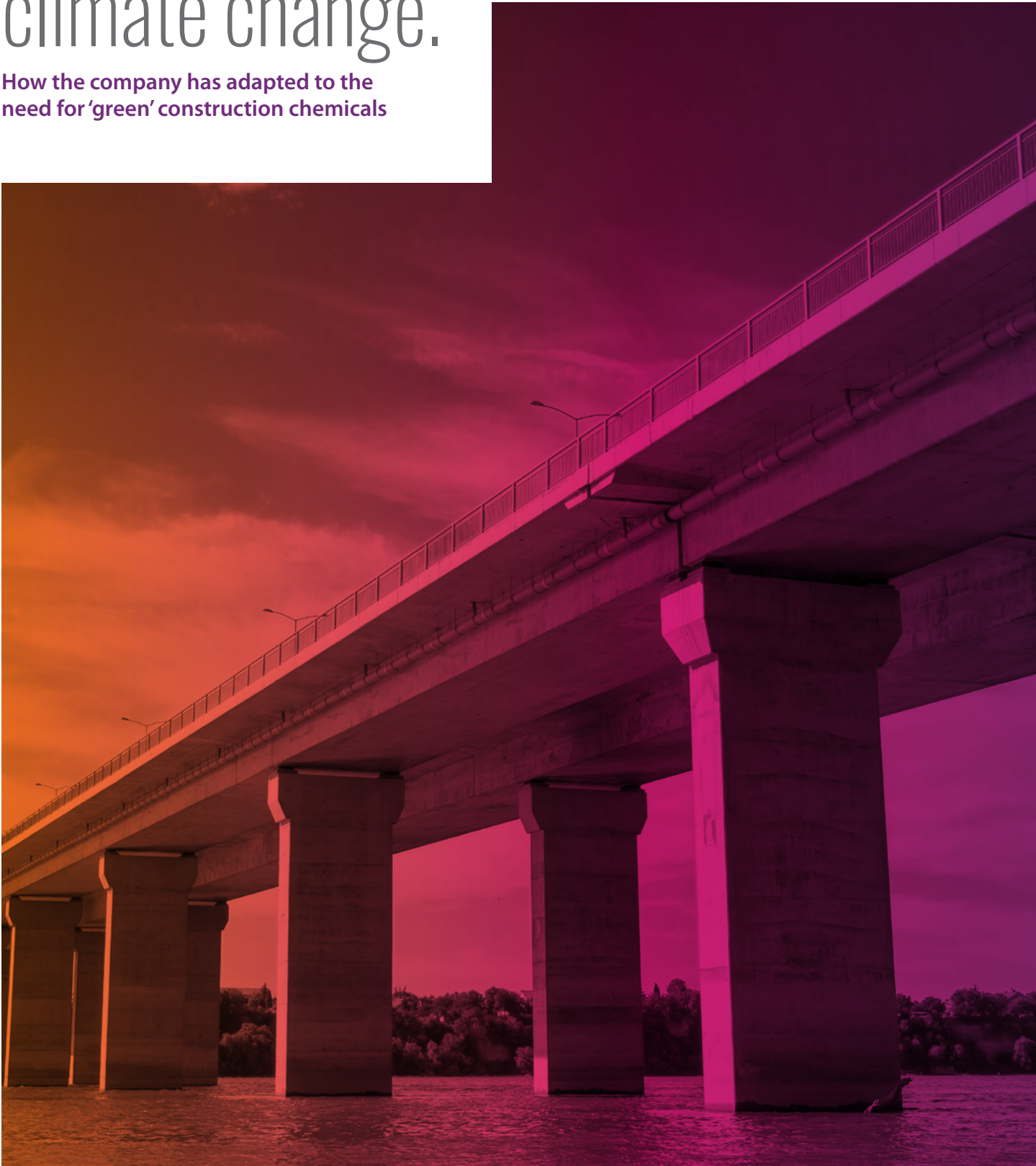
of shapes and sizes are offered, enhancing the aesthetic value of products.

Secure construction site: For the construction of precast concrete, no raw materials need to be kept on site. It offers a safe working surface and lessens the need for conventional formworks and props, waste, labourers, etc.

(Source: Civil Today)

Hindcon and climate change.

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



Overview

Climate change is characterized by sudden and frequent changes in local weather patterns. Extreme weather events such as heavy rain and floods can overload infrastructure in cities, highlighting the need for specialized chemicals that can withstand these micro-climate extremes.

Temperature: As heatwaves become more intense in India, northern states have seen record-breaking temperatures. Sri Ganganagar in Rajasthan reached a high of 49.6 degrees Celsius, breaking a 75-year record in May 2022. The lack of rain in April 2023 contributed to high temperatures nationwide, with the average maximum temperature being the third highest on record at 35.3 degrees Celsius, following only 2010 and 2016. The mean temperature was also the second highest at 29.41 degrees Celsius and the average minimum temperature was the second highest at 23.51 degrees Celsius, only behind 2010. The design and construction of structures could be altered by this rise in temperatures.

Cyclone: Cyclone Asani was the first storm of 2022 to occur over the North Indian Ocean, with winds reaching 25 km per hour. The number and severity of cyclones have risen in recent years due to the warming of sea surface temperatures. Over the past three years, there have been 18 cyclones, with 8 in 2019, 5 in 2020 and 5 in 2021.

Precipitation: India received 6% more rainfall than average from 1st June to 30th September, 2022. However, 27% of the country's districts, or 188 districts, received deficient rainfall (20-59%), with 7 districts experiencing large deficiencies (60-99%). The monsoon season (1st June - 30th September) brought 925 millimetres of rainfall, compared to the normal 868.6 millimetres, a 6.49% increase in rainfall from normal. Due to these monsoonal fluctuations, speciality chemicals were needed to protect buildings more effectively.

Smart buildings: The development of infrastructure is seen as a crucial factor in

economic growth, but it is important to ensure that this growth is sustainable in light of ongoing environmental concerns. The commercial real estate sector is currently experiencing growth and this presents an opportunity for companies like Hindcon to expand their offerings and establish a reputation as a provider of eco-friendly products.

'Smart cities': The government is prioritizing the expansion of smart cities to enhance the standard of living and improve urban infrastructure, which presents a market opportunity for Hindcon.

Verticalisation: The government is addressing the issue of urban sprawl and its associated environmental impact by promoting the construction of multi-story buildings. In 2022, 31 skyscrapers are projected to be completed in India, with 27 of them located in Mumbai. These skyscrapers will generally be around 200 meters tall and primarily provide residential spaces. This trend towards verticalization has led to an increased use of protective chemicals.

Green cement: Green cement, which is an environmentally friendly type of cement, has a smaller carbon footprint during its production process. This is achieved by reusing industrial waste, implementing energy-efficient measures and reducing emissions. Additionally, it has benefits such as increased strength, durability, resistance to cracking and low permeability to chlorides. The recycling of industrial waste in the production of green cement can lead to a reduction in carbon footprint by up to 40%. Experts in the industry worldwide concur that green cement is the future of sustainable construction.

0.83

% of revenues from
'green' chemicals,
FY 2022-23

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

Large headroom

240-250

kgs India's per capita
cement consumption
in FY 2022-23

500-550

kgs, Global per capita
cement consumption
in FY 2022-23

Growing population

1.42

billion, population of
India in 2022

1.65

billion, projected
population of India
in 2060

Home demand

30

million units
estimated housing
shortage in India

36

% of millennials
buying homes on
NoBroker.com, in
2022



Growing cement sector

388

million tonnes, size of
India's cement sector,
FY 2022-23

419.2

million tonnes,
projected size of India's
cement sector, 2027

Urbanisation headroom

35.9

% of the Indian
population that is
urban, 2022

56

% of the global
population that is
urban, 2022

Longer life times

70.19

Years, total life
expectancy in India
in 2022

77.9

Years, projected total
life expectancy in
India in 2050

Larger homes

< 1,000

Square feet, average
apartment size in
India, 2020

1,150

Square feet, average
apartment size in
India, 2021

More families

4.40

People, average
household size in
India, 2022

4.90

People, average
global household,
2022

Rising spenders

13

million, households
with true discretionary
spending power, 2005

89

million, estimated
households with true
discretionary spending
power, 2025



Our **sales** and marketing review



Overview

Hindcon Chemicals Ltd is involved in the development and sale of construction chemicals.

With over sixty years of experience, the company has a long-standing presence in the construction chemicals industry. The company continuously strives to enhance the effectiveness and results of its products through ongoing improvement efforts.

By re-engineering its products and adjusting the material mix, the company

has successfully improved the eco-friendliness of its offerings.

Challenges and performance, FY 2022-23

During the reviewed period, the company faced increased competition and inflationary pressures, prompting the need to transfer costs to customers in order to safeguard profitability. The company implemented cost adjustments in certain instances while absorbing them in others, impacting its overall profitability.

Strengths

Hindcon offers products that provide exceptional value in terms of quality and pricing.

The company's products are known for their superior quality and after-sales service.

Hindcon tailors its products to meet the specific needs of customers, ensuring a perfect fit with their downstream requirements.

Business-strengthening strategies

The company has launched the following products in the previous years:

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

26.75%

The company increased its revenue in FY 2022-23

Optimism

The Indian government has initiated an infrastructure creation momentum, which is expected to expand at a compound annual growth rate (CAGR) of around 7%. The government has allocated a spending outlay of ₹102 lac crores for this initiative by FY 2024-25.

Our products

- Waterproofing Hind Crete Plus WPM
- Mortar for Brick/AAC Block Fixing Hind Block Fix
- Sealing Construction and Expansion Joints Hind Sealant PS
- Tile Fixing Adhesive Hind Fix TA

- Heat Insulation and Waterproofing Paint
- Hind Hydra Proof Ceramic
- Decorative Paint Hind Plasto Guard
- Rust-Proof Paint Hind Anti-Rust

Downstream industries we cater to

- Chemical industry
- Cement industry

Construction chemicals

Construction chemicals are chemical compounds utilized in the construction industry. Their primary purpose is to expedite processes and improve the structural strength of buildings. These chemicals are added to various

construction materials during the building process to enhance performance, workability, functionality and to provide protection for standard or customized elements.

The growing attention towards construction chemicals is driven by the increasing size and complexity of structures. Modern cities are characterized by towering skyscrapers, concrete and customized bridges, state-of-the-art hospitals, expansive shopping malls, large offices and sprawling factories. Different types of construction chemicals are employed for coating, surface application and repair materials.

Our sodium silicate operations



Overview

Hindcon Chemicals is a manufacturer of Sodium Silicate, which finds applications in various sectors of the cement industry. With a manufacturing capacity of 18,000 MT, the company offers a wide range of sodium silicate grades to meet diverse customer requirements. It has introduced environmentally friendly grades and holds registrations with the Micro Small and Medium Enterprises (MSME), along with ISO 22716:2007 and ISO 9001:2015 accreditations.

Sodium silicate serves as a convenient source of sodium in industrial products. It is used as a binder in laundry detergents, a binder and adhesive, a flocculant in water treatment plants and in various other applications. The application areas of sodium silicate encompass the

pulp and paper industry, paints and coatings, adhesives, soaps and detergent manufacturing, construction and more.

Performance, FY 2022-23

In FY 2022-23, the company experienced a revenue growth of 44.80% in this segment.

The company's products gained recognition for their superior quality, which resulted in increased demand.

Through research and development efforts, the company improved its product brand, quality and reputation.

The company focused on product development without significant capital expenditure.

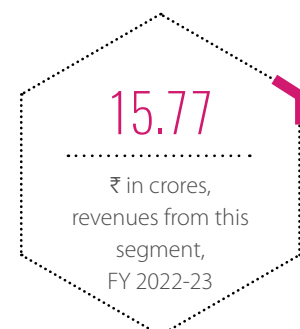
By conducting effective negotiations and proactive raw material purchasing,

the company successfully moderated production costs.

The company secured its supply chain by proactively stocking inventory in anticipation of price increases.

Outlook

The company anticipates continuous growth and improvement in its products.



The growing scope of sodium silicate applications

Sodium silicate, also known as water glass, is a compound composed of sodium oxide (Na_2O) and silica (SiO_2). It forms a soluble glassy solid that can be found in the form of solid lumps or powders, as well as a clear, syrupy liquid. It serves as a convenient sodium source in various industrial products, acts as a builder in laundry detergents, functions as a binder and adhesive, acts as a flocculant in water treatment plants and finds numerous other applications.

(Source: Britannica)

Sodium silicate is in high demand across industries like detergents, rubber, food and beverage and paper and pulp due to its reactive silica content. It can be modified into silica sols, gels and precipitated silica for various applications. The electrode coating industry benefits from sodium silicate as a binding agent, enhancing coating toughness and serving as a flux in welding rod covers. Soluble silicates are increasingly used in waste treatment, soil stabilization and textile manufacturing for peroxide bleach and dyes. With its alkaline properties, sodium silicate is valuable for emulsifying oils, neutralizing acidic soils and dispersing proteins, making it a preferred ingredient in detergents and cleaning products. The paper industry relies on sodium silicate as an adhesive, bonding agent and sizing agent, driving its demand.

(Source: IOP science)

Products used in different sectors

Sodium silicate in the construction sector: Sodium silicate is widely utilised in cementitious materials for various purposes. It serves as an alkali-activator in alkali-activated cements and functions as a setting accelerator in concrete. Sodium silicate is applied as a silicate mineral paint to improve the waterproofing and durability of concrete structures. Its applications extend to industries such as textiles, pharmaceuticals and construction, where it is employed in projects involving dams, canals, roadbuilding and waterproofing.

Sodium silicate in the food sector: Sodium aluminium silicate acts as an anti-caking agent, preventing the formation of lumps in dry foods. During the food processing stage, dry powders are frequently mixed together. Anti-caking agents are employed to absorb excess moisture and can also provide a water-repellent coating on particles, preventing clumping or the formation of semi-solid or solid lumps.

Sodium silicate in the paper sector: Sodium silicate serves as an adhesive enhancer in various applications such as pulp, cardboard, cardboard tubes, glass wool barrels and cardboard boxes. It is also utilized as an adhesive in packaging lines, particularly in detergent packaging. In paper manufacturing plants, silicates are employed to whiten the paper, remove ink from the paper fibers and keep the ink particles suspended, preventing their re-sedimentation on the fibers.

Cement additives

- Sodium silicate is utilised to achieve an exposed aggregate finish on concrete surfaces.
- It is employed to create a keyed surface that ensures excellent bonding when subsequent layers of concrete are placed.
- Sodium silicate is effective in producing visible and long-lasting exposed aggregate finishes, making

it suitable for walkways and terrazzo applications.

- It is particularly useful for producing quality concrete at low temperatures, especially in cold weather conditions.
- Sodium silicate finds applications in structural repairs and engineering projects.

- It is employed to address waterproofing issues in civil construction.

- Sodium silicate is ideal in concrete courtyards in real estate projects, industrial floors in car manufacturing factories, pharmaceutical factories, food product manufacturing units, beverage/bottling plants and dam power house floors, among other applications.

Why Hindcon addresses a **growing** future

The macro realities driving our business

Income growth

As of FY 2023-24, India's per capita income amounted to ₹1.97 lacs compared to ₹1.72 lacs in FY 2022-23, auguring better construction (and hence, stronger construction chemicals offtake)

(Source: pib.gov.in)

Rising population

India has a population of around 1.42 billion. There has been a decline in the median age of home buyers in India, accelerating the real estate industry and growth of the construction chemicals industry.

(Source: Worldometer)

Cement consumption

The per capita consumption of cement was approximately 195 kgs in India compared to the global average of 500 kgs, a gap that is likely to be plugged following increased cement consumption in India.

(Source: Bureau of Energy Efficiency)

Infrastructure

India is anticipated to invest ₹111 lac crore in infrastructure development by 2025, which could create a wider market for construction chemicals.

(Source: Tribune India)

Affordable housing

The government's goal is to provide affordable housing for 20 million Indians by 2024, under the 'Pradhan Mantri Awas Yojana' scheme.

72.56 lac houses were completed or delivered under PMAY-U. Under PMAY-G, 2.21 crore houses were constructed.

(Source: Moneycontrol)

Repair and refurbishment

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

Hindcon: Our responsible HSE commitment

Overview

There is a growing relevance to adopt sustainable practices. Extensive adherence with environment policies has moderated water scarcity, resource depletion and pollution; these policies have also increased process safety. Hindcon enhances HSE awareness within employees and other stakeholders, emphasising its commitment to a cleaner world. Over the years, TPM enhanced environment health and safety, graduating employees from a singular focus on plant operation and maintenance to holistic plant and environment health.

Our HSE policy

The company's HSE policy enhances employee safety and ensures that environment protection maintains product value. The company's HSE philosophy reconciles zero accidents, zero breakdowns, zero defects and zero loss, translating into positive outcomes.

Employee health and safety

Safe working environment increased employee confidence. The company made prudent investments in enhancing employee health and safety.

Initiatives

- The company started monthly health checks of employees.
- The company maintained a record of major and minor accidents; it undertook root cause analyses to prevent recurrence.
- The company undertook vaccination programmes for employees, family members and associates.
- The company installed new fire safety pumps and changed hydrant lines; it improved the fire protection system by increasing the compound value to ensure protection from chemical fire; it installed a potable fire extinguisher.
- The company mandated the use of safety helmets, hand gloves and other precautionary items to eliminate workplace hazards.
- The company provided additional health and safety resources (material, infrastructure and fire equipment).
- The company conducted periodic mock drills to enhance preparedness.
- The company conducted daily meetings to communicate its health and safety priority.

Environment

Over the years, Hindcon strengthened its industry statesmanship through forward looking investments in technologies directed to moderate the consumption of finite resources. The company took measures in the area of water conservation through rainwater harvesting.

Initiatives

- The company developed a rainwater harvesting system for every area (plant and godown).
- Conducted activities related to green belt development including plantation initiatives.
- Undertook water recycling.
- Installed dust collector vans outside the plant premises to reduce noise pollution.

What we have generated from our business

Revenue visibility

60%

Revenues from customers of 3+ years

Sectoral broadbasing

Customers

Across construction, food and paper sectors

Geographic broadbasing

42.61%

Offtake from outside Bengal

The outcomes

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

82.72

₹ in crores, FY 2022-23

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

7.53

% in FY 2022-23

The company sustained a debt-equity ratio of -

0.02

X in FY 2022-23

HINDCON CHEMICALS LIMITED

CIN: L24117WB1998PLC087800
 Regd. Off. : 62B, Braunfeld Row, 1st Floor, Kolkata - 700027
 Phone No.: 033-24490839. Fax No.: 033-24490849
 Website: www.hindcon.com, e-mail: contactus@hindcon.com

Notice

NOTICE is hereby given that the **25th** Annual General Meeting of the Members of **M/s. HINDCON CHEMICALS LIMITED** will be held at **Hindusthan Club Limited**, 4/1, Sarat Bose Road, 2nd Floor, Kolkata-700 020, on **Saturday, the 26th August, 2023 at 2:00 P.M.** to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Standalone and Consolidated Financial Statement of the Company including Audited Balance Sheet as at **31st March, 2023**, Audited Statement of Profit and Loss and the Cash Flow Statement for the year ended as on that date together with Report of Directors' and Auditors' thereon.

- To appoint a Director in place of **Mr. Ramsanatan Banerjee (DIN: 05191594)**, retiring by rotation and being eligible, offered himself for re-appointment.

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

Registered office:

62B, Braunfeld Row,
Kolkata – 700 027

July 22, 2023

sd/-

Ankita Banerjee
Company Secretary

Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- The Proxies to be effective must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. A proxy form is enclosed.
- A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBERS HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
- The profile of the Directors seeking appointment/re-appointment, as required in terms of applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange is annexed hereto and forms part of this Notice.
- The Register of Members and Transfer Books of the Company will be closed from Sunday, 20th August, 2023 to Saturday, 26th August, 2023 (both days inclusive) for the AGM.
- Members holding shares in physical form are requested to intimate, indicating their respective folio number, the change of their addresses, the change of Bank Accounts etc. to **Linkintime India Private Limited** at Vaishno Chamber, 5th Floor, Flat Nos-502 & 503, 6, Brabourne Road, Kolkata - 700 001 the Registrar and Share Transfer Agents of the Company, while members holding shares in electronic form may write to their respective Depository Participant for immediate updation.
- Members holding shares in physical form are advised to file nominations in respect of their shareholding in the Company, if not already registered and to submit the same to Registrar and Share Transfer Agent.
- Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

- 11. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the Annual Reports, Notices and other communications via e-mail. All the shareholders holding shares in physical form who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, etc. from the Company, electronically.**
- 12.** In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the said Circulars issued by the MCA and said SEBI Circulars and extension thereof for the AGMs to be held till 30th September, 2023, the Annual Report including Notice along with attendance slip, proxy form of the 25th AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by Email, to all the Shareholders whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes to the Shareholders and to all other persons so entitled. The documents referred to above are also available on the Company's website: www.hindcon.com.
- 13.** The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant(s) and Members holding shares in physical form are requested to submit their PAN details to the Company / R&TA.
- 14.** All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days during business hours upto the date of meeting.
- 15. Voting Through Electronic means**
- i. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting vote through the electronic voting system ("remote e-voting") under an arrangement with The Central Depository Services (India) Limited ("CDSL") as specified more particularly in the instruction hereunder provided that once the vote on a Resolution is casted through e-voting, a Member shall not be allowed to change it subsequently.
- ii. Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.
- iii. **The instructions for shareholders voting electronically are as under:**
- i. The remote e-voting period commences on 23rd August, 2023 at 10:00 A.M. (IST) and ends on 25th August, 2023 at 5:00 P.M. (IST). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th August, 2023 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- ii. Shareholders who have already voted prior to the meeting date (by remote e-voting) shall not be entitled to vote at the meeting venue.
- iii. Log on to the e-voting website www.evotingindia.com during the voting period.
- iv. Click on "Shareholders" tab.
- v. After that enter your user ID;
For CDSL: 16 digits beneficiary ID;
For NSDL: 8 Character DP ID followed by 8 Digits Client ID; and
Members holding shares in Physical Form should enter Folio Number registered with the Company
- vi. Next enter the image verification as displayed and click Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Ex. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB)	Enter the Date of Birth as recorded in your demat account with the depository or in the Company records for your folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the Company records for your folio.</p> <ul style="list-style-type: none"> Please Enter the DOB or Bank Account Number in order to Login. If both the details are not recorded with the depository or Company then please enter the member-ID / Folio Number in the Bank Account Number details field as mentioned in above instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant **<HINDCON CHEMICALS LIMITED>** on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. **Note for Institutional Shareholders and Custodians.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:tohelpdesk.evoting@cdslindia.com).
 - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact them at 1800 200 5533.
- xxi. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
16. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at santibrewalla@gmail.com with a copy mark to helpdesk.evoting@cdslindia.com and the same may also be send to the Scrutinizer in physical mode also on or before 25th day of August, 2023 upto 5.00 p.m. without which the vote shall not be treated as valid.
17. **The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th August, 2023** A person who is not a member as on cut-off date should treat this for notice information purpose only.
18. The Notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 28.07.2023.
19. **The shareholders shall have one vote per equity share held by them as on the cut-off date of 19th August, 2023. The facility of e-voting would be provided once for every folio / client ID, irrespective of the number of joint holders.**
20. The facility for voting either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting.
21. **However, in case the members who have casted their votes by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their votes again.**
22. **Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall not later than 3(three) days of conclusion of the meeting make a consolidated scrutinizer's Report (which includes remote e-voting and voting as may be permitted at the venue of the AGM by means of ballot paper/poll) of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.**
23. Subject to casting of requisite number of votes in favour of the resolution(s), the resolution(s) shall be deemed to be passed on the date of Annual General Meeting of the Company.
24. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hindcon.com and on the website of CDSL immediately after declaration of results of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to National Stock Exchange of India Limited, where the shares of the Company is listed.
25. Route-map to the venue of the AGM is annexed for the convenience of the members.
26. As an austerity measure, copies of the Annual Report will not be distributed at the Meeting. Members are requested to bring their copy of Annual Report to the Meeting.

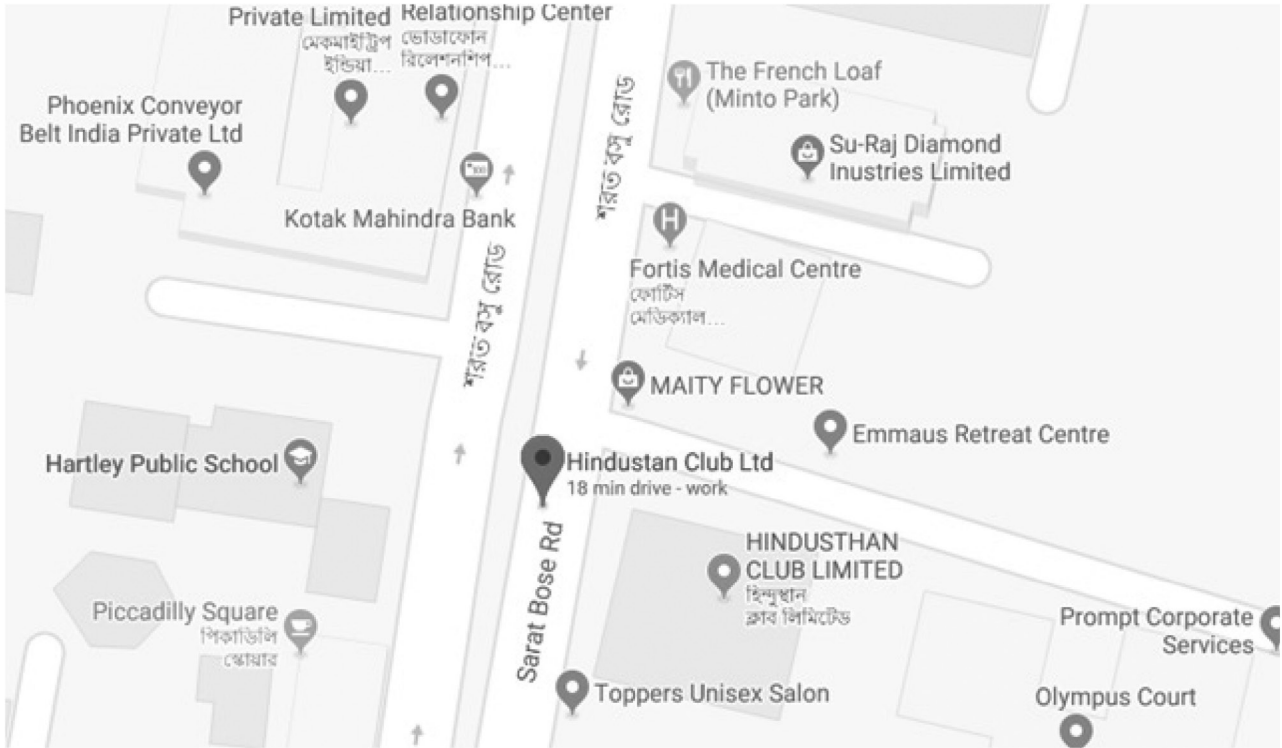
Annexure to Notice of AGM

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

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

S I . No.	Name of the Director	Mr. Ramsanatan Banerjee
1.	DIN	05191594
2.	Date of Birth and Age	2nd October, 1956 66 Years
3.	Nationality	Indian
4.	Date of appointment on Board	4th February, 2012
5.	Remuneration last drawn / Past Remuneration	9.24 lakhs
6.	No. of shares held in the Company	Nil
7.	Qualification & Expertise in specific functional area / Background details /Job profile and his suitability	Bachelor of Commerce from University of Burdwan and expertise in purchase, production, marketing, finance and accounts.
8.	Recognitions / Awards	NIL
9.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	NIL
10.	Pecuniary relationship directly or indirectly with the Company	No pecuniary relationship with the Company except Managerial Remuneration.
11.	No. of Board Meetings Attended	5 (Five)
12.	List of other listed Companies in which Directorships held as on 31st March, 2023	NIL
13.	List of other Companies in which Directorships held as on 31st March, 2023	NIL
14.	Chairman/ Member of the Committee of the Board of other Companies in which he is a Director as on 31st March, 2023	NIL
15.	Disclosure of relationship between Directors inter-se/ Managerial Personnel	NIL

ROUTE MAP TO THE VENUE OF THE 25TH AGM OF HINDCON CHEMICALS LIMITED



FORM NO: MGT – 11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L24117WB1998PLC087800
 Name of the Company : HINDCON CHEMICALS LIMITED
 Registered office : 62B, BRAUNFELD ROW, 1ST FLOOR, KOLKATA - 700027
 Name of the member (s) :
 Registered Address :
 E-mail Id :
 Folio No/ Client Id :
 DP ID :

I/We, being the member (s) of _____ shares of Hindcon Chemicals Limited, hereby appoint;

1. Name :
 Address :
 E-mail Id :
 Signature:_____, or failing him
2. Name :
 Address :
 E-mail Id :
 Signature:_____, or failing him
3. Name :
 Address :
 E-mail Id :
 Signature:_____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on **Saturday, the 26th day of August, 2023 at Hindusthan Club Limited, 4/1, Sarat Bose Road, 2nd Floor, Kolkata-700020 at 2:00 P.M.** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution Proposed
1.	To receive, consider and adopt the Standalone Financial Statement and Consolidated Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2023, Audited Statement of Profit And Loss and the Cash Flow Statement for the year ended as on that date together with Report of Directors' and Auditors' thereon.
2.	To appoint a Director in place of Mr. Ramsanatan Banerjee (DIN: 05191594), Director who retiring by rotation and being eligible, offered himself for re-appointment.

Signed this _____ day of _____, 2023

Signature of shareholder :

Signature of Proxy holder(s) :

Affix a Revenue
Stamp of

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the full text of the aforesaid resolutions, statements and notes, please refer to the Notice including the explanatory statement, convening this Annual General Meeting of the Company.

**E – MAIL ID REGISTRATION FORM**

To

Hindcon Chemicals Limited62B, Braunfeld Row
1st Floor,
Kolkata - 700027

Dear Sir(s),

I hereby give my consent to receive all future communication from Hindcon Chemicals Limited at my below email id and/or at my E-mail/SMS registered with my/our depository:-

DP ID _____ CLIENT ID _____ FOLIO NO. _____

E – mail Id _____ Alternative Id _____

Mobile No. _____

Thanking You.

Yours faithfully,

Signature of Sole / 1st Holder-----
Name-----
Date

Note: You are requested to register your email address with your depositories or by signing and returning this slip to the Company or to the Registrar & Transfer Agent M/s. Link Intime India Pvt. Ltd. or by way of an email to contactus@hindcon.com at the earliest.

ATTENDANCE SLIP-----
Name & Address of the Shareholder-----
Joint-holder(s) (if any)-----
Regd. Folio/DP ID & Client ID-----
No. of Shares Held

1. I hereby record my presence at the Annual General Meeting of the Company, to be held on Saturday, the 26th day of August, 2023 at Hindusthan Club Limited, 4/1, Sarat Bose Road, 2nd Floor, Kolkata-700020 at 2:00 P.M.

2. Signature of the Shareholder/Proxy Present.

3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting.

5. Please read the instructions carefully before exercising your vote.

Board's Report

Dear Shareholders,

Your Directors take pleasure in presenting the 25th (Twenty fifth) Annual Report together with the Audited Annual Accounts of your Company for the year ended March 31, 2023.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	FY-2022-23	FY-2021-22	FY-2022-23	FY-2021-22
i. Gross Turnover	8,165.00	6,370.31	8,559.43	6,661.98
ii. Other Income	107.35	155.51	118.51	136.77
iii. Total Income	8,272.35	6,525.82	8677.94	6,798.75
iv. Expenses other than Finance Cost and Depreciation	7,649.65	5,872.57	8041.94	6,162.11
v. Earnings Before Interest, Depreciation, Taxation and Amortization (EBIDTA)	622.70	653.25	636.00	636.64
vi. Finance Cost	5.03	2.24	5.03	2.24
vii. Depreciation	28.69	25.28	28.69	25.29
viii. Profit/(Loss) before Tax & Exceptional Item	588.98	625.73	602.28	609.11
ix. Exceptional Items	0.00	0.00	0.00	0.00
x. Profit before Taxation (PBT)	588.98	625.73	602.28	609.11
xi. Tax including Deferred Tax	(158.02)	(152.72)	(166.69)	(182.80)
xii. Profit after Taxation (PAT)	430.96	473.01	435.59	426.31
xiii. Other Comprehensive Income	(51.29)	157.70	(57.84)	183.00
xiv. Total Comprehensive Income	379.67	630.71	377.75	609.31
xv. (Profit) / Loss of minority interest	-	-	3.69	3.23

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

During the year under review, your Company on standalone basis has achieved a total income of ₹8,272.35 lakhs which is 26.76% higher as compared with the previous financial year. Further, the Company has earned a net profit of ₹430.96 lakhs in the financial year 2022-23. The Company has produced 20,709.07 MT of Sodium Silicate and Construction Chemicals during the financial year as compared to 16,802.38 MT of Sodium Silicate and Construction Chemicals in the previous financial year which is 23.25 % higher as compared with the corresponding previous financial year.

OUTLOOK

As a company in the construction chemicals industry with a diverse range of over 160 products, we have established ourselves as a one-stop solution for our customers. Our dedication to providing top-notch products is evident through our ISO 9001:2015 and ISO 22716:2007 certifications, highlighting our adherence to strict quality management standards.

Currently, only a small portion of our total revenue comes from

the retail segment. However, our goal is to significantly increase this portion, aiming to grow the revenue contribution from retail by 10 times over the next 5 years. Our high-quality products and long-standing relationships with retailers fuel this ambition.

To further enhance our market presence, we plan to expand our product portfolio by adding 5 to 10 new products each year for the next 5 years. This strategic move will enable us to cater to broader customer needs and capture additional market segments.

Overall, with our dedication to quality, expansion of the product range and increased production capacity, our company is poised for significant growth and success in the coming years.

Your Company is setting up a new plant at Munshirhat, West Bengal at a Capital outlay of ₹8 Crores (Approx.). The land has already been acquired and development of land is in progress. In this plant the Company has decided for Backward & Forward integration of its products and manufacturing of new products line in Chemical sector. The Commercial production in the new plant is commenced and it will add significantly in the both top and bottom line of the Company in FY 2023-24.

CHANGE IN NATURE OF BUSINESS, IF ANY

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

DIVIDEND

In order to meet the cost of the new project from internal accruals, to the extent possible, your Board has decided to escape dividend for the financial year 2022-23.

SHARE CAPITAL

The paid up equity share capital as on March 31, 2023 stood at ₹10,23,81,250/- comprising of 1,02,38,125 shares of ₹10/- each fully paid.

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

DEPOSITS

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

TRANSFER TO RESERVE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the **profit** of the company for the year ended on 31st March, 2023;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts for the

financial year ended 31st March, 2023 on a going concern basis;

- v) The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

CORPORATE GOVERNANCE

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

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

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

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

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

CODE OF CONDUCT

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

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

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

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

COMPANY'S WEBSITE

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

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

LISTING OF SECURITIES IN STOCK EXCHANGE

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

i) Retirement by Rotation:

Mr. Ramsanatan Banerjee (DIN: 05191594), Executive Director of the Company, pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, retiring by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

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

During the year under review Mr. Krishna Kumar Tantia (DIN: 00315796), Independent Director had resigned w.e.f. 28th

May, 2022 and Mr. Sudhir Kumar Bhartia (DIN: 00644721) has been appointed as an Independent Director of the Company w.e.f. 28th May, 2022. The shareholders in the last Annual General Meeting has also approved the appointment of Mr. Bhartia.

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

The present Whole-time Key Managerial Personnel of the Company are as follows:-

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

Ms. Jaya Bajpai had resigned from the office of Company Secretary & Compliance Officer (designated as the Whole time Key Managerial Personnel) of the Company with effect from 1st September, 2022, pursuant to the provisions of Section 203 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Ms. Ankita Banerjee was appointed as the Company Secretary & Compliance Officer (designated as the Whole time Key Managerial Personnel) of the Company by the Board at its meeting held on 14th November, 2022 with effect from 15th November, 2022, pursuant to the provisions of Section 203 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

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

iv) Declaration by Independent Directors

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

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

(2) of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and amendments thereto.

AUDITORS AND THEIR REPORTS

(i) Statutory Auditors:

M/s R. B. Roy & Co., (Firm Registration No. 322805E), Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of 5 (five) years and would continue to hold the office of Auditors till the conclusion of the 26th AGM of the Company to be held for the Financial Year 2023-24 in accordance to Section 139 of the Companies Act, 2013 and rules made thereunder.

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

The observations, if any, made by the Statutory Auditors in their Auditors' Report together with the notes to accounts, as append thereto are self-explanatory and hence does not call for any further explanation.

(ii) Internal Auditor:

M/s. Amit Ved Garg & Co., Chartered Accountants, continued to be the Internal Auditors of the Company to carry out the Internal Audit for the year 2022-23 under the provisions of section 138 of the Companies Act, 2013.

The Company has received consent letter from M/s. Amit Ved Garg & Co., Chartered Accountants, for their re- appointment as the Internal Auditors of the Company for the financial year 2023-24 and the Board has re-appointed them accordingly.

(iii) Secretarial Auditors:

Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary (Peer Reviewed), continued to be the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year 2022-23 under the provisions of section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The report of the Secretarial Auditor **MR-3** for the financial year 2022-23 is enclosed as **Annexure 'G'** to this Board's Report, which is self-explanatory and hence do not call for any further explanation.

The Company has received consent letter from Mr. Tibrewalla for his re-appointment as the Secretarial Auditor of the Company for the financial year 2023-24 and the Board has re-appointed him accordingly.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted the Code of Conduct to regulate, monitor and report trading by designated persons

towards prevention of Insider Trading. Further, in accordance with the provisions of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has duly approved and adopted the code of practices and procedure for fair disclosure of Un-published Price Sensitive Information and formulated the code of conduct of the Company.

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

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

i) Related Party Transactions:

All transactions entered with related parties in the ordinary course of business during the F.Y. 2022-23 on arm's length basis were done in accordance to omnibus approval of Audit Committee and other transactions which are not on arm's length basis are done with due approval of Audit Committee and Board in accordance to the provisions of Section 188(1) of the Act and applicable SEBI (LODR) Regulations, 2015.

There was no materially significant related party transactions with the Company's Promoters, Directors and others as defined in section 2(76) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 which may have potential conflict of interest with the Company at large. Details of contracts which are not on arm's length basis and **material transaction** on arm's length basis are detailed in **Form AOC-2** and annexed as "**Annexure -H**" to the Boards' Report.

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

ii) Particulars Of Employees And Managerial Remuneration:

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

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

iii) Number of Board Meetings:

During the financial year ended March 31, 2023, 5 (five) Board

Meetings were held on 28th May, 2022, 18th July, 2022, 12th August, 2022, 14th November, 2022 and 9th February, 2023.

The gap between any two consecutive meetings was in accordance to the Regulation 17(2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, Secretarial Standards and the provision of Companies Act, 2013.

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

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

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

Evaluation of the Board's Performance:

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

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

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

iv) Committees of the Board:

As on March 31, 2023 the Board had four Committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder's Relationship Committee and Corporate Social Responsibility Committee.

a. Audit Committee:

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

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

Recommendation by Audit Committee

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

Vigil Mechanism Policy

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

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

b. Nomination and Remuneration Committee:

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

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

Nomination, Remuneration and Evaluation Policy:

Pursuant to the provisions of the Companies Act, 2013 read with the Rules made therein and the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 (as amended from time to time), the Committee has formulated the Nomination and Remuneration Policy which broadly laid down the various principles of remuneration being support for strategic objectives, transparency, internal &

external equity, flexibility, performance driven remuneration, affordability and sustainability and covers the procedure for selection, appointment and compensation structure of Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company.

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

c. Composition of Stakeholder's Relationship Committee:

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

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

d. Composition of Corporate Social Responsibility Committee:

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

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

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

v) Meeting of Independent Directors for FY 2022-23:

During the year under review, the Independent Directors of the Company met once on 9th February, 2023 to carry out the evaluation of the Non-Independent Director and of the Board as a whole.

vi) Annual Return:

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

vii) Risk Analysis:

The Board has developed and implemented a risk management policy identifying therein the elements of risk that may threaten the existence of the Company. The Company has in place a mechanism to inform the Board members about the risk assessment, their comparison against benchmarks or standards, and determination of an

acceptable level of risk and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.

viii) Internal Financial Control:

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

ix) Disclosure Relating To Material Variations:

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

x) Loans, Guarantees and Investments:

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

The particulars of loans, guarantees and investments have been disclosed in the notes of the Financial Statements for the year ended 31st March, 2023 and form a part of this Annual Report.

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

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

xii) Subsidiaries, Associates or Joint Ventures:

As on 31st March, 2023 Company has only one Subsidiary Company viz. Hindcon Solutions Private Limited. (Formerly known as Padmalaya Vinimay Private Limited)

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

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

xiii) Secretarial Standards

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

xiv) Internal Complaint Committee

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year under

review, no complaints with allegations of sexual harassment were filed.

INDUSTRIAL RELATIONS

The industrial relation during the year 2022-23 had been cordial. The Directors take on record the dedicated services and significant efforts made by the Officers, Staff and Workers towards the progress of the Company.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

APPRECIATION

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

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

**Registered Office:
62B, Braunfeld Row,
Kolkata – 700 027
July 22, 2023**

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

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

ANNEXURE –‘A’
Particulars pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014:
A) Conservation of Energy
(i) Steps taken or impact on conservation of energy

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

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

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

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

(iii) Capital investment on energy conservation equipments

Not ascertainable.

B) Technology Absorption
(i) Efforts, in brief, made towards technology

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

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

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

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

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

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

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

(iv) The expenditure incurred on Research and Development

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

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

FOREIGN EXCHANGE EARNING AND OUTGO

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

	(₹ in lakhs)	
	FY 2022-23	FY 2021-22
Total foreign Exchange Used and Earned:		
Earned (F.O.B.)	NIL	9.92
Used	2131.13	1446.90

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Registered Office:
62B, Braunfeld Row,
Kolkata – 700 027
July 22, 2023

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

sd/-
Nilima Goenka
Whole time Director
DIN: 00848225

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Corporate Governance

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

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

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

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

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

(2) BOARD OF DIRECTORS:

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

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

*Resigned w.e.f. 28th May, 2022

**Appointed w.e.f. 28th May, 2022

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

The Board critically evaluates strategic direction of the Company and exercises appropriate control to ensure that the business of the Company is conducted in the best interests of the shareholders and society at large. The directors are commonly acquainted with various informative programs to enable them to get familiarized with the Company's operational flow and practices. Quarterly presentations are made at Board and Committee Meetings on business and financial performance updates of the Company

including business strategy and risk factors. Your Directors take active part at the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc.

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

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

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

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

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

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

(a) Attendance of each Director at the Board Meeting /Annual General Meeting held during the year 2022-23 and Number of other Directorship and Chairmanship/ Membership of Committee of each Director in other various Companies:

Name of the Director	Attendance Particulars		Number of other Directorship and Committee membership/ Chairmanship		
	Board Meetings	Last AGM held on 26.08.2022	Other Directorship#	Committee Membership##	Committee Chairmanship##
Mr. Sanjay Goenka	5	Present	-	-	-
Mrs. Nilima Goenka	5	Present	-	-	-
Mr. Ramsanatan Banerjee	5	Present	-	-	-
Mr. Binay Kumar Agarwal	5	Present	1	1	1
Mr. Girdhari Lal Goenka	5	Absent	-	-	-
Mr. Krishna Kumar Tantia*	0	Absent	-	-	-
Mr. Sudhir Kumar Bhartia **	4	Absent	-	-	-

* Mr. Krishna Kumar Tantia resigned w.e.f. 28th May, 2022.

** Mr. Sudhir Kumar Bhartia appointed w.e.f 28th May, 2022.

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

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

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

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

(c) During the year 2022-23, 5 (Five) Board meetings were held on **28th May, 2022, 18th July, 2022, 12th August, 2022, 14th November, 2022 and 9th February, 2023**. The gap between any two consecutive meetings did not exceed one hundred and twenty days as required under of Regulation 17(2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(d) Expertise & Skills of the Board of Directors

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

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

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

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

(e) Separate Meeting of the Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and in terms of Regulation 25(3) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors held a separate meeting on **9th February, 2023** and inter alia has reviewed:-

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

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

(f) Familiarisation Programme imparted to Independent Directors

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

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

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

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

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

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

(h) Resignation of Director:

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

(i) Relationship between the Directors inter-se:

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

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

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

(j) The Non – Executive Directors of the Company does not hold any shares as on 31st March, 2023.**(3) AUDIT COMMITTEE:**

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

Mr. Binay Kumar Agarwal, Independent Director acts as the Chairman of the Committee, Mr. Sudhir Kumar Bhartia and Mr. Sanjay Goenka continues as the Members of the Committee. All the members of the Committee are financially literate.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 26th August, 2022.

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

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

(a) Terms of reference:

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

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

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

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

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

- (b) During the period under review, 4 (Four) Audit Committee meetings were held on **28th May, 2022, 12th August, 2022, 14th November, 2022 and 9th February, 2023.**
- (c) The Committee was re-constituted on 28th May, 2022 and Mr. Sudhir Kumar Bhartia was inducted as member in place of Mr. Krishna Kumar Tantia.
- (d) The composition of the Audit Committee and attendance of its meetings are given below:

Constitution	No. of Meetings	
	Held	Attended
Mr. Binay Kumar Agarwal – Non-Executive – Independent –Chairman	4	4
Mr. Krishna Kumar Tantia- Non-Executive – Independent- Member *	4	-
Mr. Sudhir Kumar Bhartia- Non-Executive – Independent- Member **	4	3
Mr. Sanjay Goenka - Executive – Promoter- Member	4	4

* Mr. Krishna Kumar Tantia resigned w.e.f. 28th May, 2022.

** Mr. Sudhir Kumar Bhartia appointed w.e.f. 28th May, 2022.

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

[Ms. Jaya Bajpai was Company Secretary and Compliance Officer of the Company and acted as the Secretary of the Committee till 31st August, 2022 and Ms. Ankita Banerjee was Company Secretary and Compliance Officer of the Company and acting as the Secretary of the Committee w.e.f. 15th November, 2022.

(4) NOMINATION & REMUNERATION COMMITTEE:

(a) Terms of reference:

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

- i. To identify persons who are qualified to become Directors and who may be appointed in the Senior management in accordance with the criteria laid down and to recommend to the Board their appointment, terms of appointment and/or removal;
- ii. To formulate a criteria for determining the qualification, positive attributes, independence of a Director and evaluation of Independent Directors and the Board;
- iii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- iv. To evaluate every Directors performance;
- v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vi. To recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- vii. To ensure that the level of composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- viii. To ensure that the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks;

- ix. To ensure that the remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- x. To devise a policy on Board diversity.
- xi. To recommend to the Board, all remuneration, in whatever form, payable to senior management;
- xii. To Carry out any other function as is mandated by the Board of Directors of the Company or prescribed by the Listing Agreement / applicable regulations of SEBI (LODR) Regulations, 2015 as amended from time to time ;
- xiii. To invite any employee or such document as it may deem fit for exercising of its functions;
- xiv. To obtain such outside or professional advice as it may consider necessary to carry out its duties.

During the year under review, 3 (Three) meetings of the Nomination and Remuneration Committee were held on **28th May, 2022, 14th November, 2022 and 9th February, 2023.**

The Committee was re-constituted on 28th May, 2022 and Mr. Sudhir Kumar Bhartia was inducted as member in place of Mr. Krishna Kumar Tantia.

The composition of the Nomination and Remuneration Committee and attendance of its meetings are given below:

Constitution	No. of Meetings	
	Held	Attended
Mr. Girdhari Lal Goenka- Non-Executive- Independent- Chairman	3	3
Mr. Binay Kumar Agarwal – Non-Executive – Independent- Member	3	3
Mr. Krishna Kumar Tantia- Non-Executive- Independent- Member *	3	-
Mr. Sudhir Kumar Bhartia - Non-Executive- Independent- Member **	3	2

* Mr. Krishna Kumar Tantia resigned w.e.f. 28th May, 2022.

** Mr. Sudhir Kumar Bhartia appointed w.e.f 28th May, 2022.

The Chairman of the Nomination & Remuneration Committee was present at the last Annual General Meeting of the Company held on 26th August, 2022.

Ms. Jaya Bajpai was Company Secretary and Compliance Officer of the Company and acted as the Secretary of the Committee till 31st August, 2022 and Ms. Ankita Banerjee was Company Secretary and Compliance Officer of the Company and acting as the Secretary of the Committee w.e.f 15th November, 2022.

(b) Board Evaluation

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

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

The process of Board Evaluation broadly comprises of following:

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

Performance evaluation criteria for Independent Directors:

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

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

(5) STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

(a) Terms of reference:

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

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

(b) The Stakeholders Relationship Committee was re-constituted on 28th May, 2022 and Mr. Sudhir Kumar Bhartia was inducted as member in place of Mr. Krishna Kumar Tantia.

(c) Stakeholders Relationship Committee presently comprised of Mr. Binay Kumar Agarwal as the Chairperson, Mrs. Nilima Goenka and Mr. Sudhir Kumar Bhartia as the members of the Committee.

The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on 26th August, 2022.

(d) Stakeholders Relationship Committee meet periodically to look into redressing of shareholders' and investors grievances like transfer of Shares, non-receipt of Balance Sheet, non-receipt of dividend, etc. During the period under review, 4 (Four) Stakeholder Relationship Committee meetings were held on **28th May, 2022, 12th August, 2022, 14th November, 2022 and 9th February, 2023.**

(e) Details of compliance officer: Ms. Jaya Bajpai was Compliance Officer of the Company till 31st August, 2022 and Ms. Ankita Banerjee was Compliance Officer of the Company acting as the Compliance Officer w.e.f 15th November, 2022.

(f) Shareholders' Complaints

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

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

(6) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

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

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

The CSR Committee meet as and when required. During the year the Committee meets 2 (two) times on **28th May, 2022 and 9th February, 2023.**

Ms. Jaya Bajpai was Company Secretary and Compliance Officer of the Company and acted as the Secretary of the Committee till 31st August, 2022 and Ms. Ankita Banerjee was Company Secretary and Compliance Officer of the Company and acting as the Secretary of the Committee w.e.f 15th November, 2022.

(a) Terms of reference :

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy related to the CSR activities to be undertaken by the Company as provided in the Schedule VII and any other related provisions, if any, of the Companies Act, 2013 and the rules made there under.
- To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- To recommend the amount of expenditure to be incurred on the CSR activities as per the requirement of the Companies Act, 2013 and the rules made there under.
- To carry out such other functions as may from time to time, be authorized by the Board and/or required by any Statutory Authority, by the way of amendment and/or otherwise, as the case may be, to be attended by this Committee.

(7) REMUNERATION OF DIRECTORS:

(a) Remuneration Policy / Criteria:

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

(b) Sitting Fees:

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

(c) Remuneration to Directors:

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

(₹ in Lacs)

Particulars	Remuneration paid/ payable for 2022-23				Service Contract	
	Salary	Benefits	Sitting Fees	Pay per month	Period	Effective from
Mr. Sanjay Goenka	87.00	--	--	7.25	5 years	01.04.2021
Mrs. Nilima Goenka	36.00	--	--	3.00	5 years	01.06.2020
Mr. Ramsanatan Banerjee	9.24	--	--	0.77	5 years	04.02.2020
Mr. Binay Kumar Agarwal	--	--	0.34	--	--	--
Mr. Girdhari Lal Goenka	--	--	0.21	--	--	--
Mr. Krishna Kumar Tantia *	--	--	--	--	--	-
Mr. Sudhir Kumar Bhartia **	--	--	0.16	--	--	-

* Mr. Krishna Kumar Tantia resigned w.e.f. 28th May, 2022.

** Mr. Sudhir Kumar Bhartia appointed w.e.f. 28th May, 2022.

Notes:

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

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

b) No Postal Ballot was conducted in the last financial year i.e. 2022-23.

Year	Date	Venue	Time	Special Resolution passed
2021-22	26th August, 2022	62B, Braunfeld Row, Kolkata-700 027 (deemed venue) [the meeting was held through video conferencing/ other audio video means (OAVM)]	1:00 P.M.	1 (One) Special Resolution was passed: i. Appointment of Mr. Sudhir Kumar Bhartia (DIN: 00644721) as an Independent Director of the Company.
2020-21	4th September, 2021	62B, Braunfeld Row, Kolkata-700 027 (deemed venue) [the meeting was held through video conferencing/ other audio video means (OAVM)]	1:00 P.M.	5 (Five) Special Resolution was passed: i. Re-appointment of Mr. Sanjay Goenka (DIN: 00848190) as a Chairman & Managing Director of the Company. ii. Re-appointment of Mr. Binay Kumar Agarwal (DIN: 01342065) as an Independent Director of the Company. iii. Re-appointment of Mr. Krishna Kumar Tantia (DIN: 00315796) as an Independent Director of the Company. iv. Re-appointment of Mr. Girdhari Lal Goenka (DIN: 00613725) as an Independent Director of the Company. v. Approval of loans, investments, guarantee or security under section 185 of Companies Act, 2013.

Year	Date	Venue	Time	Special Resolution passed
2019-20	25th August, 2020	62B, Braunfeld Row, Kolkata-700 027 (deemed venue) [the meeting was held through video conferencing/ other audio video means (OAVM)]	3:00 P.M.	3 (Three) Special Resolution was passed: i. Re-appointment of Mr. Ramsanatan Banerjee (DIN: 05191594) as a Whole-time Director of the Company. ii. Re-appointment of Mrs. Nilima Goenka (DIN: 00848225) as a Whole-time Director of the Company. iii. Change of place of keeping register of members & other records by Registrar & Share Transfer Agents

c) No Special Resolution is proposed to be conducted through Postal Ballot.

(9) MEANS OF COMMUNICATION:

a. **Quarterly results:** The Company's quarterly / half-yearly / annual financial results are sent to the Stock Exchanges and generally published in both English and Regional newspapers viz, 'Financial Express' and 'Duranta Barta'. They are also available on the website of the Company.

No presentation has been made to Institutional Investors or Analysts.

b. **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web-based application designed by NSE for Corporates. All periodical and other compliance filings are filed electronically on NEAPS.

c. **Website:** The Company's website display official news releases in a prompt manner. The Company presentations made to institutional investors or to the analysts are disseminated to Stock Exchanges and are also displayed in the website of the Company at www.hindcon.com.

(10) GENERAL INFORMATIONS FOR MEMBERS:

a. **Annual General Meeting (Date, Time & Venue):** Saturday, 26th August, 2023 at 2:00 p.m. (IST) at Hindusthan Club Limited, 4/1, Sarat Bose Road, 2nd Floor, Kolkata-700020

b. **Financial Year:** April, 2022 – March, 2023.

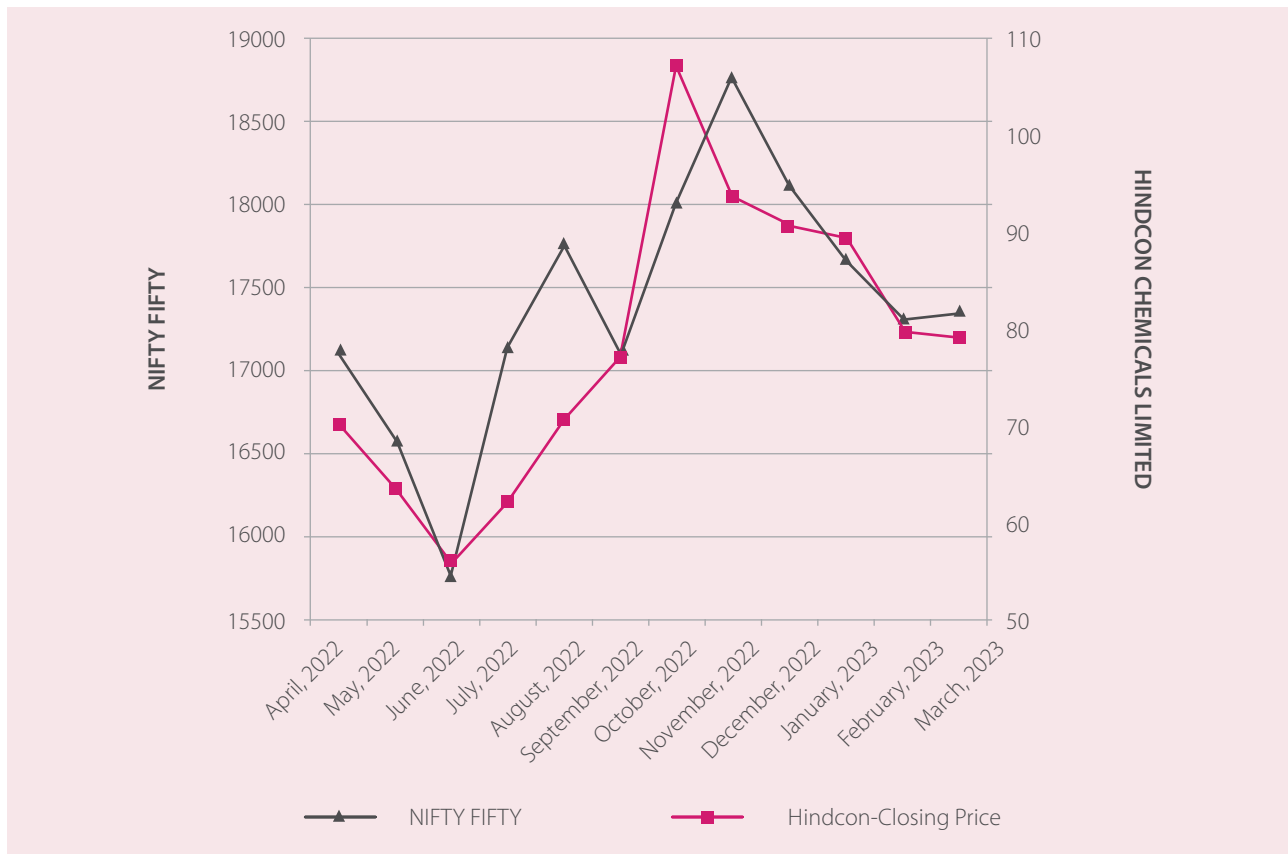
c. **Listing: The National Stock Exchange of India Ltd. (NSE)**
Exchange Plaza, 5th Floor, Plot No. C/1,
'G' Block, Bandra-Kurla Complex, Bandra (E),
Mumbai- 400 051
(Code : HINDCON)

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

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

Month	Share Price	
	High Price	Low Price
April, 2022	76.00	66.25
May, 2022	74.00	59.05
June, 2022	65.90	47.60
July, 2022	64.90	53.45
August, 2022	75.00	59.15
September, 2022	104.85	70.30
October, 2022	146.80	77.10
November, 2022	109.45	88.00
December, 2022	103.90	79.05
January, 2023	94.70	85.30
February, 2023	97.00	76.80
March, 2023	91.90	76.60

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



f. **Registrar and Transfer Agent:**

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

g. **Shares Transfer System :**

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

h. **Unclaimed Dividends:**

The Company is required to transfer dividends which have remained unpaid/ unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Central Government. During financial year 2022-23, there is no unpaid/ unclaimed dividend outstanding for seven years to be transferred to IEPF authorities.

- i. Transfer of Shares to Investor Education & Protection Fund (IEPF) (in case Where Unclaimed Dividends have been transferred to IEPF for a consecutive period of Seven Years :**
- In terms of Section 124 and 125 of the Companies Act, 2013 with Investor Education & Protection Fund (IEPF) Authority (Accounting Audit, Transfer Refund) Rules 2016, all shares in respect of which and dividends has remained unpaid/ unclaimed for a consecutive period of 7 (Seven) years or more from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government.
- As required under the said Rules, the Company will publish notices in the newspapers inviting the members attention to the aforesaid Rules. The Company will also send out individual communication to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action in the matter.
- Further, it may also be noted that in terms of Section 124(6) and 125(3) of the Companies Act, 2013 read with Rule 7 of the IEPF Rules, shares and dividends which have been transferred, if any to the IEPF Authority may be claimed by making an online application in Form No. IEPF-5 which is available at www.iepf.gov.in
- However, since there is no un-paid / un-claimed dividend as such no shares required to be transferred to IEPF Account.
- j. Details of outstanding shares in the Unclaimed Suspense Account:**
- In terms of Regulation 39(4) read with Schedule VI of the Listing Regulations, there is no equity shares lying in the suspense account which was issued in either demat form and physical form.

k. Distribution of Shareholding as on 31st March, 2023:

Sl. No.	Shares Range		Number of Shareholders	% of Total Shareholders	Total shares for the range	% of issued capital
1	1	to 500	10284	93.738	730402	7.1341
2	501	to 1000	347	3.1629	276534	2.7010
3	1001	to 2000	144	1.3126	212652	2.0771
4	2001	to 3000	60	0.5469	150868	1.4736
5	3001	to 4000	55	0.5013	205821	2.0103
6	4001	to 5000	19	0.1732	86415	0.8441
7	5001	to 10000	37	0.3373	259840	2.5380
8	10001	to Above	25	0.2279	8315593	81.2218
Total			10971	100	1,02,38,125	100

l. Share Holding Pattern as on 31st March, 2023:

Sl. No.	Category	No. of Shares	% of holding
1	Promoters & Associates	69,77,879	68.16
2	Mutual Funds & UTI	-	-
3	Banks, Financial Institutions, Insurance Companies (Central/ State Govt., Institutions)	-	-
4	Foreign Portfolio Investors	40	-
5	Alternate Investment Funds	-	-
6	Corporate Bodies	1028306	10.04
7	Indian Public	2048415	20.00
8	NRI's / OCBs	97,294	0.95
9	Clearing Members	1,694	0.02
10	HUF	84,497	0.83
11	Trust	-	-
Total		10238125	100.00

- m. Dematerialization of Shares** ISIN: INE642Y01011
100% of the total equity share capital is held in dematerialized form with National Securities Depository Ltd. & Central Depository Services Limited as on 31st March, 2023.
- n. Outstanding Instruments :** The Company has not issued any GDRs / ADRs / Warrants or any convertible Instrument. As such, there is no impact on Equity of the Company.
- o. Commodity Price Risk/:** Not applicable to the Company as Company is not associated in Hedging Activities.

p. Plant Location:

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

- q. Address for Correspondence:** Hindcon Chemicals Limited
62B, Braunfeld Row, 1st Floor, Kolkata – 700 027
Phone Nos.: (033) 2449 0839. Fax No. (033) 2449 0849
E-mail: contactus@hindcon.com
- r. Credit Ratings:** Your Company has not obtained credit ratings.

(11) Other Disclosures:

- a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of listed entity at large :**
- None of the transactions with any of the related parties were in conflict with the interest of the Company.
- b. Details of non-compliance by the Listed Entity, penalties, strictures imposed on the Listed Entity by Stock Exchange(s) or Securities and Exchange Board of India or any Statutory Authority, on any matter related to the capital markets, during the last three years :**
- No penalty or strictures have been imposed on the Company by any of the aforesaid authorities during the last 3 years.
- c. Vigil Mechanism / Whistle Blower Policy :**
- The Whistle Blower policy of the Company is in place and the Company had not denied access to Audit Committee to any personnel of the Company.
- d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Corporate Governance :**
- The Company has complied with all the applicable mandatory Regulations of SEBI (LODR) Regulations, 2015 and has adopted the following non-mandatory requirements of the aforesaid Regulations.
- The Company has taken cognizance of other non - mandatory requirements as set out in applicable Regulations of SEBI (LODR) Regulations, 2015 and shall consider adopting the same at an appropriate time.
- e. Policy for determining 'material' subsidiaries :**
- The Company does not have any material Subsidiary as defined in Regulation 24 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f. Web link where policy on dealing with related party transactions :**
- Policy on dealing with related party transaction is displayed at <https://hindcon.com/wp-content/uploads/2020/12/Related-Party-Transaction-Policy.pdf>
- g. Disclosures of commodity price risks and commodity hedging activities :**
- The Company is not associated with any hedging activities.

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

No such instance held during the year under review.

i. Certificate from Company Secretary in practice:

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

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

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

k. Fees of statutory auditors by the Company:

The total fees for all services paid by the Company to the statutory auditor M/s. R B Roy & Co (Firm Registration No. 322805E), Chartered Accountants was ₹2.15 Lakhs. M/s. R B Roy & Co is not a part of any entity/firm which is in the same network of the Company.

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

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

m. Disclosure by the Company and its subsidiaries of loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount as mentioned below:

The Company has not provided any loan or advance to its subsidiary or firms/companies in which Directors are interested.

n. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

The Company does not have material subsidiaries as defined under Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

o. Accounting Treatment in preparation of financial statement :

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

p. Risk Management :

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

q. CEO / CFO certification :

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

r. Annual Secretarial Compliance Report:

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

s. Management Discussion and Analysis Report :

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

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

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

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

a. Modified opinion(s) in Audit Report

The financial statement of the Company is continued to be with unmodified opinion(s) in Audit Report.

b. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

i. Separate posts of Chairperson & CEO: Mr. Sanjay Goenka, is the Chairperson of the Company.

c. Reporting of Internal Auditor

The Internal Auditors report directly to the Audit Committee.

(14) Code Of Conduct:

The Company has framed Code of Conduct for all the Board Members, Key Managerial Personnel and other Senior Executives of the Company who have affirmed compliance with the same as on 31st March, 2023. A duty of the Independent Directors has been duly incorporated in the code. The Code is displayed on the Company's website at <https://hindcon.com/wp-content/uploads/2020/12/Code-of-Conduct-Final.pdf>. A declaration signed by the CEO is annexed as **Annexure 'E'**.

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

(15) Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account

There is no Equity Shares lying in the suspense account/Unclaimed suspense account which was issued in either demat form or physical form.

(16) Compliance Certificate from either the Auditors Or Practicing Company Secretaries regarding compliance of conditions of Corporate Governance shall be annexed with the Directors' Report

A Certificate from Mr. Santosh Kumar Tibrewalla, (Membership No.:3811; CP No.: 3982), Practicing Company Secretary regarding compliance of Corporate Governance is annexed herewith and forms a part of Directors Report

(17) Vigil Mechanism Policy:

As per the requirements of the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had established a mechanism for employees to report concerns for unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics. It also provides for adequate safeguards against the victimization of employees who avail the said mechanism. This policy also allows the direct access to the Chairperson of the Audit Committee. The Audit Committee is committed to ensure the flawless work environment by providing a platform to report any suspected or confirmed incident of fraud/ misconduct.

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

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

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

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

ANNEXURE 'C' TO THE DIRECTORS' REPORT

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

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

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

To The Members of M/s. HINDCON CHEMICAL LTD

I have examined the Compliance of Corporate Governance of M/s. Hindcon Chemicals Limited for the financial year 2022-23, as stipulated under applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into by the said Company with the Stock Exchanges.

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

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

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

Kolkata
July 22, 2023

Sd/-
(Santosh Kumar Tibrewalla)
Practicing Company Secretary
Membership No.: 3811
Certificate of Practice No.: 3982
PR No.: 1346/2021
UDIN: F003811E000660313

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Certification by Managing Director – Chief Executive Officer (CEO) and Chief Financial Officer of the Company (CFO)

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

Dear Sirs,

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

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

- A. We have reviewed financial statements and the cash flow statement for the financial year 2022-23 (hereinafter referred to as 'Year') and to the best of our knowledge and belief–
- a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - iii) that we have not come across any instances of significant fraud and the involvement therein of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Hindcon Chemicals Limited

Kolkata
July 22, 2023

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

Sd/-
Kashi Nath Dey
Chief Financial Officer

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

I, Sanjay Goenka, Chairman & Managing Director (CEO) of **M/s. Hindcon Chemicals Limited** declare that as of 31st March, 2023 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

For Hindcon Chemicals Limited

Sd/-

Sanjay Goenka

Chairman & Managing Director (CEO)

DIN: 00848190

Kolkata

July 22, 2023

Management discussion and analysis report



Global economic overview

Overview: The global economic growth was estimated at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices decreased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower.

The global equities, bonds and crypto assets reported an aggregated value drawdown of USD26 trillion from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity

markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to \$55.3 billion in April-December. The decline was even sharper in the case of FDI inflows as equity: these fell 15% to \$36.75 billion between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI TR (Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

Performance of major economies

United States: Reported GDP growth of 2.1% compared to 5.9% in 2021	China: GDP growth was 3% in 2022 compared to 8.1% in 2021	United Kingdom: GDP grew by 4.1% in 2022 compared to 7.6% in 2021	Japan: GDP grew 1.7% in 2022 compared to 1.6% in 2021	Germany: GDP grew 1.8% compared to 2.6% in 2021
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[Source: PWC report, EY report, IMF data, OECD data]

Outlook

The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK and South Korea are not in a recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession and significant developments, including China's progressive departure from its strict zero-Covid policy and the resolution of the European energy crisis, fostered optimism for an improved global trade performance. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.9% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth (Source: IMF).

Indian economy

Overview: Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India's economic growth is at 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY23
Real GDP growth (%)	3.7	-6.6%	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Real GDP growth (%)	13.1	6.3	4.4	6.1

(Source: Budget FY24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 8% higher rainfall over the long-period average. Due to unseasonal rains, India's wheat harvest was expected to fall to around 102 million metric tons (MMT) in 2022-23 from 107 MMT in the preceding year. Rice production at 132 million metric tons (MMT) was almost at par with the previous year. Pulses acreage grew to 31 million hectares from 28 million hectares. Due to a renewed focus, oilseeds area increased 7.31% from 102.36 lakh hectares in 2021-22 to 109.84 lakh hectares in 2022-23.

India's auto industry grew 21% in FY23; passenger vehicle (UVs, cars and vans) retail sales touched a record 3.9 million units in FY23, crossing 3.2 million units in FY19. The commercial vehicles segment grew 33%. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84%.

Till the end of Q3FY23, total gross non-performing assets (NPAs) of the banking system fell to 4.5% from 6.5% a year ago. Gross NPA for FY23 was expected to be 4.2% and a further drop is predicted to 3.8% in FY2023-24.

As India's domestic demand remained steady amidst a global slowdown, import growth in FY23 was estimated at 16.5% to \$714 billion as against \$613 billion in FY22. India's merchandise exports were up 6% to \$447 billion in FY23. India's total exports (merchandise and services) in FY23 grew 14 percent to a record of \$775 billion in FY23 and is expected to touch \$900 billion in FY24. Till Q3 FY23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to \$18.2 billion, or 2.2% of GDP. India's fiscal deficit was estimated in nominal terms at ~ Rs 17.55 lakh crore and 6.4% of GDP for the year ending March 31, 2023. (Source: Ministry of Trade & Commerce)

India's headline foreign direct investment (FDI) numbers rose from US\$74.01 billion in 2021 to a record \$84.8 billion in 2021-22, a 14% Y-o-Y increase, till Q3FY23. India recorded a robust \$36.75 billion of FDI. In 2022-23, the government was estimated to have addressed 77% of its disinvestment target (Rs 50,000 crore against a target of Rs 65,000 crore).

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately \$70 billion in 2022, primarily influenced by rising inflation and interest rates. Starting from \$606.47 billion on April

1, 2022, reserves decreased to \$578.44 billion by March 31, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from ₹75.91 to a US dollar to ₹82.34 by March 31, 2023, driven by a stronger dollar and increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India's total industrial output for FY23, as measured by the Index of Industrial Production or IIP, grew 5.1% year-on-year as against a growth of 11.4 percent in 2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022. As of March 2023, India's unemployment rate was 7.8 percent.

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1 percent Y-o-Y in RE 2022-23.

The total gross collection for FY23 was Rs 18.10 lakh crore, an average of Rs 1.51 lakh a month and up 22% from FY22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to ₹1.6 lakh crore. For 2022-23, the government collected Rs 16.61 lakh crore in direct taxes, according to data from the Finance Ministry. This amount was 17.6 percent more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to Rs 172,000 during the year under review, a rise of 15.8 percent over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magic figure of \$2500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3 percent in 2022-23.

Outlook

There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and appreciable decline in consumer price index inflation to less than 5 percent in April 2023. India is expected to grow around 6-6.5 percent (as per various sources) in FY2024, catalysed in no small measure by the government's 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit. Headline and core inflation could trend down. Private sector investments could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure

investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in 2022-23 was 10,993 kilometres; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year (Source: IMF).

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyse the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions and slowing external demand.

Union Budget FY 2023-24 provisions

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy by raising capital investment outlay by 33% to ₹10 lakh crores, equivalent to 3.3% of GDP and almost three times the 2019-20 outlay, through various projects like PM Gati Shakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. An outlay of ₹5.94 lakh crore was made to the Ministry of Defence (13.18% of the total Budget outlay). An announcement of nearly ₹20,000 crores was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An outlay of ₹1.97 lakh crore was announced for Production Linked Incentive schemes across 13 sectors. The Indian government intends to accelerate road construction in FY24 by 16-21% to 12,000-12,500 km. The overall road construction project pipeline remains robust at 55,000 km across various execution stages. These realities indicate that a structural shift is underway that could strengthen India's positioning as a long-term provider of manufactured products and its emergence as a credible global supplier of goods and services

Global construction chemicals market

The global construction chemicals market was valued at USD 49.9 billion in 2022 and is projected to reach USD 88.1 billion by 2032, at a CAGR of 6% from 2023 to 2032. This growth is likely to be driven by population growth, urbanization, increased demand for infrastructure and technological advancements. Population growth and urbanization have led to a higher demand for housing and buildings. The surge in infrastructure investments worldwide has also contributed to the growth of the construction industry, creating a need for skilled workers. Technological advancements, including new construction materials and methods, as well as innovations like building information modelling (BIM) and virtual reality (VR) have propelled the industry forward. However, challenges such as rising material costs, labor shortages and supply chain disruptions may impact short-term growth. The construction chemical market is segmented by type, end-use industry and region, including categories such as concrete admixtures, water proofing and roofing, repair and rehabilitation and residential, industrial/commercial, infrastructure and repair applications across North America, Europe and Asia-Pacific.

Cities worldwide are implementing initiatives to enhance their infrastructure as the urban population is projected to surpass two-thirds of the global population by 2050. The most significant urban growth is expected to occur in underdeveloped regions, particularly in Africa and Asia, where urbanization is relatively lower compared to other areas. Africa's urban population is predicted to rise from 40% to 56% by 2050, while Asia's urban population is anticipated to increase from approximately 48% to 64%.

(Source: allied market research, precedenceresearch)

Indian construction chemicals industry overview

The construction chemicals market in India, valued at USD 1617.8 million in 2023, is expected to exhibit a significant compound annual growth rate (CAGR) of 13.1% and reach a market value of USD 5541.8 million by 2033.

The construction industry in India is experiencing notable growth due to substantial investments in the infrastructure sector and the expansion of building construction and real estate businesses. Government initiatives such as smart cities, Make in India and housing for all are generating significant opportunities for the construction industry. These, in turn, are expected to drive the sales of construction chemicals in India.

The Indian government's National Infrastructure Pipeline (NIP) entails a substantial investment of ~Rs. 24 lakhs lakh crore in infrastructure projects by 2025. Corporate tax restructuring and incentives for foreign investors are expected to attract funds in healthcare, education, housing, transportation and water infrastructure sectors, fueling the growth of the construction chemicals industry. Organized construction chemical companies hold a market share of around 55-60% in India, with the entry of global players boosting their presence. These companies offer a diverse product range to meet the demand for high-quality

construction chemicals, while complexities in manufacturing and limitations in technical assistance and after-sales service have hindered the entry of unorganized players. Concrete admixtures are witnessing increased demand due to rapid project execution and government initiatives such as 'Housing for all by 2022,' with unorganized companies dominating the market with a market share of approximately 55-60% by value.

The chemical sector in India is expected to experience significant growth, with projected annual rates of 11 to 12 percent from 2021 to 2027 and seven to ten percent from 2027 to 2040. This expansion is expected to triple India's global market share by 2040.

India is projected to contribute over 20 percent of the global increase in chemical consumption in the next two decades, with domestic demand expected to rise from USD 170 billion to USD 180 billion in 2021 to USD 850 billion to USD 1,000 billion by 2040. As the global demand for environmentally friendly and biofriendly products grows, India, as a major producer of chemicals used in such products, stands to benefit. Moreover, companies are actively seeking to establish resilient supply chains in response to changing geopolitical dynamics; India's attractive value proposition positions it as a preferred destination for this supply chain reconfiguration.

(Source: future market insights, digital journal, Mckinsey)

Growth drivers

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

Interest rates: The interest rate set by RBI on home loans was 8.60% in May 2023. This could drive acquisitions in the real estate sector, accelerating the demand for construction chemicals.

GDP per capita: India's GDP per capita was USD 2,601.36 in 2023 compared with USD 2,739.21 in 2022 and is anticipated to reach USD 2,802.53 in 2024.

Increase in nuclear families: The average household size of India in 2021 was 4.44 people per household. This is a prime factor in the growing demand of the Indian real estate sector, strengthening the construction chemicals market.

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

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

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

In infrastructure projects, concrete and admixtures are used in growing quantities.

(Source: *The Wire, Economic Times, Trading Economics, Yahoo finance, Hindustan Times, india.gov.in, Global Data, Statista, Forbes India, Indian Express, Tribune India*)

Michael Porter's Five Forces Analysis

Risk of potential competitors entering the market: The industry has experienced an influx of new players, leading to increased competition. Barriers to entry in the construction chemicals market include marketing, research and development (R&D) and distribution, which serve as obstacles for prospective competitors.

Competition among existing players: There is a competitive environment in the construction chemical segment, with both small and large companies vying for market share. This intense rivalry poses a threat to profitability.

Buyer power: The accessibility of construction chemicals has made it easier for buyers to exercise their bargaining power, by increasing their influence.

Supplier power: Raw material suppliers in the global construction chemicals industry are price-conscious, which enhances their bargaining power and affects the industry's dynamics.

Threat of substitutes: The availability of substitute products for construction chemicals in the global market is limited, resulting in a reduced threat from substitutes.

(Source: *Researchdrive*)

Commercial sector

India's commercial real estate market demonstrates a high level of organization and intense competition. The sector has witnessed increased demand for commercial space due to several factors, including a growing economy, digitalization, the expansion of the IT/ITeS sector and various government initiatives such as industrial corridors, the FDI policy, RERA and REITs. The relaxation of FDI regulations by the government has attracted substantial global investment, particularly in the development of malls and other organized retail spaces. The rise of the digital economy and e-commerce has created a need for co-working office spaces, smart warehousing and logistics hubs.

Real estate housing sector

The Indian residential real estate sector experienced remarkable growth in 2022, achieving a significant increase in sales by 68 percent compared to the previous year. This impressive performance highlights the industry's position as one of the fastest-growing sectors in India. Additionally, the strong domestic

economy and stable macro-economic fundamentals of the country played a crucial role in ensuring the stability of the real estate market.

Government initiatives

Pradhan Mantri Awas Yojana (Urban) (PMAY) (U): The scheme was introduced to offer affordable housing to the weaker sections of society, including lower income groups, urban and rural poor. The Yojana aims to construct approximately 20 million affordable houses. In the Budget of 2023, the allocation for the Pradhan Mantri Awas Yojana was increased by 66% to over ₹79,000 crore. This is responsible for the growth of the real estate sector and is also anticipated to boost the construction chemicals market.

Reduction in GST: Homebuyers in India are required to pay Goods and Services Tax (GST) when purchasing under-construction properties such as apartments and bungalows. The GST rate for affordable housing, which falls within specific price brackets and carpet area criteria, is set at 1%. For non-affordable housing properties that do not meet the criteria for affordable housing, the GST rate is 5%. The GST is also applicable to the purchase of developable plots in the real estate sector.

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

Affordable Housing Fund: The government established an Affordable Housing Fund (AHF) of ₹10,000 crore (US\$ 1.43 billion) within the National Housing Bank (NHB). The fund is designed to address the shortfall of banks and financial institutions in providing micro financing to Housing Finance Companies (HFCs).

Special Window for Completion of Construction of Affordable and Mid Income Housing Projects (SWAMIH): Since its establishment in 2019, the Special Window for Affordable and Mid Income Housing (SWAMIH) Investment Fund has successfully completed the construction of 20,577 homes. Over the next three years, SWAMIH aims to complete more than 81,000 homes across 30 Tier-1 and Tier-2 cities. With a focus on providing priority debt financing, the fund has raised ₹15,530 crores to support the completion of stressed, brownfield and Real Estate Regulatory Authority (RERA)-registered residential projects in the affordable and mid-income housing category. SWAMIH granted approval to approximately 130 projects, amounting to over ₹12,000 crore in sanctioned funds.

Special Economic Zones (SEZs): As of June 30, 2022, the government granted formal approvals to 425 Special Economic Zone (SEZ) developers, out of which 268 are currently operational. These SEZs attracted approximately ₹6.5 lakh crore in investments and provide employment opportunities for around 27 lakh individuals.

(Source: *IBEF, Economic Times*)

SWOT ANALYSIS

Strengths: India has established a state-of-the-art chemical manufacturing value chain, leading to a rise in the production of innovative and high-quality products.

Weaknesses: The construction chemicals market lacks organisation and primarily comprises small-scale suppliers, resulting in a fragmented industry.

Opportunities: The growth of the construction chemicals market is expected to be driven by the demand for restoration and reconstruction projects.

Threats: Organised players in the Indian construction chemicals market face challenges due to the increasing imports from China and the overall lack of organisation in the industry.

Risk management

Economy risk: Domestic challenges like inflation, liquidity crunch, slower industrial growth, depreciating rupee, political instability and increasing commodity prices could affect performance.

Mitigation: Hindcon recognized that ensuring the timely availability and affordability of resources and raw materials is crucial for success. To tackle this challenge, the company implemented backward integration initiatives, which involve producing resources for internal use and sales. This strategic move led to reduced marketing and inventory costs, contributing to the overall profitability of Hindcon. Moreover, by using its captive supply, Hindcon has been able to offer more competitive prices for sales, a win-win situation. Hindcon relies significantly on internal sources for a substantial portion of its resource, raw material and power requirements, reinforcing its competitive edge.

Demand risk: As the infrastructure industry is developing, it catalyses demand in the construction chemicals industry; a sectorial weakness can affect the demand for construction chemicals.

Mitigation: The company is innovating and introducing unique products that have the potential to be utilized in multiple sectors.

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

Mitigation: The company aims to expand its market presence geographically and attract new B2B clients. While maintaining long-term partnerships that contribute to over 60% of its revenue, the company also strives to develop new relationships. To cater to the evolving demands of customers, the company offers a diverse range of products. In 2022-23, B2B customers constituted 71% of the company's revenues.

Quality risk: Reduction in the quality of the product can affect the Company's long-term revenues.

Mitigation: To ensure adherence to relevant regulations, the company maintains a vigilant approach towards monitoring regulatory changes. It places importance on compliance and takes proactive measures to stay up to date with applicable regulations. The company obtained accreditation for ISO 9001:2015 and ISO 22716:2007, which specifically pertain to quality control and management processes.

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

Mitigation: As a member of the Indian Green Building Council, the company prioritizes the production of eco-friendly products.

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

Mitigation: The company offers a diverse range of products, comprising sodium silicate, concrete and mortar admixtures, floorings, protective waterproofing coatings and adhesives. In addition to its offerings, the company provides services such as waterproofing, repair and retrofitting of distressed structures.

Financial review

Revenues: Revenues during the year under review were ₹82.72 crores, a growth of 26.75% over Rs 65.26 crores during FY2021-22.

Profit after tax: The Company registered a profit after tax of Rs 4.31 crores during FY 2022-23 compared to Rs 4.73 crores during FY2021-22, which was 8.88% lower than the previous financial year.

Internal control systems and their adequacy

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

Human resources

Hindcon's success stems from its motivated workforce. The company offers attractive salaries, fosters a friendly working atmosphere and appreciates employees' achievements through a well-structured system of rewards and recognition. Hindcon also promotes a culture of personal growth by encouraging individuals to take on voluntary projects that enhance their learning experience. As of March 31st, 2023, Hindcon employed a total of 115 individuals.

Cautionary statement

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

ANNEXURE 'G' TO THE DIRECTORS' REPORT**SECRETARIAL AUDIT REPORT**
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

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

To
The Members
Hindcon Chemicals Limited
62B, Braunfeld Row, 1st Floor,
Kolkata – 700 027.

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023**, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers; minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, **to the extent Acts / provisions of the Acts applicable**, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities and Sweat Equity) Regulations, 2021;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

I further report that -

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

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

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

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

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

Kolkata
July 22, 2023

sd/-
Santosh Kumar Tibrewalla
Practicing Company Secretary
Membership No.: 3811
Certificate of Practice No.: 3982
PR No.: 1346/2021
UDIN: F003811E000660357

ANNEXURE –‘H’

Form No. AOC-2

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

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

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

a. Name(s) of the related party and nature of relationship	Mr. Sanjay Goenka, Chairman & Managing Director and Mrs. Nilima Goenka, Whole Time Director.
b. Nature of contracts/arrangements /transactions	Rent Agreement with the related parties.
c. Duration of the contracts / arrangements/transactions	60 Months w.e.f. 1st April, 2020.
d. Salient terms of the contracts or arrangements or transactions including the value, if any:	As per the Rent Agreements between both parties. Total rent paid / payable ₹25,000/- per month to both the related parties.
e. Justification for entering into such contracts or arrangements or transactions	To maintain registered office of the Company.
f. Date(s) of approval by the Board	8th February, 2020
g. Amount paid as advances, if any	N. A.
h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188	N. A.

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

a. Name(s) of the related party and nature of relationship	1. Bengal Silicates & Chemicals Private Limited– Mr. Sanjay Goenka is Director and also a shareholder holding 33% of the shares of the Company.
b. Nature of contracts/arrangements/ transactions	Sale of Goods.
c. Duration of the contracts / arrangements/transactions	No contract executed.
d. Salient terms of the contracts or arrangements or transactions including the value, if any	No contract executed & Goods are sold at the prevailing market price.
e. Date(s) of approval by the Board, if any	Not Applicable.
f. Amount paid as advances, if any	Nil.

On behalf of the Board of Directors
For Hindcon Chemicals Limited

Registered Office:
62B, Braunfeld Row
Kolkata
July 22, 2023

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

Sd/-
Nilima Goenka
Whole time Director
DIN: 00848225

ANNEXURE –'I'

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

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director / KMP for financial year 2022-23 (₹ in lakhs)	% increase/ decrease in Remuneration in the financial year 2022-23	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Sanjay Goenka Managing Director	87.00	-	511.76:1
2	Mrs. Nilima Goenka Whole Time Director	36.00	-	211.76:1
3	Mr. Ramsanatan Banerjee Whole-time Director	9.24	6.94	54.35:1
4	Mr. Kashi Nath Dey Chief Financial Officer	5.10	3.66	-
5	Ms. Jaya Bajpai* Company Secretary	0.90	-	-
6	Ms. Ankita Banerjee** Company Secretary	0.81	-	-

* for the part of the year till 31st August, 2022

** for the part of the year w.e.f. 15th November, 2022

Note:

- i) No other Director other than the Managing Director and Whole-time Director received any remuneration during the financial year 2022-23.
- ii) The median remuneration of employees of the Company during the financial year was ₹17,000/- compared to the previous year of ₹12,000/-.
- iii) In the financial year 2022-23, there was an increase of **41.67%** in the median remuneration of employees;
- iv) There were **115** permanent employees on the rolls of Company as on March 31, 2023;
- v) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2023 is as per the Remuneration Policy of the Company.

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

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

Sl. No.	Name of the Employees	Designation of the employee	Remuneration drawn during the financial year 2022-23 (₹in lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment held before joining the Company	% of equity shares held in the Company	Whether relative of any Director or Manager of the Company and if so, name of such Director or Manager
1.	Debasis De	Chief Marketing Manager	13.73	Permanent	B.SC	01.08.2019	45 years	NA	NO	NO
2	Dillip Kumar Sahoo	Factory Manager	6.58	Permanent	B.COM	01.12.2002	46 years	NA	NO	NO
3	Bijaya Kumar Sahoo	Asst. Manager-Production & QC	6.02	Permanent	B.SC	01.12.2002	42 years	NA	NO	NO
4	Sanath Bhattacharya	Office Executive	4.81	Permanent	B.SC	01.06.2012	56 years	NA	NO	NO
5	Kashi Nath Dey	Chief Financial Officer	5.50	Permanent	B.COM	01.05.2006	46 years	NA	NO	NO
6	Tarak Nath Saha	Manager Technical	5.96	Permanent	B.SC	01.04.2008	44 years	NA	NO	NO
7	Santanu Adhikari	Manager Technical	5.63	Permanent	B.SC	01.12.2018	52 years	NA	NO	NO
8	Subrat Kumar Kuanr	Manager Marketing	5.75	Permanent	B.COM	01.07.2010	45 years	NA	NO	NO
9	Prabhat Jha	Asst. General Manager	3.76	Permanent	B.SC	01.03.2017	56 years	NA	NO	NO
10	Somnath Kar	Sales Engineer	4.86	Permanent	B.SC	01.06.2008	58 years	NA	NO	NO

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

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

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

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

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

**Registered Office:
62B, Braunfeld Row
Kolkata
July 22, 2023**

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

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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

Policy of the Company:

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

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

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

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

2. Composition of CSR Committee:

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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://hindcon.com/wp-content/uploads/2021/06/CSR-Policy.pdf>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not Applicable**

5. (a) Average net profit of the company as per sub-section (5) of section 135: **₹559.75 Lakhs**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: **₹11.20 Lakhs**

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **Not Applicable.**

(d) Amount required to be set-off for the financial year, if any: **Not Applicable**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹11.20 Lakhs**

(i) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). **A sum of ₹11.93 Lakhs was spent for the Financial Year 2022-23**

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

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

(iv) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹11.93 Lakhs**

(v) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹11.93 Lakhs	NA	NA	NA	NA	NA

(vi) Excess amount for set-off, if any: NA

Sl. No.	Name of Director	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹11.20 Lakhs
(ii)	Total amount spent for the Financial Year	₹11.93 Lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹0.73 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹0.73 lakhs

6. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1 Sl. No.	2 Preceding Financial Year(s)	3 Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	4 Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	5 Amount Spent in the Financial Year (in ₹)	6 Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		7 Amount remaining to be spent in succeeding Financial Years (in ₹)	8 Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	FY-2	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	FY-3	Nil	Nil	Nil	Nil	Nil	Nil	Nil

7. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

Nil

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

8. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

sd/-

Mr. Sanjay Goenka
Mg. Director & Chairman CSR Committee.

ANNEXURE - 'K'

Form AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures**PART A: SUBSIDIARIES**

The Company has 1 (One) Subsidiary Company as on 31st March, 2023.

Sl. No.	Particulars	
1.	Name of Subsidiary Company	Hindcon Solutions Private Limited (Formerly known as Padmalaya Vinimay Private Limited)
2.	Latest audited Balance Sheet Date	31.03.2023
3.	The date since when subsidiary was acquired	31st March, 2011
4.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April 1, 2022 to March 31, 2023
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Rupees
6.	Share Capital	₹40,35,000/-
7.	Reserves and Surplus	₹5,17,42,004/-
8.	Total Assets	₹5,67,73,704/-
9.	Total Liabilities	₹5,67,73,704/-
10.	Investments	₹4,21,71,105/-
11.	Turnover	₹4,23,55,091/-
12.	Profit before Taxation	₹31,26,294/-
13.	Provision for Taxation	₹8,67,328/-
14.	Profit after Taxation	₹22,58,966/-
15.	Proposed Dividend	NIL
16.	Extent of shareholding (in percentage)	97.52%

Other information:

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

PART B: ASSOCIATES AND JOINT VENTURES

The Company has no Associate Companies and Joint Ventures as on 31st March, 2023.

Other Information:

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

On behalf of the Board of Directors
For Hindcon Chemicals Limited

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

sd/-
Nilima Goenka
Whole time Director
DIN: 00848225

Registered Office:
62B, Braunfeld Row
Kolkata – 700 027
July 22, 2023

sd/-
Kashi Nath Dey
Chief Financial Officer

sd/-
Ankita Banerjee
Company Secretary



Financial Section

Independent Auditors' Report

To
The Members of
Hindcon Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Hindcon Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (Including Other Comprehensive Income), the statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2023, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the

standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India and the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;

making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with the governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- 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 for the year ended March 31, 2023 is in accordance with the provisions of section 197 read with Schedule V to the Act, and

- With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

as amended, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 37 to the Standalone financial statements.
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity (Intermediaries), with the understanding whether recorded in writing or otherwise that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (c) Based on our audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- (v) (a) The dividend paid by the Company during the year in respect of dividend declared for the previous year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.
- (b) The Board of Directors of the Company has not proposed any dividend for the year.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 and accordingly, reporting under Rule 11(g) of the

Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Sd/-
(CA. N. Krishnan)

Partner
Membership No.062381
UDIN: 23062381BGYOSP9186

Kolkata
May 26, 2023

Annexure – ‘A’ to the Independent Auditors’ Report

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

- (1) a. The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were physically verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its fixed assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the company is lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the company.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its property, plant and equipment during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (2) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the inventory (excluding material in transit) has been physically verified by the management during the year and in our opinion, the frequency of verification is reasonable and procedure and coverage as followed by the management were appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks hence this clause is not applicable to the Company.
- (3) a. The company has made any investment during the year other than existing investments made in shares. The company has granted unsecured loans to other entities during the year. The aggregate of loan given during the year was ₹6,55,00,000/= and balance outstanding as on 31.03.2023 of such loans & advances was ₹3,10,00,000/=. The Company did not give guarantee, or provided security to any Company/Firm/Limited Liability partnership/other party during the year.
- b. In respect of the investments made by the company, the terms and conditions under which such investments were made are not prejudicial to the company's interest. Based on the information and explanations furnished to us, in respect of the advances in the nature of loans given by the company, the terms and conditions under which such advances were given are not prejudicial to the Company's interest.
- c. All the Loans given by the company are repayable on demand and no repayment period is mentioned for these loans.
- d. Based on the information and explanations furnished to us and on the basis of our examination of the records of the Company, all the loans given by the company are repayable on demand. No such loans were renewed or extended and no fresh loans were granted during the year to settle the old loan.

- e. Based on the information and explanations furnished to us and on the basis of our examination of the records of the Company, loans granted by the company which are repayable on demand or for which the terms or period of repayment has not been specified are given below :

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loan/advances in the nature of loans			
- Repayable on demand (A)	₹3,10,00,000.00	0.00	0.00
- Agreement does not specify any terms or period of repayment (B)	0.00	0.00	0.00
Total (A + B)	₹3,10,00,000.00	0.00	0.00
% of loans/advances in the nature of loan to the total loans	100%	0%	0%

- (4) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans and investments made, guarantees and security provided by it, as applicable.
- (5) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, the company has not accepted deposits from public within the meaning of Section 73 to 76 of the Companies Act, 2013 read with Rule 2(b) of the Companies (Acceptance of Deposit's) Rules, 2014 (as amended) during the year. Accordingly, provision of clause 3(v) of the Order are not applicable.
- (6) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (7) According to the information and explanations given to us and on the basis of our examination of the records of the Company:
- a) According to the books and records of the company produced to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, wealth tax, sales tax, value added tax, GST, custom duty, excise duty, cess and other statutory dues as applicable. According to the information and explanations given to us and upon our enquiries in this regard, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, GST, customs duty and excise duty were outstanding as at March 31, 2023 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company and upon our enquiries in this regard, the details of disputed statutory dues including provident fund, employee's state insurance, service tax, duty of customs, value added tax, Cess, Goods and Services tax and other statutory dues (as applicable to the company) as at 31st March, 2023 are as follows :-

Sl. No.	Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates (F. Y.)	Forum where Dispute is pending
1.	Income Tax Act, 1961	Tax and Interest	16,02,954/=	2013-14	CIT (A)
2.	Income Tax Act, 1961	Tax and Interest	37,030/=	2017-18	DCIT/CPC
3.	Income Tax Act, 1961	Tax and Interest	71,00,506/=	2021-22	DCIT/CPC

- (8) According to the information and explanations given to us, there are no transactions which were not recorded by the Company in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 that has not been recorded in the books of accounts.
- (9) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not taken any term loans 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, no funds raised on short term basis have been used for long term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (10) (a) According to the records of the company examined by us and on the basis of information and explanation given to us, the company has not raised any money

- by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) is not applicable.
- (11) (a) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we report that neither fraud on the company by its officers or employees nor any fraud by the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us and based on our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, a report under section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us, no whistle blower complaints were received by the company during the year.
- (12) In our opinion, and to the best of our information and according to the explanations provided by the management, the company is not a nidhi company. Hence, the requirements of clause 3(xii) of the Order do not apply to the company.
- (13) In our opinion and according to the information and explanations given to us, the transactions of the company with the related parties during the year are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable and the details of the related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (14) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of audit report for the period under audit have been considered by us.
- (15) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions specified under section 192 of the Act with directors or persons connected with them, during the year and therefore, reporting under 3(xv) of the Order is not applicable to the Company.
- (16) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under 3(xvi) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not conducted any Non-Banking Financial/Housing Finance Activities during the year. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi) (d) of the Order is not applicable to the Company.
- (17) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the company has not incurred cash losses in the financial year 2022-23 and in the immediately preceding financial year 2021-22.
- (18) There has been no resignation of statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet

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

- (20) There are no unspent amounts towards Corporate Social Responsibility ("CSR") requiring transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

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

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

Sd/-
(CA. N. Krishnan)

Kolkata
May 26, 2023

Partner
Membership No.062381
UDIN: 23062381BGYOSP9186

Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Hindcon Chemicals Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of the information and explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated

in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R B ROY & CO.

Chartered Accountants
Firm Regn. No.322805E

Sd/-

(CA. N. Krishnan)

Partner

Kolkata
May 26, 2023

Membership No.062381
UDIN : 23062381BGYOSP9186

Standalone Balance Sheet as at March 31, 2023

(₹ in Lacs)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	4	256.81	172.01
(b) Capital work in progress	4	39.41	-
(c) Financial assets			
(i) Investments	5	90.25	129.91
(ii) Other financial assets	6	8.26	100.98
(d) Deferred tax assets (net)	7	61.49	31.96
(e) Other assets	8	2.84	2.84
Total Non-current assets		459.06	437.70
(2) Current assets			
(a) Inventories	9	332.08	357.42
(b) Financial assets			
(i) Trade receivables	10	2,618.01	2,635.83
(ii) Cash and cash equivalents	11	742.30	220.06
(iii) Other bank balances	12	271.24	320.69
(iv) Loans	13	310.00	440.00
(v) Other financial assets	6	39.40	23.16
(c) Current tax asset	14	157.02	369.55
(d) Other assets	8	159.53	185.09
Total Current assets		4,629.58	4,551.80
TOTAL ASSETS		5,088.64	4,989.50
EQUITY AND LIABILITIES			
(3) Equity			
(a) Equity share capital	15	1,023.81	1,023.81
(b) Other equity	16	2,995.12	2,687.12
Total Equity		4,018.93	3,710.93
Liabilities			
(4) Non-current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	17	4.63	2.43
(b) Provisions	18	29.28	0.51
Total Non-Current liabilities		33.91	2.94
(5) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	98.15	123.65
(ii) Trade payables	20		
- Total Outstanding dues of Micro and small enterprises		28.64	35.78
- Total Outstanding dues of creditors other than micro and small enterprises		712.07	752.95
(iii) Other financial liabilities	17	1.85	1.28
(b) Other liabilities	21	23.09	22.54
(c) Provisions	18	-	3.51
(d) Current tax liabilities	22	172.00	335.92
Total Current liabilities		1,035.80	1,275.63
TOTAL EQUITY AND LIABILITIES		5,088.64	4,989.50
Notes Forming part of the Standalone Financial Statements	1-45		

As per our report of even date attached
For **R B ROY & CO.**

Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-
(CA. N. Krishnan)

Partner
Membership No.062381
UDIN: 23062381BGYOSP9186
Kolkata
May 26, 2023.

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

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

Sd/-
(Ankita Banerjee)
(Company Secretary)

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

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

Standalone **Statement of Profit and Loss** for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from operations	23	8,165.00	6,370.31
II Other income	24	107.35	155.51
III Total income (I + II)		8,272.35	6,525.82
IV Expenses			
a) Cost of materials consumed	25	5,010.87	3,358.97
b) Purchase of stock-in-trade	26	1,585.96	1,730.31
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	-1.06	-4.25
d) Employee benefits expense	28	396.43	368.32
e) Finance costs	29	5.03	2.24
f) Depreciation and amortisation expense	4	28.69	25.28
g) Other expenses	30	657.45	419.22
Total expenses (IV)		7,683.37	5,900.09
V Profit before tax (III-IV)		588.98	625.73
VI Tax expense:			
Current tax		176.04	163.62
Deferred tax		-18.02	-10.90
Total Tax Expense		158.02	152.72
VII Profit for the year (V-VI)		430.96	473.01
VIII Other comprehensive income/(loss)			
A. Items that will not be reclassified subsequently to profit and loss			
(a) Remeasurements gain/(loss) on post-employment defined benefit plans		-26.04	-1.12
(b) Fair value changes of Investments in Equity Shares		-36.76	174.37
B. Income taxes on items that will not be reclassified to profit and loss		11.51	-15.55
Total other comprehensive income/(loss)		-51.29	157.70
IX. Total comprehensive income for the year (VII+VIII)		379.67	630.71
X. Earnings per Share (Face Value ₹10 each)			
- Basic (₹)	32	4.21	4.62
- Diluted (₹)	32	4.21	4.62
Notes Forming part of the Standalone Financial Statements	1-45		

As per our report of even date attached
For **R B ROY & CO.**
Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-
(CA. N. Krishnan)
Partner
Membership No.062381
UDIN: 23062381BGYOSP9186
Kolkata
May 26, 2023.

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

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

Sd/-
(Ankita Banerjee)
(Company Secretary)

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

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

Standalone Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

(₹ in Lacs)

Particulars	Number	Amount
Balance as at 1 April 2021	1,02,38,125	1,023.81
Changes in equity share capital during 2021-22	-	-
Balance as at 31 March 2022	1,02,38,125	1,023.81
Changes in equity share capital during 2022-23	-	-
Balance as at 31 March 2023	1,02,38,125	1,023.81

B. Other equity

Particulars	Reserves & Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained earnings	Equity Instruments through Other Comprehensive Income	
Balance at 1 April 2021	635.02	1,796.54	-119.20	2,312.36
Profit or Loss	-	473.01	-	473.01
Other comprehensive income (net of tax)	-	0.84	156.86	157.70
Total comprehensive income	-	473.85	156.86	630.71
Dividend	-	-255.95	-	-255.95
Reclassification Adjustment for Profit on Sale of Equity Shares	-	34.68	-34.68	-
Balance at 31 March 2022	635.02	2,049.12	2.98	2,687.12
Profit or Loss	-	430.96	-	430.96
Other comprehensive income (net of tax)	-	-26.04	-25.25	-51.29
Total comprehensive income	-	404.92	-25.25	379.67
Dividend	-	-71.67	-	-71.67
Balance at 31 March 2023	635.02	2,382.37	-22.27	2,995.12

- (i) Dividend paid during the year ended March 31, 2023 for the Financial Year 2021-22 (Final Dividend) is ₹0.70 per equity share of face value ₹10 each fully paid up (March 31, 2022: For the Financial Year 2021-22 Interim Dividend of ₹1.00 per equity share of face value ₹10 each fully paid up and for the Financial Year 2020-21 Final Dividend of ₹1.50 per equity share of face value ₹10 each, fully paid up).
- (ii) The Board of Directors of the Company has not proposed any dividend for the Financial Year 2022-23.

C. Notes Forming part of the Standalone Financial Statements

Note 1-45

As per our report of even date attached
For **R B ROY & CO.**
Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-
(CA. N. Krishnan)
Partner
Membership No.062381
UDIN: 23062381BGYOSP9186
Kolkata
May 26, 2023.

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

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

Sd/-
(Ankita Banerjee)
(Company Secretary)

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

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

Standalone Statement of Cash Flow for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Amount	Amount	Amount	Amount
A. Cash Flows from Operating Activities				
Profit before tax		588.98		625.73
Adjustment for:				
Depreciation	28.69		25.29	
Interest expense	5.03		2.24	
Fair Value Changes in Equity Instruments thru' FVTPL	-		2.99	
Provision for Bad Debts	132.16		-	
Profit on Sale of Investments	0.27		-2.85	
Profit on Sale of Fixed Assets	-		-2.16	
Dividend Income	-0.40		-37.37	
Provision for Gratuity	11.10		4.32	
Interest Income	-101.02	75.83	-69.03	-76.57
Operating cash flows before working capital changes		664.81		549.16
Working capital adjustments:				
(Increase)/Decrease in Inventories	25.35		-154.49	
(Increase)/Decrease in Trade Receivables	-114.34		-715.28	
(Increase)/Decrease in Loans, Financial Assets & Other Assets	181.08		-33.53	
Increase/(Decrease) in Trade Payables	-48.02		317.86	
(Increase)/Decrease in Financial Liabilities and Other Liabilities	-8.56	35.51	-4.12	-589.56
Cash generated from Operating Activities		700.32		-40.40
Income tax paid (net)		-157.02		-200.49
Net Cash generated from /(used in) Operating Activities (A)		543.30		-240.89
B. Cash Flows from Investing Activities				
Purchase of Property, plant & equipment including CWIP	-152.90		-54.27	
Sale of Investments	2.63		272.70	
(Increase)/Decrease in Loans	130.00		-275.00	
Dividend Income	0.40		37.37	
Interest Income	101.02		69.03	
Net Cash generated from /(used in) Investing Activities (B)		81.15		49.83

Standalone Statement of Cash Flow for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Amount	Amount	Amount	Amount
C. Cash Flow from Financing Activities				
Increase/ (Decrease) in Short-term Borrowings	-25.51		24.82	
Dividend paid	-71.67		-255.94	
Interest Paid	-5.03		-2.24	
Net Cash generated from /(used in) Financing Activities (C)		-102.21		-233.36
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		522.24		-424.42
Opening Cash and Cash Equivalents		220.06		644.48
Closing Cash and Cash Equivalents (Refer Note No. 11)		742.30		220.06

Note :

- The above Statement of Cash Flow has been prepared under the "Indirect method" as set out in Ind AS - 7, 'Statement of Cash Flows'.
- Figures in (-) indicate cash outflow.
- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

Notes Forming part of the Standalone Financial Statements

Note 1-45

As per our report of even date attached
For **R B ROY & CO.**
Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-
(CA. N. Krishnan)
Partner
Membership No.062381
UDIN: 23062381BGYOSP9186
Kolkata
May 26, 2023.

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

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

Sd/-
(Ankita Banerjee)
(Company Secretary)

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2023

1 Company Overview

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

2 Basis of preparation

2.1 Statement of Compliance

These Standalone Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), under the historical cost convention on accrual basis, except for certain financial instruments which are measured at Fair values, as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

The Standalone Financial Statements have been prepared on accrual and going concern basis.

As the year end figures are taken from the source and rounded off to the nearest digits, the figures reported for the previous quarters might not always add up to the year end figures reposted in this statement."

2.2 Functional and presentation currency

The financial statements have been presented in Indian Rupees (₹) which is also the Company's presentation currency. All financial information presented in ₹ has been rounded off to the nearest lacs as per the requirements of Schedule III, unless otherwise stated.

2.3 Basis of measurement

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

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

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

2.4 Use of judgments and estimates

The preparation of the Standalone Financial Statements in conformity with Ind AS required the management to make estimates, assumptions and judgements. These estimates, judgement and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Standalone financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates, which involve complex and subjective judgements and the use of assumptions in these financial statements, have been disclosed in Note 2.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the financial statements in the period in which change are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

2.5 Critical accounting estimates and judgements

Information about significant judgements and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Notes to the Standalone Financial Statements for the year ended March 31, 2023

Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

Defined benefit plans

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

Provisions and Contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

Allowances for Doubtful Debts

The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

2.6 Measurement of fair values

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

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

The management regularly reviews significant unobservable inputs and valuation adjustments.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is

Notes to the Standalone Financial Statements for the year ended March 31, 2023

categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.7 Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

The asset/liability is classified as current if it satisfies any of the following conditions :

- a) The asset/liability is expected to be realised/settled in the Company's normal operating cycle;
- b) The asset is intended for sale or consumption;
- c) The asset/liability is held primarily for the purpose of trading;
- d) The asset/liability is expected to be realized/settled within twelve months after the reporting period;
- e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date
- f) In case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

The Company classifies all other assets and liabilities as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as 12 months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.8 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023 as below :

- i) IND AS 1, Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.
- ii) IND AS 8, Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of "accounting estimates" and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.
- iii) IND AS 12, Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

3 Significant accounting policies

3.1 Property, Plant and Equipment

i. Recognition and measurement

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

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

Notes to the Standalone Financial Statements for the year ended March 31, 2023

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

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

ii. Subsequent expenditure

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

Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortized part of the previously recognized expenses of similar nature is derecognized.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as Capital Advances under other non-current assets.

iii. Depreciation and amortisation

Depreciation is provided on written down method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed off).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

iv. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

v. Capital Work in Progress

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

3.2 Investment in Subsidiary

Investments in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately, to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the Statement of Profit and Loss.

3.3 Financial instruments

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

i. Financial Assets

Initial recognition and measurement

All financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

Subsequent measurement

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

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

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

Financial assets measured at amortised cost

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

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

Financial assets measured at FVTOCI

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

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

Financial assets measured at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Other equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. Financial liability

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Notes to the **Standalone Financial Statements** for the year ended March 31, 2023

Subsequent measurement

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

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

Financial liabilities measured through FVTPL

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

Financial liabilities measured at amortised cost

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

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

Derecognition

A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

iii. Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.4 Inventories

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Costs incurred in bringing each product to its present location and condition are as follows:

Raw materials, consumables, and packing materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

Work-in-progress and Finished goods: Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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

3.5 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

3.6 Employee Benefits

i) Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

ii) Post-Employment Benefits

The Company operates the following post-employment schemes:

Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurement of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

Defined Contribution Plan

Defined contribution plans such as provident fund, ESI etc. are charged to the Statement of Profit and Loss as and when incurred.

3.7 Provisions, Contingent Liabilities and Contingent Assets

i) Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

ii) Onerous Contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

iii) Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in other Notes to Financial Statements.

iv) Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

3.8 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

a) Sale of Goods

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

b) Sale of Services

In contracts involving the rendering of services, revenue is measured using the completed service method.

c) Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Insurance & other claims, where quantum of accruals cannot be ascertained with reasonable certainty are recognized as income only when revenue is virtually certain which generally coincides with receipt/acceptance.

d) Interest Income

For all financial instruments measured at amortized cost, Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

e) Dividend Income

Dividend Income from investments is recognized when the Company's right to receive payment has been established.

3.9 Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- i) the contract involves the use of an identified asset,
- ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and
- iii) the Company has the right to direct the use of the asset.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. 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 lease term or useful life of right-of-use asset.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

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 leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 36 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

3.10 Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

ii. Deferred tax

Deferred Income Tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities, and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. These are expected to apply in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expenses in the period that includes the enactment or the substantive enactment date.

A Deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred income tax asset is reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balance relate to the same taxation authority. Current tax assets and liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the **Standalone Financial Statements** for the year ended March 31, 2023

3.11 Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. The Company considers a period of 12 months or more as a substantial period of time. All other borrowing costs are recognised as an expense in the period in which they are incurred.

3.12 Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3.14 Foreign Currency Transactions

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

Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.14 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

4 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2023 were as follows:

(₹ in Lacs)

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As At April 1, 2022	Additions/ Adjustments	Deductions/ Adjustments	As At April 1, 2022	For the Year	Deductions/ Adjustments	As At March 31, 2023	As At March 31, 2023
Owned Assets								
Freehold Land	44.53	88.34	-	-	-	-	132.87	132.87
Building	13.87	2.70	-	8.68	0.72	-	9.40	7.17
Factory Shed	39.51	0.10	-	13.56	2.46	-	16.02	23.59
Office	18.18	-	-	12.97	0.48	-	13.45	4.73
Furniture & Fixtures	6.14	-	-	2.99	0.79	-	3.78	2.36
Plant & Machinery	105.31	17.08	-	55.31	10.80	-	66.11	56.28
Motor Car	54.52	-	-	23.33	9.78	-	33.11	21.41
Motor Cycle	1.20	-	-	1.14	-	-	1.14	0.06
Electrical Installations	7.18	0.35	-	5.96	0.36	-	6.32	1.21
Laboratory Equipments	1.92	-	-	1.54	0.08	-	1.62	0.30
Office Equipments	16.43	2.32	-	13.49	1.34	-	14.83	3.92
Computer & Accessories	7.47	2.60	-	5.39	1.85	-	7.24	2.83
Fire Safety Equipments	0.39	-	-	0.28	0.03	-	0.31	0.08
Total	316.65	113.49	-	144.64	28.69	-	173.33	256.81
Capital Work-in-Progress								
Grand Total								296.22
Capital work-in-progress								
Ageing of capital work-in-progress as at March 31, 2023 is as follows :								
Particulars	Amount in Capital work-in-progress for a period of			Total				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total			
Projects in Progress	39.41	-	-	-	39.41			
Total	39.41	-	-	-	39.41			

Notes to the Standalone Financial Statements for the year ended March 31, 2023

4 Property, plant and equipment (contd.)

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

(₹ in Lacs)

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As At April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	As At March 31, 2022	As At April 1, 2021	For the Year		Deductions/ Adjustments
Owned Assets								
Freehold Land	44.53	-	-	44.53	-	-	-	44.53
Building	10.12	3.75	-	13.87	8.14	0.54	-	5.19
Factory Shed	39.51	-	-	39.51	10.86	2.70	-	25.95
Office	18.18	-	-	18.18	12.44	0.53	-	5.21
Furniture & Fixtures	6.14	-	-	6.14	1.89	1.10	-	3.15
Plant & Machinery	78.04	27.27	-	105.31	46.75	8.56	-	50.00
Motor Car	42.67	23.63	-11.78	54.52	25.38	8.40	-10.45	31.19
Motor Cycle	1.20	-	-	1.20	1.14	-	-	0.06
Electrical Installations	6.72	0.46	-	7.18	5.63	0.33	-	1.22
Laboratory Equipments	1.79	0.13	-	1.92	1.44	0.10	-	0.38
Office Equipments	16.25	0.18	-	16.43	12.31	1.18	-	2.94
Computer & Accessories	5.15	2.32	-	7.47	3.59	1.80	-	2.08
Fire Safety Equipments	0.39	-	-	0.39	0.24	0.04	-	0.11
Total	270.69	57.74	-11.78	316.65	129.81	25.28	-10.45	172.01
								144.64

4.1 Refer Note 19 for hypothecation of property, plant and equipment against borrowing.

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

Notes to the Standalone Financial Statements for the year ended March 31, 2023

5 Non-Current Investments

(₹ in Lacs)

Particulars	Face Value per Share	Quantity (Nos.)		Amount	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unquoted					
Investments in Equity Instruments In Subsidiary at cost					
Hindcon Solutions Pvt Ltd	10	3,93,500	3,93,500	39.35	39.35
Quoted					
Investments in equity instruments At fair value through other comprehensive income					
Dollar Industries Ltd	2	13269	13269	46.15	72.96
Ejecta Marketing Ltd	10	25000	25000	-	-
Lanco Infratech Ltd	1	135000	135000	-	-
Life Insurance Corporation of India	10	126	-	0.67	-
Kritika Wires Ltd	2	50000	-	4.08	-
Investment in mutual funds (at fair value through profit or loss)					
Nippon India Tax Saver (ELSS) - Growth	10	-	5709	-	4.42
Nippon India - US Equity Opportunities Fund	10	-	58889	-	13.18
Total				90.25	129.91
Aggregate carrying value of quoted investments				50.90	90.56
Aggregate carrying value of unquoted investments				39.35	39.35
Aggregate market value of quoted investments				50.90	90.56
Aggregate amount of Impairment in value of investments				-	-

6 Other financial assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Bank deposit*	-	-	100.00	-
Security deposit	8.26	9.08	0.98	2.61
Interest accrued on deposits and Loans	-	30.32	-	20.55
Total	8.26	39.40	100.98	23.16

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

7 Deferred Tax Assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets		
Property, Plant and Equipment	6.39	5.26
Retirement Benefit Obligations	7.37	1.01
Provision for Expected Credit Loss	44.30	27.46
Investments	3.43	-

Notes to the Standalone Financial Statements for the year ended March 31, 2023

7 Deferred Tax Assets (Net) (contd.)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities		
Investments	-	-1.77
Total	61.49	31.96

7.1 Movement in deferred tax assets/(liabilities) balances during the year ended 31 March 2023

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in OCI	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Property, Plant and Equipment	5.26	1.13	-	6.39
Provision for Doubtful Debts	27.46	16.84	-	44.30
Provision for Employee Benefits	1.01	0.07	6.29	7.37
Investments	-1.77	-0.02	5.22	3.43
	31.96	18.02	11.51	61.49

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

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in OCI	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Property, Plant and Equipment	5.45	-0.20	-	5.25
Provision for Doubtful Debts	12.36	15.10	-	27.46
Provision for Employee Benefits	0.54	-0.26	0.74	1.02
Investments	14.10	0.39	-16.28	-1.79
Others	4.15	-4.13	-	0.02
	36.60	10.90	-15.54	31.96

Deferred Tax Asset amounting to ₹0.75 Lacs as at March, 31 2023 (March 31, 2022 ₹0.75 Lacs) on Long Term Capital losses carried forward has not been recognised due to uncertainty surrounding availability of future long term capital gains against which such loss can be offset.

8 Other Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Deposits (Carried at amortised cost)				
– With Statutory Authorities	2.10	-	2.10	-
– Others (Unsecured, considered good)	0.74	-	0.74	-
Advance to Suppliers (Unsecured, considered good)	-	48.51	-	107.06
Balances with Revenue Authorities	-	98.07	-	63.54
Prepaid Expenses	-	4.19	-	1.97
Advance to Employees	-	8.76	-	12.52
Total	2.84	159.53	2.84	185.09

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

8.2 Others include deposits with various parties against supply of services

8.3 Balance with revenue authorities primarily relate to input credit entitlement, refunds and amounts paid under protest in respect of

Notes to the Standalone Financial Statements for the year ended March 31, 2023

- 8 Other Assets** (contd.)
demands and claims from revenue authorities.

9 Inventories

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Valued at the lower of cost and net realisable value)		
Raw materials	326.06	352.46
Work-in-progress	6.02	4.96
Total	332.08	357.42

10 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
(a) Trade Receivables considered good – Secured	-	-
(b) Trade Receivables considered good – Unsecured	2,618.01	2,621.83
(c) Trade receivables which have significant increase in credit risk	176.00	123.11
<u>Less:</u> Allowance for expected credit loss	-176.00	-109.11
(d) Trade Receivables – credit impaired	-	-
Total	2,618.01	2,635.83
(a) Receivables from related parties (Refer note no. 34)	57.78	677.74
(b) Others	2,560.23	1,958.09
Total	2,618.01	2,635.83

Movement in allowance for expected credit losses of receivables:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	109.11	49.11
Charge/(release) during the year	66.89	60.00
Balance at end of the year	176.00	109.11

- 10.1** In determining allowance for credit losses of trade receivables, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.
- 10.2** The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2023 to be ₹2,618.01 Lacs (March 31, 2022- ₹2,635.83 Lacs), which is the carrying value of trade receivables after allowance for credit losses.
- 10.3** There are no outstanding receivables due from directors or other officers of the Company.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

10 Trade receivables (contd.)

10.4 Trade receivables ageing schedule for the year ended March 31, 2023 were as follows:

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,240.03	158.21	113.13	-	106.64	2,618.01
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	80.53	95.47	176.00
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-176.00
Total	2,240.03	158.21	113.13	80.53	202.11	2,618.01

10.5 Trade receivables ageing schedule for the year ended March 31, 2022 were as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,786.94	435.26	237.44	100.28	61.91	2,621.83
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	109.54	13.57	123.11
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-109.11
Total	1,786.94	435.26	237.44	209.82	75.48	2,635.83

10.6 There are no unbilled receivables as at March 31, 2023 and March 31, 2022.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

11 Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	-7.67	0.14
- In deposits accounts*	749.56	217.66
Cash on hand	0.41	2.26
Total	742.30	220.06

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

12 Other Bank Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In deposits accounts*	269.39	319.41
Earmarked balances with Bank		
- Unclaimed dividend	1.85	1.28
Total	271.24	320.69

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

13 Loans

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Loan Given (unsecured, considered good)				
- To Others	-	310.00	-	440.00
Total	-	310.00	-	440.00

13.1 Other Loan primarily represents loans given to other entities to be used in the ordinary course of business. (Please see note no.39)

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)

or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

14 Current Tax Asset

Particulars	As at March 31, 2023	As at March 31, 2022
Advance payment of Tax (including TDS & TCS)	157.02	369.55
Total	157.02	369.55

Notes to the Standalone Financial Statements for the year ended March 31, 2023

15 Equity Share Capital

(₹ in Lacs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Authorised		
1,10,00,000 Equity Shares of ₹10 each (as at March 31, 2022 : 1,10,00,000 Equity Shares of ₹10 each)	1,100.00	1,100.00
	1,100.00	1,100.00
Issued, subscribed and fully paid-up		
1,02,38,125 Equity Shares of ₹10 each (as at March 31, 2022 : 1,02,38,125 Equity Shares of ₹10 each)	1,023.81	1,023.81
	1,023.81	1,023.81

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

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	1,02,38,125	1,023.81	1,02,38,125	1,023.81
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	1,02,38,125	1,023.81	1,02,38,125	1,023.81

15.2 Rights, preferences and restrictions attaching to Equity Shares

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

15.3 The Company does not have any holding Company or ultimate holding Company.

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

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

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

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

Particulars	As at	
	March 31, 2023	March 31, 2022
	No of Shares	No of Shares
Equity Shares allotted as fully paid bonus shares **	-	59,82,500
Equity Shares allotted as fully paid for consideration other than cash	-	-
Equity Shares bought back	-	-

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

Notes to the Standalone Financial Statements for the year ended March 31, 2023

15 Equity Share Capital (contd.)**15.8 Particulars of shareholders holding more than 5% shares of fully paid up equity shares :**

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% of total shares in the class	Number	% of total shares in the class
Hindcon Solutions Pvt Ltd	25,66,100	25.06	25,66,100	25.06
Sanjay Goenka	18,82,500	18.39	18,78,500	18.35
Nilima Goenka	14,47,892	14.14	14,44,500	14.11
Vansh Goenka	5,70,387	5.57	5,70,000	5.57

15.9 Disclosure of share holdings of Promoters as at the end of the year :

Name of the Promoter/ Promoter Group	As at March 31, 2023			As at March 31, 2022		
	Number	% of total shares in the class	% change during the year	Number	% of total shares in the class	% change during the year
Sanjay Goenka	18,82,500	18.39	0.04	18,78,500	18.35	-
Nilima Goenka	14,47,892	14.14	0.03	14,44,500	14.11	0.20
Vansh Goenka	5,70,387	5.57	-	5,70,000	5.57	-
Sanjay Goenka & Others (HUF)	5,11,000	4.99	-	5,11,000	4.99	-
Hindcon Solutions Pvt Ltd	25,66,100	25.06	-	25,66,100	25.06	-

16 Other Equity

(₹ in Lacs)

Components	Note	As at March 31, 2023	As at March 31, 2022
Securities Premium	a	635.02	635.02
Retained Earnings	b	2,382.37	2,049.13
Other Comprehensive Income	c	-22.28	2.97
		2,995.11	2,687.12

Particulars	As at March 31, 2023	As at March 31, 2022
a) Securities Premium		
Balance at the Beginning of the year	635.02	635.02
Movement During the year	-	-
Balance at the end of the year	635.02	635.02
b) Retained earnings		
Balance at the Beginning of the year	2,049.12	1,796.55
Profit for the year	404.92	473.85
Dividend	-71.67	-255.95
Transfer within Equity *	-	34.68
Balance at the end of the year	2,382.37	2,049.13
c) Other comprehensive income		
Balance at the Beginning of the year	2.97	-119.21
Changes during the year	-25.25	156.86
Transfer within Equity *	-	-34.68
Balance at the end of the year	-22.28	2.97

Notes to the Standalone Financial Statements for the year ended March 31, 2023

16 Other Equity (contd.)

The description of the nature and purpose of each reserve within equity is as follows:

- (a) **Securities premium:** This represents amount received towards issue of equity shares over their face value. This amount can be utilised in accordance with the provisions of Companies Act, 2013.
- (b) **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends of other distributions paid to shareholders.

* Represents gain/(loss) on sale of investments carried at fair value through other comprehensive income re-classified from OCI.

17 Other financial liabilities

(₹ in Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Security deposit	4.63	-	2.43	-
Unpaid dividend*	-	1.85	-	1.28
Total	4.63	1.85	2.43	1.28

*Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 126 of the Companies Act, 2013 or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.

18 Provisions

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Provision for Gratuity	29.28	-	0.51	3.51
Total	29.28	-	0.51	3.51

19 Borrowings

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Secured				
Repayable on demand from bank	-	1.96	-	21.68
Buyer's Credit from Bank	-	96.19	-	101.97
Total	-	98.15	-	123.65

19.1 Nature of security

Working Capital loan and Buyer's Credit from bank are secured by way of hypothecation charge on all existing and future current assets of the Company. Further secured through first and exclusive mortgage on immovable properties being Land and Building owned by the Company and also by the personal guarantee of the directors of the Company, Mr Sanjay Goenka and Mrs Nilima Goenka.

19.2 Repayment Terms and the applicable rate of interest on the above loan during the year:

- Buyer's Credit from Kotak Mahindra Bank Ltd is repayable on 05.05.2023.
- Working capital loan from Bank is repayable on demand.
- Rate of Interest on Buyer's Credit from Kotak Mahindra Bank Ltd is 3 months libor plus 1.05%.
- Rate of Interest on Cash credit is 10.50% p.a. as on March 31, 2023

Notes to the Standalone Financial Statements for the year ended March 31, 2023

20 Trade Payables

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Outstanding of dues of Micro and Small Enterprises	28.64	35.78
Total Outstanding of dues of Creditors other than Micro and Small Enterprises	712.07	752.95
Total	740.71	788.73

20.1 Amount due to micro and small enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro and small enterprises (MSME) is as below:

Particulars	As at March 31, 2023	As at March 31, 2022
a. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	28.64	35.78
b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
d. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

20.2 Trade payables ageing schedule for the year ended March 31, 2023 were as follows:

Particulars	Outstanding as on March 31, 2023 from the date of transaction					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	28.64	-	-	-	28.64
(ii) Others	14.20	697.87	-	-	-	712.07
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	14.20	726.51	-	-	-	740.71

20.3 Trade payables ageing schedule for the year ended March 31, 2022 were as follows:

Particulars	Outstanding as on March 31, 2022 from the date of transaction					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	35.78	-	-	-	35.78
(ii) Others	2.91	750.04	-	-	-	752.95
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2.91	785.82	-	-	-	788.73

Notes to the Standalone Financial Statements for the year ended March 31, 2023

21 Other Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Statutory Dues	-	17.52	-	12.56
Advances received from customers	-	5.57	-	1.88
Other payables	-	-	-	8.10
Total	-	23.09	-	22.54

21.1 Statutory dues primarily relates to payables in respect to Goods and Service Tax, provident fund, employee state insurance and tax deducted as source.

22 Current Tax Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax	172.00	335.92
Total	172.00	335.92

23 Revenue from Operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Manufactured Goods	6,356.74	4,453.33
Sale of Traded Goods	1,706.46	1,834.14
Sale of Services	101.80	82.84
Total revenue from operations	8,165.00	6,370.31

23.1 Nature of goods and services

The Company is engaged in the manufacturing of sodium silicate and construction chemicals and generates revenue from the sale of the same. It is also the only reportable segment of the Company.

23.2 Disaggregation of revenue for the year

In the following table, revenue is disaggregated by primary geographical market and major products lines etc.

Disaggregation of revenue

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Based on Major Products		
- Sodium Silicate & Construction Chemicals	8,063.20	6,287.47
- Works Contract	101.80	82.84
	8,165.00	6,370.31
Based on Geographical Region		
- India	6,647.50	5,356.80
- Outside India	1,517.50	1,013.51
	8,165.00	6,370.31
Based on Timing of Revenue		
- At a point in time	8,165.00	6,370.31
- Overtime	-	-
	8,165.00	6,370.31

Notes to the Standalone Financial Statements for the year ended March 31, 2023

23 Revenue from Operations (Contd.)

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Based on Contract Duration		
- Long Term	-	-
- Short Term	8,165.00	6,370.31
	8,165.00	6,370.31

23.3 Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Contract Balances

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Receivables, which are included in "Trade Receivables" (Refer Note No.10)	2,618.01	2,635.83
Contract Assets	15.98	2.61
Contract Liabilities	16.36	14.05

23.4 Other Information

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Transaction Price allocated to the remaining performance obligations	Nil	Nil
The amount of revenue recognised in the current period that was included in the opening contract liability balance	Nil	Nil

Performance Obligations - The Company satisfies the performance obligations for goods on shipment/despatch, as the case may be and in case of services, as the services are rendered. In case of service contracts, the company has given guarantee to the customer to make good any defect found in the performance of the service.

24 Other Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income	101.02	69.03
Dividend income	0.40	37.37
Other non-operating income		
- Profit on sale of property, plant and equipment	-	2.16
- Net Gain on sale of Mutual Funds	-	2.85
- Net Gain/(Loss) on Fair Value changes of Mutual Funds	-	-2.99
- Recovery of bad debts written off in earlier years	5.76	37.89
- Net Gain on Foreign Currency Transactions	-	8.08
- Other Income	0.17	1.12
Total	107.35	155.51
Interest income comprises interest from:		
a) Deposits with banks - carried at amortised cost	48.79	23.25
b) Other financial assets measured at amortised cost	52.23	45.78
Total	101.02	69.03
Dividend income comprises Dividend from:		
a) Investments carried at Fair Value through other comprehensive income	0.40	1.95
b) Investments carried at amortised cost	-	35.42
Total	0.40	37.37

Notes to the Standalone Financial Statements for the year ended March 31, 2023

25 Cost of Materials Consumed

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventory of Raw Materials at the beginning of the year	352.46	202.22
Add: Purchases (including in transit Purchases)	4,984.46	3,509.21
	5,336.92	3,711.43
Less: Inventory of Raw Materials at the end of the year	326.05	352.46
	5,010.87	3,358.97

26 Purchase of Stock-in-trade

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of Traded Goods	1,585.96	1,730.31
Total	1,585.96	1,730.31

27 Change in Inventories of Finished Goods and Work-in-Progress

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
Work-in-Progress	4.96	0.71
Inventories at the end of the year		
Work-in-Progress	6.02	4.96
Total	-1.06	-4.25

28 Employee Benefits Expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	367.84	347.75
Contribution to provident and other funds	27.19	19.43
Staff welfare expenses	1.40	1.14
Total	396.43	368.32

28.1 During the year, the Company has recognised an amount of ₹139.76 Lacs (Previous Year 2021-22 : ₹139.63 Lacs) as remuneration to Key Managerial Personnel on account of short-term employee benefits.

29 Finance Costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Borrowings from Banks	4.53	1.40
Interest on Statutory Dues	0.50	0.84
Total	5.03	2.24

Notes to the Standalone Financial Statements for the year ended March 31, 2023

30 Other Expenses

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Manufacturing Expenses		
Calibration Charges	0.25	0.33
Consumable Stores	0.70	0.96
Works Contract Charges	66.83	58.22
Power & Fuel	4.23	3.34
Repairs & Maintenance	4.72	2.77
Selling & Distribution Expenses		
Advertisement Expenses	2.88	2.51
Carriage Outward	253.14	162.07
Sales Promotion Expenses	3.50	3.73
Seminar Expenses	0.25	1.11
Commission	0.68	0.87
Establishment Expenses		
Electricity Charges	1.40	0.80
Contribution for CSR Activities	11.93	9.50
Travelling & Conveyance	29.11	21.98
Office Rent	3.38	3.00
Insurance Charges	2.03	2.64
Rates & Taxes	8.41	7.93
Professional Fees	27.66	16.04
Provision for Expected Credit Loss	132.17	60.00
Net Loss on Foreign Currency Transactions	41.79	-
Other Expenses	58.24	57.32
Internal Audit Fees	2.00	1.80
Auditors' Remuneration	2.15	2.30
Total	657.45	419.22

30.1 Details of auditors' remuneration and out-of-pocket expenses is as below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statutory Audit fees	1.65	1.80
Tax Audit Fees	0.50	0.50
	2.15	2.30

Notes to the Standalone Financial Statements for the year ended March 31, 2023

31 Income Taxes

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A Amount recognised in Statement of Profit and Loss		
Current Tax		
Current period	172.00	163.62
Adjustment for current tax of prior periods	4.04	-
a	176.04	163.62
Deferred Tax		
Deferred tax for the year	-18.02	-10.90
b	-18.02	-10.90
Income tax expense reported in the Standalone Statement of Profit and Loss	(a+b) 158.02	152.72

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
B Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in Standalone Statement of Profit and Loss		
Profit/(loss) before tax	588.98	625.73
Indian statutory income tax rate	25.168%	25.168%
Estimated Income tax expense	148.23	157.48
Tax Effect of adjustments to reconcile expected tax expenses to reported tax expenses :		
Capital Gain taxable at different rates	0.16	0.23
Items not deductible	43.34	21.85
Changes in Fair Value of Investments Measured thru' FVTPL	0.08	0.75
Expense deductible on Actual Basis	-18.94	-1.51
Utilisation/credit of deferred expenses and other tax benefits	-0.10	-13.56
Deferred Tax Impact	-18.02	-10.90
Others	3.27	-1.62
Total Income Tax Expense	158.02	152.72
Effective Income Tax Rate	26.83%	24.41%

32 Earnings per Share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Earnings per share has been computed as under:		
(a) Profit for the year	430.96	473.01
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic/diluted earnings per share (Face Value ₹10 per share)	102.38	102.38
(c) Earnings per share		
- Basic (a/b)	4.21	4.62
- Diluted (a/b)	4.21	4.62

Notes to the Standalone Financial Statements for the year ended March 31, 2023

33 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013.**(a) Defined contribution plans:**

The amount recognised as an expense for Defined contribution plans are as under:

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to Provident Fund	12.68	11.82
Employer's contribution to ESIC	3.40	3.26
Total	16.08	15.08

(b) Defined benefit plans:

The following are the types of Defined Benefit Plans :

(i) Gratuity Plan

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

(ii) Provident Fund

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

(c) Risk Exposure**Defined Benefit Plans**

Defined benefit plans expose the Company to actuarial risks such as: Interest rate risk, Salary risk and Demographic risk.

- Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.
- Salary risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that includes mortality withdrawal disability and retirement. The effect of these decrements on the defined benefits obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of the short career employee typically costs less per year as compared to a long service employee.

(d) Details of the Gratuity Plan are as follows:**i) Reconciliation of the net defined benefit (asset)/ liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Balance at the beginning of the year	39.82	36.27
Current service cost	10.82	4.30
Interest cost on Defined Benefit Obligation	2.86	2.53
Actuarial gain and losses arising		
Due to change in financial assumptions	0.96	-1.55
Due to unexpected experience adjustments	25.06	2.00
Benefits paid	-	-3.73
Balance at the end of the year	79.52	39.82

Notes to the Standalone Financial Statements for the year ended March 31, 2023

33 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013. (Contd.)

ii) Changes in the Fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows : (₹ in Lacs)

Particulars	2022-23		2021-22	
Fair Value of Planned Assets at the beginning of the year		35.81		34.13
Expected Return on Planned Assets		2.57		2.50
Contribution		11.88		3.58
Benefits Paid		-		-3.73
Actuarial Gain/(Loss)		-0.02		-0.67
Present Value of defined benefit obligation at the end of the year		50.24		35.81

iii) Amount recognized in Balance Sheet :

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Present value of Defined Benefit Obligation	79.52	39.82
Fair Value of Plan assets	-50.24	-35.81
Net (Assets)/ Liability recognised in the Balance Sheet	29.28	4.01

iv) Expenses recognized in statement of Profit and Loss

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Current service cost	10.81	4.30
Interest cost	0.29	0.02
Net Benefit Expense	11.10	4.32

v) Remeasurement recognized in Other Comprehensive Income

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Actuarial (gain)/ loss on Defined Benefit Obligation	26.04	1.12

vi) Actuarial Assumptions

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Financial Assumptions		
Discount rate	7.17%	7.34%
Salary escalation rate	6.00%	6.00%
Demographic Assumptions		
Mortality rate	IALM 2012-2014 Ultimate	
Withdrawal rate	5.00%	5.00%

vii) Maturity Analysis

Weighted average duration of the retiring gratuity obligation is 9 years (March 31, 2022 - 15 years)

Notes to the **Standalone Financial Statements** for the year ended March 31, 2023**33 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013.** (Contd.)**viii) Sensitivity Analysis**

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Lacs)

Variable	Sensitivity Level		Effect on Defined Benefit Obligations			
	March 31, 2023	March 31, 2022	March 31, 2023		March 31, 2022	
			Increase	Decrease	Increase	Decrease
Discount rate	+/- 0.5%	+/- 0.5%	76.76	82.49	37.70	42.13
Salary escalation rate	+/- 0.5%	+/- 0.5%	82.41	76.82	42.13	37.67
Attrition rate	+/- 0.5%	+/- 0.5%	79.53	79.51	39.83	39.81
Mortality rate	+/- 10%	+/- 0.5%	79.53	79.51	39.83	39.81

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

34 Related Party Disclosures**Subsidiary**

Hindcon Solutions Pvt Ltd

Key Managerial Personnel (KMP)

Mr Sanjay Goenka	Managing Director/Director
Mrs Nilima Goenka	Whole Time Director
Mr Ramsanatan Banerjee	Whole Time Director
Mr Giridhari Lal Goenka	Independent Director
Mr Binay Kumar Agarwal	Independent Director
Mr Krishna Kumar Tantia	Independent Director (Resigned w.e.f. 28.05.2022)
Mr Sudhir Kumar Bhartia	Independent Director (Appointed w.e.f. 28.05.2022)
Mr Kashinath Dey	Chief Financial Officer
Ms Jaya Bajpai	Company Secretary (Resigned w.e.f. 01.09.2022)
Ms Ankita Banerjee	Company Secretary (Appointed w.e.f. 15.11.2022)

Relatives of Key Managerial Personnel

Mr Vansh Goenka

Mr Rajiv Goenka

Enterprises over which Key Managerial Personnel are able to exercise significant influence

Bengal Silicates & Chemicals Pvt Ltd

RG's Fashions Pvt Ltd

Chemico International Pvt Ltd

Sanjay Goenka & Others (HUF)

Hindcon Foundation

Notes to the Standalone Financial Statements for the year ended March 31, 2023

34 Related Party Disclosures (contd.)

The following transactions were carried out with related parties in the ordinary course of business:

(₹ in Lacs)

Nature of transaction	Name of Related Party	Transaction for the year ended		Balances	
		31-03-2023	31-03-2022	31-03-2023	31-03-2022
		Amount	Amount	Amount	Amount
Salary/Perquisites	Sanjay Goenka	87.00	87.00	-	-
	Nilima Goenka	36.00	36.00	-	-
	Ramsanatan Banerjee	9.24	8.64	-	-
	Kashinath Dey	5.10	4.92	-	-
	Vansh Goenka	1.71	-	-	-
	Jaya Bajpai	0.90	2.16	-	-
	Ankita Banerjee	0.81	-	-	-
Director Sitting Fees	Binay Kumar Agarwal	0.34	0.38	-	-
	Giridhari Lal Goenka	0.21	0.18	-	-
	Krishna Kumar Tantia	-	0.35	-	-
	Sudhir Kumar Bhartia	0.16	-	-	-
Office Rent	Sanjay Goenka	1.20	1.20	-	-
	Nilima Goenka	1.80	1.80	-	-
Donation Paid	Hindcon Foundation	1.01	-	-	-
Dividend Received	Hindcon Solutions Pvt Ltd	-	35.42	-	-
Purchases	Chemico International Pvt Ltd	-	48.00	-	-
Sales	Bengal Silicates & Chemicals Pvt Ltd	1,175.31	893.18	-	-
	Chemico International Pvt Ltd	-	1,480.23	-	-
	RG's Fashions Pvt Ltd	1.77	0.34	-	-
Staff Welfare Expenses	RG's Fashions Pvt Ltd	0.21	-	-	-
Trade Receivables	Bengal Silicates & Chemicals Pvt Ltd	-	-	57.46	207.34
	Chemico International Pvt Ltd	-	-	-	470.31
	RG's Fashions Pvt Ltd	-	-	0.32	0.09
Investments in Equity Shares	Hindcon Solutions Pvt Ltd	-	-	39.35	39.35
Dividend Paid	Sanjay Goenka & Other (HUF)	3.58	12.78	-	-
	Sanjay Goenka	13.15	46.96	-	-
	Nilima Goenka	10.11	36.11	-	-
	Vansh Goenka	3.99	14.25	-	-
	Hindcon Solutions Pvt Ltd	17.96	64.15	-	-

34.1 The sale to and purchases from related party are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. The Company has recorded the receivable relating to amount due from Related parties net of impairment. This assessment is undertaken each Financial Year through examining the Financial Position of the Related parties and the market in which the Related Party operates.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

35 Financial instruments and related disclosures

35.1 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, lease liabilities, short term borrowings and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. The management has assessed that the fair value of floating rate instruments approximates their carrying value.

35.2 Financial instruments by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position. The table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lacs)

Particulars	As at March 31, 2023					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets						
(i) Investments	Non Current	-	50.90	39.35	90.25	50.90
(ii) Other financial assets	Non Current	-	-	8.26	8.26	-
(iii) Trade receivables	Current	-	-	2,618.01	2,618.01	-
(iv) Cash and cash equivalents	Current	-	-	742.30	742.30	-
(v) Other bank balances	Current	-	-	271.24	271.24	-
(vi) Loans	Current	-	-	310.00	310.00	-
(vii) Other financial assets	Current	-	-	39.40	39.40	-
Total		-	50.90	4,028.56	4,079.46	50.90
Financial Liabilities						
(i) Other financial liabilities	Non Current	-	-	4.63	4.63	-
(ii) Borrowings	Current	-	-	98.15	98.15	-
(iii) Trade payables	Current	-	-	740.71	740.71	-
(iv) Other financial liabilities	Current	-	-	1.85	1.85	-
Total		-	-	845.34	845.34	-

Notes to the Standalone Financial Statements for the year ended March 31, 2023

35 Financial instruments and related disclosures (contd.)

(₹ in Lacs)

Particulars	As at March 31, 2022					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets						
(i) Investments	Non Current	17.60	72.96	39.35	129.91	90.56
(ii) Other financial assets	Non Current	-	-	100.98	100.98	-
(iii) Trade receivables	Current	-	-	2,635.83	2,635.83	-
(iv) Cash and cash equivalents	Current	-	-	220.06	220.06	-
(v) Other bank balances	Current	-	-	320.69	320.69	-
(vi) Loans	Current	-	-	440.00	440.00	-
(vii) Other financial assets	Current	-	-	23.16	23.16	-
Total		17.60	72.96	3,780.07	3,870.63	90.56
Financial Liabilities						
(i) Other financial liabilities	Non Current	-	-	2.43	2.43	-
(ii) Borrowings	Current	-	-	123.65	123.65	-
(iii) Trade payables	Current	-	-	788.73	788.73	-
(iv) Other financial liabilities	Current	-	-	1.28	1.28	-
Total		-	-	916.09	916.09	-

Note: Investment in quoted shares and mutual funds are fair valued using L1 data. Also, refer Note 5.

35.3 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Notes to the **Standalone Financial Statements** for the year ended March 31, 2023**35 Financial instruments and related disclosures** (contd.)**Trade receivable**

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below :

(₹ in Lacs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	%	Amount	%	Amount
Revenue from Top Customer	15.06%	1,229.69	23.24%	1,480.23
Revenue from Top Five Customers	48.17%	3,933.31	30.73%	1,957.52

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

Particulars	On Demand	3-6 months	6-12 months	1-5 years	Above 5 years	Total
As at 31 March 2023						
Borrowings	1.96	96.19	-	-	-	98.15
Trade payables	-	740.71	-	-	-	740.71
	1.96	836.90	-	-	-	838.86
As at 31 March 2022						
Borrowings	21.68	101.97	-	-	-	123.65
Trade payables	-	788.73	-	-	-	788.73
	21.68	890.70	-	-	-	912.38

Note: Security Deposits contained under Other Non Current Financial Liabilities do not have any maturity date. These deposits are against the contract of service. The said deposits will be released only after the corresponding contract is cancelled and the company does not foresee the contract to be cancelled in the near future.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

35 Financial instruments and related disclosures (contd.)

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, receivables, payables and borrowings.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed rate instruments		
Financial assets	310.00	440.00
Financial liabilities	-	-
	310.00	440.00
Variable rate instruments		
Financial assets	-	-
Financial liabilities	98.15	123.65
	98.15	123.65

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Change	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2023					
Variable rate instruments	+ / (-) 50 Basis points	0.98	-0.98	0.73	-0.73
Cash flow sensitivity (net)		0.98	-0.98	0.73	-0.73
31 March 2022					
Variable rate instruments	+ / (-) 50 Basis points	1.24	-1.24	0.93	-0.93
Cash flow sensitivity (net)		1.24	-1.24	0.93	-0.93

Notes to the **Standalone Financial Statements** for the year ended March 31, 2023**35 Financial instruments and related disclosures** (contd.)**(b) Equity price risk**

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade in these investments.

(c) Currency risk

The Company has Foreign Currency Exchange Risk on imports of input materials in foreign currency for its business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management using derivative, wherever required, to mitigate or eliminate the risk.

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Unhedged foreign currency exposure as at reporting date

(₹ in Lacs)

Particulars	March 31, 2023		March 31, 2022	
	USD	Amount	USD	Amount
Financial liabilities				
Borrowings and Trade payables	4,12,470.00	341.38	6,18,155.00	469.34
Net exposure in foreign currency	4,12,470.00	341.38	6,18,155.00	469.34

Sensitivity analysis

The analysis is based on assumption that the increase/decrease in foreign currency by 5% with all other variables held constant, on the unhedged foreign currency exposure.

Variable	Change	March 31, 2023		March 31, 2022	
		Impact on		Impact on	
		Profit before tax	Other equity	Profit before tax	Other equity
USD sensitivity (Increase)	+ 5%	-17.07	-12.77	-23.47	-17.56
USD sensitivity (Decrease)	- 5%	17.07	12.77	23.47	17.56

36 Capital management

The Company's management objective are :

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

Particulars		As at March 31, 2023	As at March 31, 2022
Total debt (Bank and other borrowings)	A	98.15	123.65
Equity	B	4,018.93	3,710.93
Liquid investments including bank deposits	C	742.30	220.06
Debt to Equity (A / B)		0.02	0.03
Debt to Equity (net) [(A-C) / B]		-0.16	-0.03

Notes to the Standalone Financial Statements for the year ended March 31, 2023

37 Contingent Liabilities and Commitments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Contingent Liabilities		
a) Demands/Claims by various government authorities and others not acknowledged as debts by the Company:		
(i) Income Tax Matters	87.40	21.56
(ii) Other statutory bodies	-	-
	87.40	21.56

Particulars	As at March 31, 2023	As at March 31, 2022
ii) Commitments		
a) Capital Commitments	-	-
	-	-

38 Corporate Social Responsibility

As per the Companies Act, 2013, the gross amount required to be spent by the Company during the year is ₹11.20 Lacs (March 31, 2022 ₹9.50 Lacs) and amount spent by the company during the year is ₹11.93 Lacs (March 31, 2022 ₹9.50 Lacs). Details are as given below :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1. Amount required to be spent by the Company during the year.	11.20	9.50
2. On purposes other than Construction/acquisition of any asset	11.93	9.50
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	-
5. Reason for shortfall	N.A.	N.A.
6. Nature of CSR activities	Promoting health care, animal welfare, women empowerment and education and eradicating hunger, poverty and malnutrition	
7. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

39 Disclosure pursuant to Regulation 34(3) read with Para (A) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 read with Section 186(4) of the Companies Act, 2013

Name of the Company	Principal Outstanding As On		Interest Rate	Repayment Terms
	March 31, 2023	March 31, 2022		
i) ANS Developers Pvt Ltd	-	150.00	12%	Repayable on demand
ii) Mainland Finance Ltd	100.00	-	12%	
iii) Nandini Steels & Securities Pvt Ltd	5.00	10.00	12%	
iv) Raja Shelters Pvt Ltd	-	100.00	12%	
v) Tyre Arcade	205.00	180.00	12%	
	310.00	440.00		

Notes to the Standalone Financial Statements for the year ended March 31, 2023

40 Financial Performance Ratios :

	Note No.	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance %
A Performance Ratios						
Net Profit Ratio		Profit after tax	Revenue from operations	5.28%	7.43%	-2.15%
Net Capital Turnover Ratio		Revenue from operations	Closing working capital	2.38	2.09	13.88%
Return on Capital Employed		Profit before interest and tax	Closing capital employed	14.43%	16.38%	-1.95%
Return on Equity Ratio		Profit after tax	Average Shareholder's Equity	12.23%	6.71%	5.52%
Debt Service Coverage Ratio	(i)	Profit before interest, tax and depreciation and amortisation	Debt service = Interest & Lease Payments + Principal Repayments	19.87	291.63	-93.19%
Return on Investment	(ii)	Dividend + Profit on Sale + Changes in Fair value	Average Investment	0.36%	118.11%	-117.75%
B Leverage Ratios						
Debt - Equity Ratio	(iii)	Total borrowings	Equity	0.02	0.03	-33.33%
C Liquidity Ratios						
Current Ratio	(iv)	Current assets	Current liabilities	4.47	3.57	25.21%
D Activity Ratios						
Inventory Turnover Ratio		Cost of good sold	Average inventory	20.51	19.68	4.22%
Trade Receivables Turnover Ratio		Revenue from operations	Average trade receivables	3.11	2.80	11.07%
Trade Payables Turnover Ratio		Net Credit Purchase	Average trade payables	9.26	8.41	10.11%

Note : Explanation for change in ratio by more than 25%

- (i) Debt service coverage ratio has decreased due to repayment of borrowings made during the year.
- (ii) Return on Investment has decreased due to low return earned on investment during the year.
- (iii) Debt equity ratio is decreased due to decrease in total debts of the company during the year.
- (iv) Current ratio is increased due to increase in Cash and Cash Equivalents and decrease in current liabilities of the company during the year.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

41 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.
- (viii) The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

42 Certain Trade Receivables, Loans & Advances and Trade Payables are subject to confirmation/reconciliation. In the opinion of the management, the value of Trade Receivables, trade payables, security deposits and Loans & Advances realisable/payable in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

43 Segment Reporting

There is only one primary business segment i.e. "Sodium Silicate, Construction Chemicals and related services" and hence no separate segment information is disclosed in this financials. Secondary information is reported geographically.

Geographical segments

The Company primarily operates in India and therefore analysis of geographical segment is demonstrated into Indian and overseas operation as under:

(₹ in Lacs)

Particulars	March 31, 2023		March 31, 2022	
	India	Overseas	India	Overseas
Revenue from operations	6,647.50	1,517.50	5,356.80	1,013.51
Carrying value of Non-current assets* (other than financial instruments)	299.07	-	174.85	-

*Non-current assets for this purpose consists of Property, plant and equipment and Other non-current assets.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

44 Code of Social Security

During the previous ended March 31, 2021, the Central Government has published "The Code on Social Security, 2020" and "Industrial Relations Code, 2020" in the Gazette of India, Inter alia, subsuming various existing labour and industrial laws which deals with employees related benefits including post employment. The effective date of the codes thereunder and the rules are yet to be notified. The impact of the legislative changes, if any, will be assessed and recognised post notification of the relevant provisions.

45 Figures for the previous periods have been regrouped and reclassified to confirm to the classification of the current period, wherever considered necessary.

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

As per our report of even date attached
For **R B ROY & CO.**
Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-
(CA. N. Krishnan)
Partner
Membership No.062381
UDIN: 23062381BGYOSP9186
Kolkata
May 26, 2023.

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

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

Sd/-
(Ankita Banerjee)
(Company Secretary)

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

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

Independent Auditors' Report

To
The Members of
Hindcon Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Hindcon Chemicals Limited ("the Holding Company") and its subsidiary (Holding company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group at March 31, 2023, their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

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

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

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

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

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

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and

consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary which are incorporated in India, has adequate internal financial controls system with reference to the consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Statements.

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

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

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

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

Other Matters

We did not audit the financial statement of the subsidiary whose financial statement reflect total assets of ₹567.73 Lacs and net assets ₹557.77 Lacs as at March 31, 2023, total revenue of ₹423.55 Lacs, total net profit after tax of ₹22.59 lacs, total comprehensive income (comprising of profit and other comprehensive income) of ₹16.04 Lacs and net cash flows of ₹5.20 lacs for the year ended on that date, as considered in the consolidated financial statements. The Financial Statements of the subsidiary is audited by other auditor whose report have been furnished to us by the Management. In our opinion and according to the information and explanations given to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and on consideration of the reports of other Auditor on separate financial statements of the subsidiary company, referred to in the other matter paragraph above, we report to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other Auditor.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income) and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.
- In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023, taken on record by the Board of Directors of the Holding Company and the report of the Statutory Auditor of its subsidiary company, none of the directors of the Group Companies are disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the Auditor's Report of the Parent and subsidiary company to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of these companies.
- In our opinion, the managerial remuneration for the year ended March 31, 2023 paid by the Holding Company to its directors is in accordance with the provisions of section 197 read with Schedule V to the Act, and
- With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position of the Group.
 - (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- (iv) (a) The respective Managements of the holding company and its subsidiary which are incorporated in India whose Financial Statements have been audited under the Act, have represented to us and to the other Auditor of the such subsidiary company respectively 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 or by such subsidiary 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 or of such subsidiary (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the company and its subsidiary which are incorporated in India whose financial statements have been audited under the Act, have represented to us and to the other Auditor of such subsidiary respectively 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 or by such subsidiary company from any person any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company or such subsidiary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and the other Auditor of the subsidiary company whose Financial Statements have been audited under the Act, nothing has come to our or other Auditor's notice that has caused us or the other Auditor to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) (a) The final dividend proposed in the previous, declared and paid by the Holding Company during the year is in accordance with section 123 of the Companies Act, 2013, as applicable.
- (b) The Board of Directors of the Holding Company has not proposed any dividend for the year.
- With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, according to the information and explanations given to us and based on the CARO report issued by the Auditor of the subsidiary company included in the Consolidated Financial Statements of the Holding Company, to which reporting under CARO is applicable, provided to us by the Management of the Holding Company and based on the identification of matters of qualifications or adverse report in its CARO report by the respective component auditor and provided to us, we report that the Auditor of such company has not reported any qualifications or adverse remarks in its CARO report.

For R B ROY & CO.

Chartered Accountants
Firm Regn. No.322805E

Sd/-

(CA. N. Krishnan)

Partner

Membership No.062381

UDIN: 23062381BGYOSQ9890

Kolkata
May 26, 2023.

Annexure - A to the Auditors' Report

Referred to in paragraph 6 under 'Report on other legal and regulatory requirements' section of our report of even date.

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

Opinion

In conjunction with our audit of the consolidated financial statements of Hindcon Chemicals Limited ("herein after referred to as "the Company") as of and for the year ended 31st March, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Company and its subsidiary company incorporated in India as of date.

In our opinion, to the best of our information and according to the explanations given to us and based on the the consideration of the report of the other Auditor referred to in the other matters paragraph, the Company and its subsidiary company incorporated in India, in all material respects, an adequate internal financial control system with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March, 2023, based on the internal controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other Auditor of the subsidiary company which are incorporated in India, in terms of its report referred to in the other matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statement of the Company and its subsidiary company incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statement

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

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

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

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

financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sd/-
(CA. N. Krishnan)

Partner

Kolkata
May 26, 2023.

Membership No.062381
UDIN: 23062381BGYOSQ9890

Consolidated Balance Sheet as at March 31, 2023

(₹ in Lacs)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	5	256.81	172.01
(b) Capital work in progress	5	39.41	-
(c) Financial assets			
(i) Investments	6	218.83	320.57
(ii) Other financial assets	7	8.26	100.98
(d) Deferred tax assets (net)	8	66.68	34.08
(e) Other assets	9	2.84	2.84
Total Non-current assets		592.83	630.48
(2) Current assets			
(a) Inventories	10	332.07	357.42
(b) Financial assets			
(i) Trade receivables	11	2,618.01	2,635.83
(ii) Cash and cash equivalents	12	750.13	222.68
(iii) Other bank balances	13	285.86	321.49
(iv) Loans	14	417.98	480.00
(v) Other financial assets	7	39.40	28.29
(c) Current tax asset	15	164.92	369.55
(d) Other assets	9	162.06	215.84
Total Current assets		4,770.43	4,631.10
TOTAL ASSETS		5,363.26	5,261.58
EQUITY AND LIABILITIES			
(3) Equity			
(a) Equity share capital	16	767.20	767.20
(b) Other equity	17	3,467.61	3,146.61
Equity Attributable to the Owners of the Company		4,234.81	3,913.81
Non-Controlling Interests	18	48.77	45.72
Total Equity		4,283.58	3,959.53
Liabilities			
(4) Non-current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	19	4.63	2.43
(b) Provisions	20	29.28	0.51
Total Non-current liabilities		33.91	2.94
(5) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	98.15	123.65
(ii) Trade payables	22		
- Total Outstanding dues of Micro and small enterprises		28.64	35.78
- Total Outstanding dues of creditors other than micro and small enterprises		713.12	753.77
(iii) Other financial liabilities	19	1.85	1.28
(b) Other liabilities	23	23.16	22.60
(c) Provisions	20	-	3.51
(d) Current tax liabilities	24	180.85	358.52
Total Current liabilities		1,045.77	1,299.11
TOTAL EQUITY AND LIABILITIES		5,363.26	5,261.58
Notes Forming part of the Consolidated Financial Statements	1-48		

As per our report of even date attached
For **R B ROY & CO.**
Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-
(CA. N. Krishnan)
Partner
Membership No.062381
UDIN: 23062381BGYOSQ9890
Kolkata
May 26, 2023.

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

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

Sd/-
(Ankita Banerjee)
(Company Secretary)

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

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

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from operations	25	8,559.43	6,661.98
II Other income	26	118.51	136.77
III Total income (I + II)		8,677.94	6,798.75
IV Expenses			
a) Cost of materials consumed	27	5,010.87	3,358.97
b) Purchase of stock-in-trade	28	1,973.79	2,016.17
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	-1.06	-4.25
d) Employee benefits expense	30	398.83	370.74
e) Finance costs	31	5.03	2.24
f) Depreciation and amortisation expense	5	28.69	25.29
g) Other expenses	32	659.51	420.48
Total expenses (IV)		8,075.66	6,189.64
V Profit before tax (III-IV)		602.28	609.11
VI Tax expense:			
Current Tax		184.72	182.82
Deferred Tax		-18.03	-0.02
Total Tax Expense		166.69	182.80
VII Profit for the year (V-VI)		435.59	426.31
VIII Other comprehensive income/(loss)			
A. Items that will not be reclassified subsequently to profit and loss			
(a) Remeasurements gain/(loss) on post-employment defined benefit plans		-26.04	-1.12
(b) Fair value changes of Investments in Equity Shares		-46.38	201.53
B. Income taxes on items that will not be reclassified to profit and loss		14.58	-17.41
Total other comprehensive income/(loss)		-57.84	183.00
IX Total comprehensive income for the year (VII+VIII)		377.75	609.31
Profit for the year attributable to :			
Owners of the Company		431.90	423.08
Non-controlling interests		3.69	3.23
Total comprehensive income attributable to :			
Owners of the Company		374.69	603.96
Non-controlling interests		3.06	5.35
X Earnings per Share (Face Value ₹10 each)			
- Basic (₹)	34	5.68	5.56
- Diluted (₹)	34	5.68	5.56
Notes Forming part of the Consolidated Financial Statements	1-48		

As per our report of even date attached
For **R B ROY & CO.**
Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-
(CA. N. Krishnan)
Partner
Membership No.062381
UDIN: 23062381BGYOSQ9890
Kolkata
May 26, 2023.

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

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

Sd/-
(Ankita Banerjee)
(Company Secretary)

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

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

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

(₹ in Lacs)

Particulars	Number	Amount
Balance as at 1 April 2021	76,72,025	767.20
Changes in equity share capital during 2021-22	-	-
Balance as at 31 March 2022	76,72,025	767.20
Changes in equity share capital during 2022-23	-	-
Balance as at 31 March 2023	76,72,025	767.20

B. Other equity

Particulars	Reserves & Surplus				Other Comprehensive Income	Total	Non Controlling Interest	Net Total
	Securities Premium	Retained earnings	General Reserve	Capital Reserve on Consolidation	Equity Instruments through Other Comprehensive Income			
Balance at 1 April 2021	635.02	1,808.22	66.99	380.65	-112.90	2,777.98	-2.25	2,775.73
Profit or Loss	-	423.08	-	-	-	423.08	3.23	426.31
Other comprehensive income (net of tax)	-	-0.29	-	-	138.57	138.28	44.73	183.01
Total comprehensive income	-	422.79	-	-	138.57	561.36	47.96	609.32
Dividend	-	-192.70	-	-	-	-192.70	-	-192.70
Reclassification Adjustment for Profit on Sale of Equity Shares	-	38.90	-	-	-38.90	-	-	-
Balance at 31st March, 2022	635.02	2,077.21	66.99	380.65	-13.23	3,146.64	45.71	3,192.35
Profit or Loss	-	431.89	-	-	-	431.89	3.70	435.59
Other comprehensive income (net of tax)	-	-19.33	-	-	-37.88	-57.21	-0.64	-57.85
Total comprehensive income	-	412.56	-	-	-37.88	374.68	3.06	377.74
Dividend	-	-53.70	-	-	-	-53.70	-	-53.70
Reclassification Adjustment for Profit on Sale of Equity Shares	-	20.32	-	-	-20.32	-	-	-
Balance at 31st March, 2023	635.02	2,456.39	66.99	380.65	-71.43	3,467.62	48.77	3,516.39

(i) Dividend paid by the Holding Company during the year ended March 31, 2023 for the Financial Year 2021-22 (Final Dividend) is ₹0.70 per equity share of face value ₹10 each fully paid up (March 31, 2022: For the Financial Year 2021-22 Interim Dividend of ₹1.00 per equity share of face value ₹10 each fully paid up and for the Financial Year 2020-21 Final Dividend of ₹1.50 per equity share of face value ₹10 each, fully paid up).

(ii) The Board of Directors of the Holding Company has not proposed any dividend for the Financial Year 2022-23.

As per our report of even date attached

For **R B ROY & CO.**

Chartered Accountants

ICAI Firm Regn. No.322805E

Sd/-

(CA. N. Krishnan)

Partner

Membership No.062381

UDIN: 23062381BGYOSQ9890

Kolkata

May 26, 2023.

For and on behalf of Board of Directors

of **Hindcon Chemicals Limited**

Sd/-

(Nilima Goenka)

(Whole Time Director)

(DIN : 00848225)

Sd/-

(Ankita Banerjee)

(Company Secretary)

Sd/-

(Sanjay Goenka)

(Chairman and Managing Director)

(DIN : 00848190)

Sd/-

(Kashinath Dey)

(Chief Financial Officer)

Consolidated Statement of Cash Flow for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Amount	Amount	Amount	Amount
A. Cash Flows from Operating Activities				
Net Profit/(Loss) before tax		602.28		609.11
Adjustment for:				
Depreciation	28.69		25.28	
Interest expense	5.03		2.24	
Profit on Sale of Investments	0.26		-2.85	
Profit on Sale of Fixed Assets	-		-2.16	
Fair Value Changes in Equity Instruments thru' FVTPL	-		2.99	
Dividend Income	-3.40		-4.93	
Provision for Bad Debts	132.17		-	
Provision for Gratuity	11.10		4.32	
Interest Income	-107.25	66.60	-78.02	-53.13
Operating cash flows before working capital changes		668.88		555.98
Working capital adjustments:				
(Increase)/Decrease in Inventories	25.35		-154.49	
(Increase)/Decrease in Trade Receivables	-114.34		-715.28	
(Increase)/Decrease in Loans, Financial Assets & Other Assets	171.06		-226.58	
Increase/(Decrease) in Trade Payables	-47.79		317.67	
(Increase)/Decrease in Financial Liabilities and Other Liabilities	-8.55	25.73	-4.12	-782.80
Cash generated from operations		694.61		-226.82
Income tax paid (net)	-157.46	-157.46	-217.49	-217.49
Net Cash from / (used in) Operating Activities (A)		537.15		-444.31
B. Cash Flows from Investing Activities				
Purchase of Property, plant & equipment including CWIP	-152.90		-54.27	
Sale of Investments	55.09		159.60	
(Increase)/Decrease in Loans	62.02		-	
Dividend Income	3.40		4.93	
Interest Income	106.92		78.03	
Net Cash used in Investing Activities (B)		74.53		188.29

Consolidated Statement of Cash Flow for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Amount	Amount	Amount	Amount
C. Cash Flow from Financing Activities				
Increase/ (Decrease) in Short-term Borrowings	-25.50		24.83	
Dividend paid	-53.70		-192.70	
Interest Paid	-5.03		-2.24	
Net Cash from Financing Activities (C)		-84.23		-170.11
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		527.45		-426.13
Cash and Cash Equivalents at the beginning of the year		222.68		648.81
Closing Cash and Cash Equivalents (Refer Note No. 12)		750.13		222.68

Note:

- The above Consolidated Statement of Cash Flow has been prepared under the "Indirect method" as set out in Ind AS - 7, 'Statement of Cash Flows'.
- Figures in (-) indicate cash outflow.
- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

Notes Forming part of the Consolidated Financial Statements

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As per our report of even date attached
For **R B ROY & CO.**
Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-
(CA. N. Krishnan)
Partner
Membership No.062381
UDIN: 23062381BGYOSQ9890
Kolkata
May 26, 2023.

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

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

Sd/-
(Ankita Banerjee)
(Company Secretary)

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

1 Group Overview

Hindcon Chemicals Limited (the "Company") is a public limited company incorporated in India on 25.08.1998 vide CIN No. L24117WB1998PLC087800. The shares of the Company are listed on the National Stock Exchange of India Ltd. The Manufacturing unit of the Company is located in Howrah, West Bengal.

The Company and its subsidiary company are referred to as the Group hereunder. The Group is primarily engaged in the business of manufacturing & sale of Sodium Silicate & construction chemicals and in trading activities.

2 Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its powers to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are one or more changes to elements of controls described above.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiary company line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non- controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Change in ownership status

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit or loss.

3 Basis of preparation

3.1 Statement of Compliance

The Consolidated Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions of the Act, as amended.

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

The Consolidated Financial Statements have been prepared on accrual and going concern basis.

As the year end figures are taken from the source and rounded off to the nearest digits, the figures reported for the previous quarters might not always add up to the year end figures reported in this statement.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

3.2 Functional and presentation currency

The Consolidated financial statements have been presented in Indian Rupees (₹) which is also the Group's presentation currency. All financial information presented in ₹ has been rounded off to the nearest lacs as per the requirements of Schedule III, unless otherwise stated.

3.3 Basis of measurement

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

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

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

3.4 Use of judgments and estimates

The preparation of the Consolidated Financial Statements in conformity with Ind AS required the management to make estimates, assumptions and judgements. These estimates, judgement and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates, which involve complex and subjective judgements and the use of assumptions in these financial statements, have been disclosed in Note 3.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the financial statements in the period in which change are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

3.5 Critical accounting estimates and judgements

Information about significant judgements and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the Consolidated financial statements is included in the following notes:

i) Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

ii) Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

iii) Useful lives of depreciable/ amortisable assets

Management of the Group reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

iv) Defined benefit plans

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

v) Provisions and Contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

vi) Allowances for Doubtful Debts

The Group makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

3.6 Measurement of fair values

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

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

The management regularly reviews significant unobservable inputs and valuation adjustments.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

3.7 Operating Cycle

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

The asset/liability is classified as current if it satisfies any of the following conditions :

- a) The asset/liability is expected to be realised/settled in the Group's normal operating cycle;
- b) The asset is intended for sale or consumption;
- c) The asset/liability is held primarily for the purpose of trading;
- d) The asset/liability is expected to be realized/settled within twelve months after the reporting period;
- e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

- f) In case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

The Group classifies all other assets and liabilities as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as 12 months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

3.8 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023 as below :

- i) IND AS 1, Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated financial statements.
- ii) IND AS 8, Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of "accounting estimates" and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated financial statements.
- iii) IND AS 12, Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated financial statements.

4 Significant accounting policies

4.1 Property, Plant and Equipment

i. Recognition and measurement

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

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

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

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

ii. Subsequent expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred 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 derecognized when replaced.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortized part of the previously recognized expenses of similar nature is derecognized.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as Capital Advances under other non-current assets.

iii. Depreciation and amortisation

Depreciation is provided on written down method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed off).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

iv. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

v. Capital Work in Progress

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

4.2 Financial instruments

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

i. Financial Assets

Initial recognition and measurement

All financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets measured at amortised cost

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

Financial assets measured at FVTOCI

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

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

Financial assets measured at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Other equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Group to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

Derecognition

The Group derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. Financial liability

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

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

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

Financial liabilities measured through FVTPL

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

Financial liabilities measured at amortised cost

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

Derecognition

A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

4.3 Inventories

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Costs incurred in bringing each product to its present location and condition are as follows:

Raw materials, consumables, and packing materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

Work-in-progress and Finished goods: Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

4.4 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

4.5 Employee Benefits

i) Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

ii) Post-Employment Benefits

The Group operates the following post-employment schemes:

Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurement of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Defined Contribution Plan

Defined contribution plans such as provident fund, ESI etc. are charged to the Statement of Profit and Loss as and when incurred.

4.6 Provisions, Contingent Liabilities and Contingent Assets

i) Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

ii) Onerous Contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

iii) Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Group discloses the existence of contingent liabilities in other Notes to the Consolidated Financial Statements.

iv) Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

4.7 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

a) Sale of Goods

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

b) Sale of Services

In contracts involving the rendering of services, revenue is measured using the completed service method.

c) Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received. Insurance & other claims, where quantum of accruals cannot be ascertained with reasonable certainty are recognized as income only when revenue is virtually certain which generally coincides with receipt/acceptance.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

d) Interest Income

For all financial instruments measured at amortized cost, Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

e) Dividend Income

Dividend Income from investments is recognized when the Group's right to receive payment has been established.

4.8 Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether

- i) the contract involves the use of an identified asset,
- ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease and
- iii) the Group has the right to direct the use of the asset.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. 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 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 leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 36 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

4.9 Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

ii. Deferred tax

Deferred Income Tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities, and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. These are expected to apply in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expenses in the period that includes the enactment or the substantive enactment date.

A Deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred income tax asset is reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balance relate to the same taxation authority. Current tax assets and liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.10 Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. The Group considers a period of 12 months or more as a substantial period of time. All other borrowing costs are recognised as an expense in the period in which they are incurred.

4.11 Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.12 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

4.13 Foreign Currency Transactions

The Consolidated financial statements of the Group are presented in Indian Rupees (₹) which is the functional currency of the Group and the presentation currency of the Consolidated financial statements.

Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

4.14 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

5 Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2023 were as follows:

(₹ in Lacs)

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount
	As At April 1, 2022	Additions/ Adjustments	Deductions/ Adjustments	As At April 1, 2022	For the Year	Deductions/ Adjustments	
Owned Assets							
Freehold Land	44.53	88.34	-	-	-	-	132.87
Building	13.89	2.70	-	8.68	0.72	-	7.19
Factory Shed	39.51	0.10	-	13.56	2.46	-	23.59
Office	18.18	-	-	12.98	0.48	-	4.72
Furniture & Fixtures	6.14	-	-	2.99	0.79	-	2.36
Plant & Machinery	105.30	17.08	-	55.31	10.80	-	56.27
Motor Car	54.52	-	-	23.30	9.78	-	21.44
Motor Cycle	1.20	-	-	1.15	-	-	0.05
Electrical Installations	7.18	0.35	-	5.96	0.36	-	1.21
Laboratory Equipments	1.92	-	-	1.54	0.09	-	0.29
Office Equipments	16.43	2.32	-	13.48	1.34	-	3.93
Computer & Accessories	7.45	2.60	-	5.39	1.85	-	2.81
Fire Safety Equipments	0.39	-	-	0.29	0.02	-	0.08
Total	316.64	113.49	-	144.63	28.69	-	256.81
Capital Work-in-Progress							
Grand Total							39.41
							296.22
Capital work-in-progress							
Ageing of capital work-in-progress as at March 31, 2023 is as follows :							
Particulars	Amount in Capital work-in-progress for a period of			Total			
	Less than 1 Year	1 - 2 Years	2 - 3 Years		More than 3 Years		
Projects in Progress	39.41	-	-	39.41			
Total	39.41	-	-	39.41			

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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

(₹ in Lacs)

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount As At March 31, 2022
	As At April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	As At April 1, 2021	For the Year	Deductions/ Adjustments	
Owned Assets							
Freehold Land	44.53	-	-	-	-	-	44.53
Building	10.14	3.75	-	8.14	0.54	-	5.21
Factory Shed	39.51	-	-	10.85	2.71	-	25.95
Office	18.18	-	-	12.45	0.53	-	5.20
Furniture & Fixtures	6.14	-	-	1.89	1.10	-	3.15
Plant & Machinery	78.03	27.27	-	46.75	8.56	-	49.99
Motor Car	42.67	23.63	-11.78	25.39	8.40	-10.49	31.22
Motor Cycle	1.20	-	-	1.15	-	-	0.05
Electrical Installations	6.72	0.46	-	5.63	0.33	-	1.22
Laboratory Equipments	1.79	0.13	-	1.44	0.10	-	0.38
Office Equipments	16.25	0.18	-	12.30	1.18	-	2.95
Computer & Accessories	5.15	2.30	-	3.59	1.80	-	2.06
Fire Safety Equipments	0.39	-	-	0.25	0.04	-	0.10
Total	270.70	57.72	-11.78	129.83	25.29	-10.49	172.01

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

5.2 Title deeds for immovable properties of the Group are held in the name of the Holding Company/Subsidiary Company, as the case may be.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

6 Non-Current Investments

(₹ in Lacs)

Particulars	Face Value per Share	Quantity (Nos.)		Amount	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Quoted					
Investments in equity instruments					
At fair value through other comprehensive income					
Adani Ports & Special Economic Zone Ltd	2	1,500	6,500	9.48	50.32
Adani Power Ltd	10	2,000	2,000	3.83	3.70
Aditya Birla Capital Ltd	10	4,500	10,000	6.91	10.77
Aurum Propotech Ltd	5	2,000	300	2.07	0.36
Balaji Telefilms Ltd	2	-	1,000	-	8.43
Bharat Petroleum Corporation Ltd	10	2,000	2,000	6.89	0.07
Black Box Ltd	2	2,500	-	2.33	-
Borosil Renewables Ltd	1	-	1,000	-	3.31
Dollar Industries Ltd	2	13,269	13,269	46.15	72.96
Ejecta Marketing Ltd	10	25,000	25,000	-	-
Emami Realty Ltd	2	15,700	15,700	9.64	9.40
FCS Software Solutions Ltd	1	1,10,481	-	2.21	-
Gail (India) Ltd	10	18,300	18,300	28.86	28.49
Gammon Infrastructure Projects Ltd	2	10,000	10,000	0.10	0.18
GTL Infrastructure Ltd	10	1,00,000	1,00,000	0.70	1.47
Haldyn Glass Ltd	1	-	2,000	-	0.85
Hathway Cales & Datacom Ltd	2	5,000	5,000	0.65	0.86
HDFC Bank Ltd	1	100	100	1.61	1.47
Himadri Speciality Chemicals Ltd	1	4,000	4,000	3.49	2.97
Hindustan Construction Company Ltd	1	5,000	5,000	0.69	0.79
HUDCO Ltd	10	5,000	5,000	2.16	1.64
Indiabulls Real Estates Ltd	2	10,000	-	4.89	-
Jaiprakash Associates Ltd	2	1,40,000	1,50,000	9.73	12.48
Jaiprakash Power Ventures Ltd	10	25,000	25,000	1.39	1.70
Kritika Wires Ltd	2	50,000	-	4.08	-
Lanco Infratech Ltd	1	1,35,000	1,35,000	-	-
Life Insurance Corporation of India	10	126	-	0.67	-
Lincoln Pharmaceuticals Ltd	10	500	500	1.70	1.56
Lumax Industries Ltd	10	-	81	-	0.72
Mcnally Bharat Engineering Ltd	10	50,000	50,000	1.63	2.58
Minda Corporation Ltd	2	-	2,500	-	5.17
NMDC Ltd	1	1,500	-	1.67	-
Orient Cement Ltd	1	18,000	18,000	19.79	25.63
Punjab National Bank Ltd	2	2,500	15,000	1.17	5.26
Rail Vikas Nigam Ltd	10	5,000	5,000	3.43	1.64
Rushil Décor Ltd	10	1,000	-	2.62	-
Shree Cements Ltd	10	35	35	9.17	8.40
Star Cement Ltd	1	2,000	2,000	2.24	1.79
Sterling & Wilson Solar Ltd	1	500	500	1.46	1.59

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

6 Non-Current Investments (contd.)

(₹ in Lacs)

Particulars	Face Value per Share	Quantity (Nos.)		Amount	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Tata Steels Ltd	10	200	200	2.09	2.61
The Indian Hume Pipe Company Ltd	2	13,000	13,000	15.78	23.14
The Tata Power Company Ltd	1	1,000	1,000	1.90	2.39
U. Y. Fincorp Ltd	5	35,000	35,000	4.55	5.03
UCO Bank Ltd	10	-	10,000	-	1.19
Vishal Fabrics Ltd	5	2,325	2,325	0.38	0.82
Yes Bank Ltd	2	5,000	10,000	0.72	1.23
In mutual funds (at fair value through profit or loss)					
Nippon India Tax Saver (ELSS) - Growth	10	-	5,709	-	4.42
Nippon India - US Equity Opportunities Fund	10	-	58,889	-	13.18
Total				218.83	320.57
Aggregate carrying value of quoted investments				218.83	320.57
Aggregate carrying value of unquoted investments				-	-
Aggregate market value of quoted investments				218.83	320.57
Aggregate amount of Impairment in value of investments				-	-

7 Other financial assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Bank deposit*	-	-	100.00	-
Security deposit	8.26	9.08	0.98	2.61
Interest accrued on Loans and Deposits	-	30.32	-	25.68
Total	8.26	39.40	100.98	28.29

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

8 Deferred Tax Assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets		
Property, Plant and Equipment	6.39	5.26
Provision for Expected Credit Loss	44.30	25.29
Retirement Benefit Obligations	7.37	1.01
Investments	8.62	2.52
Total	66.68	34.08

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

8 Deferred Tax Assets (Net) (contd.)

8.1 Movement in deferred tax assets/(liabilities) balances during the year ended 31 March 2023

(₹ in Lacs)

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in OCI	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Property, Plant and Equipment	5.26	1.13	-	6.39
Provision for Expected Credit Loss	27.46	16.84	-	44.30
Provision for Employee Benefits	1.01	0.08	6.29	7.37
Investments	0.35	-0.02	8.29	8.62
	34.08	18.03	14.58	66.68

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

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in OCI	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Property, Plant and Equipment	5.45	-0.19	-	5.26
Provision for Expected Credit Loss	12.36	15.10	-	27.46
Provision for Employee Benefits	0.54	-0.26	0.74	1.02
Investments	18.08	0.40	-18.15	0.33
Others	15.04	-15.03	-	0.01
	51.47	0.02	-17.41	34.08

Deferred Tax Asset amounting to ₹48.78 Lacs as at March, 31 2023 (March 31, 2022 ₹49.86 Lacs) on Long Term Capital losses carried forward has not been recognised due to uncertainty surrounding availability of future long term capital gains against which such loss can be offset.

9 Other Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Deposits (Carried at amortised cost)				
– With Statutory Authorities	2.10	-	2.10	-
– Others (Unsecured, considered good)	0.74	-	0.74	-
Advance to Suppliers (Unsecured, considered good)	-	48.51	-	107.06
Balances with Revenue Authorities	-	98.07	-	90.44
Prepaid Expenses	-	4.19	-	1.97
Advance to Employees	-	8.76	-	12.52
Other Receivables	-	2.53	-	3.85
Total	2.84	162.06	2.84	215.84

9.1 Deposits with Statutory authorities include deposits for obtaining registration under Indirect Taxes.

9.2 Others include deposits with various parties against supply of services.

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

9.4 Other receivables relate to amount due from Share Broker and for Dividend receivable.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

10 Inventories

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Valued at the lower of cost and net realisable value)		
Raw materials	326.05	352.46
Work-in-progress	6.02	4.96
Total	332.07	357.42

11 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
(a) Trade Receivables considered good – Secured	-	-
(b) Trade Receivables considered good – Unsecured	2,618.01	2,621.83
(c) Trade receivables which have significant increase in credit risk	176.00	123.11
<u>Less:</u> Allowance for expected credit loss	-176.00	-109.11
(d) Trade Receivables – credit impaired	-	-
Total	2,618.01	2,635.83
(a) Receivables from related parties (Refer note no. 34)	57.78	677.74
(b) Others	2,560.23	1,958.09
Total	2,618.01	2,635.83

Movement in allowance for expected credit losses of receivables :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	109.11	49.11
Charge/(release) during the year	66.89	60.00
Balance at end of the year	176.00	109.11

11.1 In determining allowance for credit losses of trade receivables, the Group has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

11.2 The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2023 to be ₹2,618.01 Lacs (March 31, 2022 - ₹2,635.83 Lacs), which is the carrying value of trade receivables after allowance for credit losses.

11.3 There are no outstanding receivables due from directors or other officers of the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

11 Trade receivables (contd.)

11.4 Trade receivables ageing schedule for the year ended March 31, 2023 were as follows:

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,240.03	158.21	113.13	-	106.64	2,618.01
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	80.53	95.47	176.00
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-176.00
Total						2,618.01

11.5 Trade receivables ageing schedule for the year ended March 31, 2022 were as follows:

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,786.94	435.26	237.44	100.28	61.91	2,621.83
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	109.54	13.57	123.11
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-109.11
Total						2,635.83

11.6 There are no unbilled receivables as at March 31, 2023 and March 31, 2022.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

12 Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	-0.67	2.54
- In deposits accounts*	749.56	217.66
Cash on hand	1.24	2.48
Total	750.13	222.68

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

13 Other Bank Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In deposits accounts*	284.01	320.21
Earmarked balances with Bank		
- Unclaimed dividend	1.85	1.28
Total	285.86	321.49

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

14 Loans

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Loan Given (unsecured, considered good)				
- To Others	-	417.98	-	480.00
Total	-	417.98	-	480.00

14.1 Other Loan primarily represents loans given to other entities to be used in the ordinary course of business. (Please see note no.41)**14.2** The Group has not advanced or has not given any loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

14.3 There are no outstanding loans/advances in the nature of loan from promoters, key management personnel or other officers of the Group.**15 Current Tax Asset**

Particulars	As at March 31, 2023	As at March 31, 2022
Advance payment of Tax (including TDS & TCS)	164.92	369.55
Total	164.92	369.55

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

16 Equity Share Capital

(₹ in Lacs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Authorised		
1,10,00,000 Equity Shares of ₹10 each (as at March 31, 2022 : 1,10,00,000 Equity Shares of ₹10 each)	1,100.00	1,100.00
	1,100.00	1,100.00
Issued, subscribed and fully paid-up		
76,72,025 Equity Shares of ₹10 each (as at March 31, 2022 : 76,72,025 Equity Shares of ₹10 each)	767.20	767.20
	767.20	767.20

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

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	76,72,025	767.20	76,72,025	767.20
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	76,72,025	767.20	76,72,025	767.20

16.2 Rights, preferences and restrictions attaching to Equity Shares

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

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

16.4 No convertible securities has been issued by the Group during the year.

16.5 No calls are unpaid by any Director and officer of the Group during the year.

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

Particulars	As at	
	March 31, 2023	March 31, 2022
	No of Shares	No of Shares
Equity Shares allotted as fully paid bonus shares **	-	34,16,400
Equity Shares allotted as fully paid for consideration other than cash	-	-
Equity Shares bought back	-	-

** The Company has issued 34,16,400 Bonus Shares on 08/08/2017 in the ratio 4:1.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

16 Equity Share Capital (contd.)**16.7 Particulars of shareholders holding more than 5% shares of fully paid up equity shares**

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% of total shares in the class	Number	% of total shares in the class
Sanjay Goenka	18,82,500	24.54	18,78,500	24.49
Nilima Goenka	14,47,892	18.87	14,44,500	18.83
Radhakrishna Advisors LLP	-	-	4,00,000	5.21
Vansh Goenka	5,70,387	7.43	5,70,000	7.43
Sanjay Goenka & Others (HUF)	5,11,000	6.66	5,11,000	6.66

16.8 Disclosure of share holdings of Promoters

Name of the Promoter/ Promoter Group	As at March 31, 2023			As at March 31, 2022		
	Number	% of total shares in the class	% change during the year	Number	% of total shares in the class	% change during the year
Sanjay Goenka	18,82,500	24.54	0.05	18,78,500	24.49	-
Nilima Goenka	14,47,892	18.87	0.04	14,44,500	18.83	0.26
Vansh Goenka	5,70,387	7.43	-	5,70,000	7.43	-
Sanjay Goenka & Others (HUF)	5,11,000	6.66	-	5,11,000	6.66	-

17 Other Equity

(₹ in Lacs)

Components	Note	As at March 31, 2023	As at March 31, 2022
Securities Premium	a	635.02	635.02
General Reserve	b	67.00	67.00
Capital Reserve On Consolidation	c	380.64	380.64
Retained Earnings	d	2,463.78	2,084.58
Other Comprehensive Income	e	-78.83	-20.63
Total		3,467.61	3,146.61

Particulars	For the year March 31, 2023	For the year March 31, 2022
a) Securities Premium		
Balance at the Beginning of the year	635.02	635.02
Changes during the year	-	-
Balance at the end of the year	635.02	635.02
b) General Reserve		
Balance at the Beginning of the year	67.00	67.00
Changes during the year	-	-
Balance at the end of the year	67.00	67.00
c) Capital Reserve On Consolidation		
Balance at the Beginning of the year	380.64	380.64
Changes during the year	-	-
Balance at the end of the year	380.64	380.64

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

17 Other Equity (contd.)

(₹ in Lacs)

Particulars	For the year March 31, 2023	For the year March 31, 2022
d) Retained Earnings		
Balance at the Beginning of the year	2,084.58	1,808.20
Profit for the year	412.58	422.78
Dividend	-53.70	-192.70
Transfer within Equity *	20.32	46.30
Balance at the end of the year	2,463.78	2,084.58
e) Other Comprehensive Income		
Balance at the Beginning of the year	-20.63	-112.90
Changes during the year	-37.88	138.57
Transfer within Equity *	-20.32	-46.30
Balance at the end of the year	-78.83	-20.63

17.1 The description of the nature and purpose of each reserve within equity is as follows:

- Securities premium:** This represents amount received towards issue of equity shares over their face value. This amount can be utilised in accordance with the provisions of Companies Act, 2013.
- General Reserve:** This represents the profit of the Group after allocation to Non-controlling Interest and adjustment due to cross holding at the time of consolidation under I-GAAP. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.
- Capital Reserve on Consolidation:** This represents excess of the value of net assets acquired over consideration paid in a business combination is recognised as capital reserve on consolidation. This reserve is not available for distribution.

* Represents gain/(loss) on sale of investments carried at fair value through other comprehensive income re-classified from OCI.

18 Non Controlling Interest

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the Beginning of the year	45.72	-2.23
Share of Profit/(Loss) for the year	3.05	47.95
Total	48.77	45.72

Non-controlling interest represent proportionate share held by minority shareholders in the net assets of subsidiaries which are not wholly owned by the Company.

19 Other financial liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Security deposit	4.63	-	2.43	-
Unpaid dividend*	-	1.85	-	1.28
Total	4.63	1.85	2.43	1.28

*Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 126 of the Companies Act, 2013 or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

20 Provisions

(₹ in Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Provision for Gratuity	29.28	-	0.51	3.51
Total	29.28	-	0.51	3.51

21 Borrowings

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Secured				
Repayable on demand from bank	-	1.96	-	21.68
Buyer's Credit from Bank	-	96.19	-	101.97
Total	-	98.15	-	123.65

21.1 Nature of security

Working Capital loan and Buyer's Credit from bank are secured by way of hypothecation charge on all existing and future current assets of the Company. Further secured through first and exclusive mortgage on immovable properties being Land and Building owned by the Company and also by the personal guarantee of the directors of the Company, Mr Sanjay Goenka and Mrs Nilima Goenka.

21.2 Repayment Terms and the applicable rate of interest on the above loan during the year:

- Buyer's Credit from Kotak Mahindra Bank Ltd is repayable on 05.05.2023.
- Working capital loan from Bank is repayable on demand.
- Rate of Interest on Buyer's Credit from Kotak Mahindra Bank Ltd is 3 months libor plus 1.05%.
- Rate of Interest on Cash credit is 10.50% p.a. as on March 31, 2023

22 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total Outstanding of dues of Micro and Small Enterprises	28.64	35.78
Total Outstanding of dues of Creditors other than Micro and Small Enterprises	713.12	753.77
Total	741.76	789.55

22.1 Amount due to micro and small enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Group. The disclosures relating to micro and small enterprises (MSME) is as below :

Particulars	As at March 31, 2023	As at March 31, 2022
a. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	28.64	35.78
b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

22 Trade payables (contd.)

(₹ in Lacs)

Particulars	As at	
	March 31, 2023	March 31, 2022
d. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

22.2 Trade payables ageing schedule for the year ended March 31, 2023 were as follows:

Particulars	Outstanding as on March 31, 2023 from the date of transaction					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	28.64	-	-	-	28.64
(ii) Others	15.02	698.10	-	-	-	713.12
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	15.02	726.74	-	-	-	741.76

22.3 Trade payables ageing schedule for the year ended March 31, 2022 were as follows:

Particulars	Outstanding as on March 31, 2022 from the date of transaction					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	35.78	-	-	-	35.78
(ii) Others	5.53	748.24	-	-	-	753.77
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	5.53	784.02	-	-	-	789.55

23 Other Liabilities

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	Non-Current	Current	Non-Current	Current
Statutory Dues	-	17.58	-	12.62
Advances received from customers	-	5.58	-	1.88
Other payables	-	-	-	8.10
Total	-	23.16	-	22.60

23.1 Statutory dues primarily relates to payables in respect to Goods and Service Tax, provident fund, employee state insurance and tax deducted as source.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

24 Current Tax Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax	180.85	358.52
Total	180.85	358.52

25 Revenue from Operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Manufactured Goods	6,356.74	4,453.33
Sale of Traded Goods	2,100.89	2,125.80
Sale of Services	101.80	82.85
	8,559.43	6,661.98

25.1 Nature of goods and services

The Group is engaged in the manufacturing of sodium silicates, construction chemicals and trading of pulses and generates revenue from the sale of the same. It is also the reportable segment of the Group.

25.2 Disaggregation of revenue for the year

In the following table, revenue is disaggregated by primary geographical market and major products lines.

Disaggregation of revenue

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Based on major products		
- Sodium Silicates & Construction Chemicals	8,063.20	6,287.47
- Works Contract	101.80	82.85
- Pulses	394.43	291.66
	8,559.43	6,661.98
Based on Geographical region		
- India	7,041.93	5,648.46
- Outside India	1,517.50	1,013.52
	8,559.43	6,661.98
Based on Timing of Revenue		
- At a point in time	8,559.43	6,661.98
- Overtime	-	-
	8,559.43	6,661.98
Based on Contract Duration		
- Long Term	-	-
- Short Term	8,559.43	6,661.98
	8,559.43	6,661.98

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

25 Revenue from Operations (contd.)

25.3 Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Contract Balances

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Receivables, which are included in "Trade Receivables" (Refer Note No.11)	2,618.01	2,635.83
Contract Assets	15.98	2.61
Contract Liabilities	16.36	14.05

25.4 Other Information

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Transaction Price allocated to the remaining performance obligations	Nil	Nil
The amount of revenue recognised in the current period that was included in the opening contract liability balance	Nil	Nil

Performance Obligations - The Company satisfies the performance obligations for goods on shipment/despatch, as the case may be and in case of services, as the services are rendered. In case of service contracts, the company has given guarantee to the customer to make good any defect found in the performance of the service.

26 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income	107.25	78.03
Dividend income	3.40	4.93
Other non-operating income		
- Profit on sale of property, plant and equipment	-	2.16
- Net Gain on sale of Mutual Funds	-	2.85
- Net Gain/(loss) on Fair Value changes of Mutual Funds	-	-2.99
- Recovery of bad debts written off in earlier years	5.76	37.88
- Net Gain on Foreign Currency Transactions	-	8.08
- Others	2.10	5.83
Total	118.51	136.77
Interest income comprises interest from:		
a) Deposits with banks - carried at amortised cost	50.18	24.63
b) Other financial assets measured at amortised cost	56.73	53.40
c) On Income Tax Refund	0.34	-
Total	107.25	78.03
Dividend income comprises Dividend from:		
a) Investments carried at Fair Value through other comprehensive income	3.40	4.93
Total	3.40	4.93

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

27 Cost of Materials Consumed

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventory of Raw Materials at the beginning of the year	352.46	202.22
Add: Purchases (including in transit Purchases)	4,984.46	3,509.21
	5,336.92	3,711.43
Less: Inventory of Raw Materials at the end of the year	326.05	352.46
	5,010.87	3,358.97

28 Purchase of Stock-in-trade

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of Traded Goods	1,973.79	2,016.17
Total	1,973.79	2,016.17

29 Change in Inventories of Finished Goods and Work-in-Progress

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
Work-in-Progress	4.96	0.71
Inventories at the end of the year		
Work-in-Progress	6.02	4.96
Total	-1.06	-4.25

30 Employee Benefits Expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	370.24	350.13
Contribution to provident and other funds	27.19	19.43
Staff welfare expenses	1.40	1.18
Total	398.83	370.74

30.1 During the year, the Company has recognised an amount of ₹140.96 Lacs (Previous Year 2021-22 : ₹140.81 Lacs) as remuneration to Key Managerial Personnel on account of short-term employee benefits.

31 Finance Costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Borrowings from Banks	4.53	1.40
Interest on Statutory Dues	0.50	0.84
Total	5.03	2.24

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

32 Other Expenses

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Manufacturing Expenses		
Calibration Charges	0.25	0.33
Consumable Stores	0.70	0.96
Works Contract Charges	66.83	58.22
Power & Fuel	4.23	3.34
Repairs & Maintenance	4.72	2.77
Selling & Distribution Expenses		
Advertisement Expenses	2.88	2.51
Carriage Outward	253.14	162.07
Sales Promotion Expenses	3.50	3.73
Seminar Expenses	0.25	1.11
Commission	0.68	0.87
Establishment Expenses		
Electricity Charges	1.40	0.80
Contribution for CSR Activities	11.93	9.50
Travelling & Conveyance	29.49	22.17
Office Rent	3.38	3.00
Insurance Charges	2.03	2.64
Rates & Taxes	8.48	7.95
Professional Fees	27.91	16.04
Provision for Expected Credit Loss	132.17	60.00
Net foreign exchange loss	41.79	-
Other Expenses	58.83	57.70
Internal Audit Fees	2.00	1.80
Auditors' Remuneration	2.92	2.97
Total	659.51	420.48

32.1 Details of auditors' remuneration and out-of-pocket expenses is as below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
- Statutory Audit fees	2.15	2.15
- Tax audit fees	0.50	0.50
- Other Matters	0.27	0.32
	2.92	2.97

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

33 Income Taxes

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A Amount recognised in Statement of Profit and Loss		
Current Tax		
Current period	180.85	186.22
Adjustment for current tax of prior periods	3.87	-3.40
a	184.72	182.82
Deferred Tax		
Deferred tax for the year	-18.03	-0.02
b	-18.03	-0.02
Income tax expense reported in the Consolidated Statement of Profit and Loss (a+b)	166.69	182.80
B Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in Statement of Profit and Loss		
Profit/(loss) before tax	602.28	609.11
Dividend Received within the Group	17.96	99.57
	620.24	708.68
Indian statutory income tax rate	25.168%	25.168%
Estimated Income tax expense	156.10	178.36
Tax Effect of adjustments to reconcile expected tax expenses to reported tax expenses :		
Capital Gain taxable at different rates	1.10	1.78
Items not deductible	43.35	4.16
Changes in Fair Value of Investments Measured thru' FVTPL	0.07	-
Expense deductible on Actual Basis	-18.94	-
Utilisation/credit of deferred expenses and other tax benefits	-0.10	-13.56
Deferred Tax Impact	-18.03	-
Reversal of MAT Credit	-	10.88
Others	3.14	1.18
Total Income Tax Expense	166.69	182.80
Effective Income Tax Rate	26.88%	25.79%

34 Earnings per Share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Earnings per share has been computed as under:		
(a) Profit for the year	435.59	426.31
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic/diluted earnings per share (Face Value ₹10 per share)	76,72,025	76,72,025
(c) Earnings per share		
- Basic (a/b)	5.68	5.56
- Diluted (a/b)	5.68	5.56

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

35 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013.

(a) Defined contribution plans:

Contribution to defined contribution plans, recognised as expense for the year are as under:

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to Provident Fund	12.68	11.82
Employer's contribution to ESIC	3.40	3.26
Total	16.08	15.08

(b) Defined benefit plans:

The following are the types of Defined Benefit Plans :

(i) Gratuity Plan

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date."

(ii) Provident Fund

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

(c) Risk Exposure

Defined Benefit Plans

Defined benefit plans expose the Group to actuarial risks such as: Interest rate risk, Salary risk and Demographic risk.

- Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.
- Salary risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that includes mortality withdrawal disability and retirement. The effect of these decrements on the defined benefits obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of the short career employee typically costs less per year as compared to a long service employee.

(d) Details of the Gratuity Plan are as follows:

(i) Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Balance at the beginning of the year	39.82	36.27
Current service cost	10.82	4.30
Interest cost on Defined Benefit Obligation	2.86	2.53
Actuarial gain and losses arising		
Due to change in financial assumptions	0.96	-1.55
Due to unexpected experience adjustments	25.06	2.00
Benefits paid	-	-3.73
Balance at the end of the year	79.52	39.82

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

35 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013. (contd.)

- ii) Changes in the Fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows : (₹ in Lacs)

Particulars	2022-23		2021-22	
Fair Value of Planned Assets at the beginning of the year	35.81		34.13	
Expected Return on Planned Assets	2.57		2.50	
Contribution	11.88		3.58	
Benefits Paid	-		-3.73	
Actuarial Gain/(Loss)	-0.02		-0.67	
Present Value of defined benefit obligation at the end of the year	50.24		35.81	

- iii) Amount recognized in Balance Sheet

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Present value of Defined Benefit Obligation	79.52	39.82
Fair Value of Plan assets	-50.24	-35.81
Net (Assets)/ Liability recognised in the Balance Sheet	29.28	4.01

- iv) Expenses recognized in Statement of Profit or Loss

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Current service cost	10.81	4.30
Interest cost	0.29	0.02
Net Benefit Expense	11.10	4.32

- v) Remeasurement recognized in Other Comprehensive Income

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Actuarial (gain)/ loss on Defined Benefit Obligation	26.04	1.12

- vi) Actuarial Assumptions

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Financial Assumptions		
Discount rate	7.17%	7.34%
Salary escalation rate	6.00%	6.00%
Demographic Assumptions		
Mortality rate	IALM 2012-2014 Ultimate	
Withdrawal rate	5.00%	5.00%

- vii) Maturity Analysis

Weighted average duration of the retiring gratuity obligation is 9 years (March 31, 2022 - 15 years)

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

35 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013. (contd.)

viii) Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Lacs)

Variable	Sensitivity Level		Effect on Defined Benefit Obligations			
	March 31, 2023	March 31, 2022	March 31, 2023		March 31, 2022	
			Increase	Decrease	Increase	Decrease
Discount rate	+/- 0.5%	+/- 1%	76.76	82.49	37.70	42.13
Salary escalation rate	+/- 0.5%	+/- 1%	82.41	76.82	42.13	37.67
Attrition rate	+/- 0.5%	+/- 1%	79.53	79.51	39.83	39.81
Mortality rate	+/- 0.5%	+/- 1%	79.53	79.51	39.83	39.81

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

36 Related Party Disclosures

Key Managerial Personnel (KMP)

Mr Sanjay Goenka	Managing Director/Director
Mrs Nilima Goenka	Whole Time Director
Mr Ramsanatan Banerjee	Whole Time Director
Mr Giridhari Lal Goenka	Independent Director
Mr Binay Kumar Agarwal	Independent Director
Mr Krishna Kumar Tantia	Independent Director (Resigned w.e.f. 28.05.2022)
Mr Sudhir Kumar Bhartia	Independent Director (Appointed w.e.f. 28.05.2022)
Mr Kashinath Dey	Chief Financial Officer
Ms Jaya Bajpai	Company Secretary (Resigned w.e.f. 01.09.2022)
Ms Ankita Banerjee	Company Secretary (Appointed w.e.f. 15.11.2022)
Mr Kalyan Ghosh	Director

Relatives of Key Managerial Personnel

Mr Vansh Goenka
Mr Rajiv Goenka

Enterprises over which Key Managerial Personnel are able to exercise significant influence

Bengal Silicates & Chemicals Pvt Ltd
RG's Fashions Pvt Ltd
Chemico International Pvt Ltd
Sanjay Goenka & Others (HUF)
Hindcon Foundation

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

36 Related Party Disclosures (contd.)

The following transactions were carried out with related parties in the ordinary course of business:

(₹ in Lacs)

Nature of transaction	Name of Related Party	Transaction for the year ended		Balances	
		31-03-2023	31-03-2022	31-03-2023	31-03-2022
		Amount	Amount	Amount	Amount
Salary/Perquisites	Sanjay Goenka	87.00	87.00	-	-
	Nilima Goenka	36.00	36.00	-	-
	Ramsanatan Banerjee	9.24	8.64	-	-
	Kashinath Dey	5.10	4.92	-	-
	Vansh Goenka	1.71	-	-	-
	Kalyan Ghosh	1.20	1.18	-	-
	Jaya Bajpai	0.90	2.16	-	-
	Ankita Banerjee	0.81	-	-	-
Director Sitting Fees	Binay Kumar Agarwal	0.34	0.38	-	-
	Giridhari Lal Goenka	0.21	0.18	-	-
	Krishna Kumar Tantia	-	0.35	-	-
	Sudhir Kumar Bhartia	0.16	-	-	-
Office Rent	Sanjay Goenka	1.20	1.20	-	-
	Nilima Goenka	1.80	1.80	-	-
Donation Paid	Hindcon Foundation	1.01	-	-	-
Purchases	Chemico International Pvt Ltd	-	48.00	-	-
Sales	Bengal Silicates & Chemicals Pvt Ltd	1,175.31	893.18	-	-
	Chemico International Pvt Ltd	-	1,480.23	-	-
	RG's Fashions Pvt Ltd	1.77	0.34	-	-
Staff Welfare Expenses	RG's Fashions Pvt Ltd	0.21	-	-	-
Dividend Paid	Sanjay Goenka & Other (HUF)	3.58	12.78	-	-
	Sanjay Goenka	13.15	47.86	-	-
	Nilima Goenka	10.11	36.11	-	-
	Vansh Goenka	3.99	14.25	-	-
Trade Receivables	Bengal Silicates & Chemicals Pvt Ltd	-	-	57.46	207.34
	Chemico International Pvt Ltd	-	-	-	470.31
	RG's Fashions Pvt Ltd	-	-	0.32	0.09
Managerial Remuneration Payable	Kalyan Ghosh	-	-	0.10	0.10

36.1 The sale to and purchases from related party are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. The Group has recorded the receivable relating to amount amount due from Related parties net of impairment. This assessment is undertaken each Financial Year through examining the Financial Position of the Related parties and the market in which the Related Party operates.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

37 Financial instruments and related disclosures

37.1 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Group has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, lease liabilities, short term borrowings and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. The management has assessed that the fair value of floating rate instruments approximates their carrying value.

37.2 Financial instruments by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position. The table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lacs)

Particulars	As at March 31, 2023					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets						
(i) Investments	Non Current	-	218.83	-	218.83	218.83
(ii) Other financial assets	Non Current	-	-	8.26	8.26	-
(iii) Trade receivables	Current	-	-	2,618.01	2,618.01	-
(iv) Cash and cash equivalents	Current	-	-	750.13	750.13	-
(v) Other bank balances	Current	-	-	285.86	285.86	-
(vi) Loans	Current	-	-	417.98	417.98	-
(vii) Other financial assets	Current	-	-	39.40	39.40	-
Total		-	218.83	4,119.64	4,338.47	218.83
Financial Liabilities						
(i) Other financial liabilities	Non Current	-	-	4.63	4.63	-
(ii) Borrowings	Current	-	-	98.15	98.15	-
(iii) Trade payables	Current	-	-	741.76	741.76	-
(iv) Other financial liabilities	Current	-	-	1.85	1.85	-
Total		-	-	846.39	846.39	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

37 Financial instruments and related disclosures (contd.)

(₹ in Lacs)

Particulars	As at March 31, 2022					
	Current/ Non Current	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets						
(i) Investments	Non Current	17.60	302.98	-	320.58	320.58
(ii) Other financial assets	Non Current	-	-	100.98	100.98	-
(iii) Trade receivables	Current	-	-	2,635.83	2,635.83	-
(iv) Cash and cash equivalents	Current	-	-	222.68	222.68	-
(v) Other bank balances	Current	-	-	321.49	321.49	-
(vi) Loans	Current	-	-	480.00	480.00	-
(vii) Other financial assets	Current	-	-	28.29	28.29	-
Total		17.60	302.98	3,789.27	4,109.85	320.58
Financial Liabilities						
(i) Other financial liabilities	Non Current	-	-	2.43	2.43	-
(ii) Borrowings	Current	-	-	123.65	123.65	-
(iii) Trade payables	Current	-	-	789.55	789.55	-
(iv) Other financial liabilities	Current	-	-	1.28	1.28	-
Total		-	-	916.91	916.91	-

37.3 Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Group's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group's principal financial assets include trade and other receivables and cash & cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

(i) Credit risk

Credit risk is the risk of financial loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group receivables from customers. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank. The Group has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

37 Financial instruments and related disclosures (contd.)

Trade receivable

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Exposure to credit risks

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below :

(₹ in Lacs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	%	Amount	%	Amount
Revenue from top customer	14.95%	1,279	22.88%	1,524
Revenue from top five customers	48.14%	4,120	31.05%	2,069

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per simplified approach, the Group makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

Particulars	On Demand	3-6 months	6-12 months	1-5 years	Above 5 years	Total
As at 31 March 2023						
Borrowings	1.96	96.19	-	-	-	98.15
Trade payables	-	741.76	-	-	-	741.76
	1.96	837.95	-	-	-	839.91
As at 31 March 2022						
Borrowings	21.68	101.97	-	-	-	123.65
Trade payables	-	789.55	-	-	-	789.55
	21.68	891.52	-	-	-	913.20

Note: Security Deposits contained under Other Non Current Financial Liabilities do not have any maturity date. These deposits are against the contract of service. The said deposits will be released only after the corresponding contract is cancelled. And the company does not foresees the contract to be cancelled in the near future.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

37 Financial instruments and related disclosures (contd.)**(iii) Market risk**

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, receivables, payables and borrowings.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates related primarily to the Group's short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed rate instruments		
Financial assets	417.98	480.00
Financial liabilities	-	-
	417.98	480.00
Variable rate instruments		
Financial assets	-	-
Financial liabilities	98.15	123.65
	98.15	123.65

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Interest rate sensitivity

Since the Group is not having any variable rate debt financial instruments, there will be no effect of change in the market rate of interest on the profitability and the cash flows of the Group. Hence the table given below is not applicable.

Particulars	Change	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2023					
Variable rate instruments	+ / (-) 50 Basis points	0.98	-0.98	0.73	-0.73
Cash flow sensitivity (net)		0.98	-0.98	0.73	-0.73
31 March 2022					
Variable rate instruments	+ / (-) 50 Basis points	1.24	-1.24	0.93	-0.93
Cash flow sensitivity (net)		1.24	-1.24	0.93	-0.93

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

37 Financial instruments and related disclosures (contd.)

(b) Equity price risk

The Group is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

(c) Currency risk

The Group has Foreign Currency Exchange Risk on imports of input materials in foreign currency for its business. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Group act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Group adopts a policy of selective hedging based on risk perception of the management using derivative, wherever required, to mitigate or eliminate the risk.

The Group's exposure to foreign currency risk at the end of the reporting period are as follows:

Unhedged foreign currency exposure as at reporting date

(₹ in Lacs)

Particulars	March 31, 2023		March 31, 2022	
	USD	Amount	USD	Amount
Financial liabilities				
Borrowings and Trade payables	4,12,470.00	341.38	6,18,155.00	469.34
Net exposure in foreign currency	4,12,470.00	341.38	6,18,155.00	469.34

Sensitivity analysis

The analysis is based on assumption that the increase/decrease in foreign currency by 5% with all other variables held constant, on the unhedged foreign currency exposure.

Variable	Change	March 31, 2023		March 31, 2022	
		Impact on		Impact on	
		Profit before tax	Other equity	Profit before tax	Other equity
USD sensitivity (Increase)	+ 5%	-17.07	-12.77	23.47	17.56
USD sensitivity (Decrease)	- 5%	17.07	12.77	-23.47	-17.56

38 Interests in other entities

(a) Subsidiaries

The group's subsidiaries as at 31st March 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
		%	%	%	%	
Hindcon Solutions Pvt Ltd	India	97.52%	97.52%	2.48%	2.48%	Trading & Investment

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

38 Interests in other entities (contd.)**(b) Non-controlling interests (NCI)**

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts are before inter-company eliminations.

(₹ in Lacs)

Summarised Balance Sheet	Hindcon Solutions Pvt Ltd	
	March 31, 2023	March 31, 2022
Current assets	140.84	79.29
Current liabilities	9.97	23.47
Net current assets	130.87	55.82
Non-current assets	426.89	485.91
Non-current liabilities	-	-
Net non-current assets	426.89	485.91
Net assets/(liabilities)	557.76	541.73
Accumulated NCI	48.77	45.71

Summarised Statement of Profit and Loss	Hindcon Solutions Pvt Ltd	
	March 31, 2023	March 31, 2022
Revenue	423.55	372.50
Profit for the year	22.59	52.87
Other comprehensive income/ (loss)	-6.55	25.31
Total comprehensive income	16.04	78.18
Profit allocated to NCI	3.06	5.35
Dividends paid to NCI	-	0.90

Summarised Statement of Cash Flow	Hindcon Solutions Pvt Ltd	
	March 31, 2023	March 31, 2022
Cash flows from operating activities	-6.15	71.71
Cash flows from investing activities	11.35	-36.98
Cash flows from financing activities	-	-36.32
Net increase/ (decrease) in cash and cash equivalents	5.20	-1.59

39 Capital management

The Group's management objective are :

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

Particulars		As at March 31, 2023	As at March 31, 2022
Total debt (Bank and other borrowings)	A	98.15	123.65
Equity	B	4,234.81	3,913.81
Liquid investments including bank deposits	C	750.13	222.68
Debt to Equity (A / B)		0.02	0.03
Debt to Equity (net) [(A-C) / B]		-0.15	-0.03

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

40 Contingent Liabilities and Commitments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Contingent Liabilities		
a) Demands/Claims by various government authorities and others not acknowledged as debts by the Group:		
(i) Income Tax Matters	87.41	21.56
(ii) Other statutory bodies	-	-
	87.41	21.56

Particulars	As at March 31, 2023	As at March 31, 2022
ii) Commitments		
a) Capital Commitments		
Estimated value of contracts remaining to be executed on capital account	-	-
	-	-

41 Disclosure as per Schedule of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 and Section 186(4) of the Companies Act, 2013

Name of the Company	Principal Outstanding As On		Interest Rate	Repayment Terms
	March 31, 2023	March 31, 2022		
i) M/s ANS Developers Pvt Ltd	-	150.00	12%	Repayable on demand
ii) M/s Nandini Steels & Securities Pvt Ltd	5.00	20.00	12%/15%	
iii) M/s Raja Shelters Pvt Ltd	-	100.00	12%	
iv) M/s Mainland Finance Ltd	100.00	-	12%	
v) M/s Tyre Arcade	225.00	180.00	12%	
vi) M/s JBN Industrial Complex Pvt Ltd	50.00	-	12%	
vii) M/s Star Projects & Infrastructure Pvt Ltd	30.00	30.00	9%	
	410.00	480.00		

42 Financial performance ratios :

	Ref	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance %
A Performance ratios						
Net Profit Ratio		Profit after tax	Revenue from operations	5.09%	6.00%	-0.91%
Net Capital Turnover Ratio		Revenue from operations	Closing working capital	2.43	2	21.50%
Return on Capital Employed		Profit before interest and tax	Closing capital employed	13.86%	15.00%	-1.14%
Return on Equity Ratio		Profit after tax	Average Shareholder's Equity	10.57%	11.00%	-0.43%

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

42 Financial performance ratios : (contd.)

	Ref	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance %
Debt Service Coverage Ratio	(i)	Profit before interest, tax and depreciation and amortisation	Debt service = Interest & Lease Payments + Principal Repayments	20.02	284.51	-92.96%
Return on Investment	(ii)	Dividend + Profit on Sale + Changes in Fair value	Average Investment	-15.93%	70.00%	-85.93%
B Leverage Ratios						
Debt - Equity Ratio	(iii)	Total borrowings	Equity	0.02	0.03	-33.33%
C Liquidity Ratios						
Current Ratio	(iv)	Current assets	Current liabilities	4.56	3.56	28.09%
D Activity Ratios						
Inventory Turnover Ratio		Cost of good sold	Average inventory	21.47	20.71	3.67%
Trade Receivables Turnover Ratio		Revenue from operations	Average trade receivables	3.26	2.92	11.64%
Trade Payables Turnover Ratio		Net Credit Purchase	Average trade payables	9.72	8.85	9.83%

Note : Explanation for change in ratio by more than 25%

- (i) Debt service coverage ratio has decreased due to repayment of borrowings made during the year.
- (ii) Return on Investment has decreased due to low return earned on investment during the year.
- (iii) Debt equity ratio is decreased due to decrease in total debts of the Group during the year.
- (iv) Current ratio is increased due to increase in Cash and Cash Equivalents and decrease in current liabilities of the Group during the year.

43 Other Statutory Information

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

43 Other Statutory Information (contd.)

- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Group has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.
- (viii) The Group does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ix) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

44 Certain Trade Receivables, Loans & Advances and Trade Payables are subject to confirmation. In the opinion of the management, the value of Trade Receivables and Loans & Advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

45 Segment Reporting

There is only one primary business segment i.e. "Sodium Silicate, Construction Chemicals and related services and trading of pulses" and hence no separate segment information is disclosed in this financials. Secondary information is reported geographically.

Geographical segments

The Company primarily operates in India and therefore analysis of geographical segment is demonstrated into Indian and overseas operation as under:

(₹ in Lacs)

Particulars	March 31, 2023		March 31, 2022	
	India	Overseas	India	Overseas
Revenue from operations	7,041.93	1,517.50	5,648.46	1,013.52
Carrying value of Non-current assets* (other than financial instruments)	299.07	-	174.85	-

*Non-current assets for this purpose consists of Property, plant and equipment and Other non-current assets.

46 Code of Social Security

During the previous ended March 31, 2021, the Central Government has published "The Code on Social Security, 2020" and "Industrial Relations Code, 2020" in the Gazette of India, Inter alia, subsuming various existing labour and industrial laws which deals with employees related benefits including post employment. The effective date of the codes thereunder and the rules are yet to be notified. The impact of the legislative changes, if any, will be assessed and recognised post notification of the relevant provisions.

47 Figures for the previous periods have been regrouped and reclassified to confirm to the classification of the current period, wherever considered necessary.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

48 Disclosure of additional information pertaining to Parent and subsidiary companies as per Schedule III of the Companies Act, 2013

(₹ in Lacs)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Hindcon Chemicals Ltd	87.81%	4,018.94	95.02%	430.96	88.68%	-51.29	95.95%	379.67
Indian Subsidiary								
Hindcon Solutions Pvt Ltd	12.19%	557.77	4.98%	22.59	11.32%	-6.55	4.05%	16.04
Total (A)	100.00%	4,576.71	100.00%	453.55	100.00%	-57.84	100.00%	395.71
a) Adjustments arising out of consolidation		-244.36		-14.26		-0.64		-14.90
b) Non controlling Interest		-48.77		-3.70		0.64		-3.06
Total (B)		-293.13		-17.96		-		-17.96
Grand Total (A + B)		4,283.58		435.59		-57.84		377.75

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

As per our report of even date attached
For **R B ROY & CO.**
Chartered Accountants
ICAI Firm Regn. No.322805E

Sd/-
(CA. N. Krishnan)
Partner
Membership No.062381
UDIN: 23062381BGYOSQ9890
Kolkata
May 26, 2023.

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

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

Sd/-
(Ankita Banerjee)
(Company Secretary)

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

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

Corporate Information

Board of Directors

Mr. Sanjay Goenka - *Chairman & Managing Director*

Mrs. Nilima Goenka - *Whole-time Director*

Mr. Ramsanatan Banerjee - *Whole-time Director*

Mr. Binay Kumar Agarwal - *Independent Director*

Mr. Girdhari Lal Goenka - *Independent Director*

Mr. Sudhir Kumar Bhartia - *Independent Director*

Chief Financial Officer

Mr. Kashi Nath Dey

Company Secretary

Ms. Ankita Banerjee

Main Banker

Kotak Mahindra Bank Limited

Auditors

M/s R B Roy & Co.

Chartered Accountants

49, Deshapran Sashmal Road, 3rd Floor, Room No. 3B,
Kolkata – 700 033

Secretarial Auditor & Legal Advisor

Mr. Santosh Kumar Tibrewalla
Practicing Company Secretary
5A, N.C. Dutta Sarani, 3rd Floor
Kolkata-700 001

Registrar & Share Transfer Agents

Link Intime India Pvt Ltd
Room Nos. 502 & 503, 5th Floor,
Vaishno Chamber, 6 Brabourne Road,
Kolkata- 700 001

Registered Office

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

Manufacturing Facilities

Jalan Complex, Gate No. 3, Baniyara, Domjur,
Howrah- 711 411.



Hindcon Chemicals Limited

Registered office:

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