

## HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

Regd. Office : Kanchenjunga, (7th Floor) 18, Barakhamba Road, New Delhi-110001 Phone : +91-11-23310001-05 Fax : +91-11-23313707  
CIN : L31300DL1959PLC003141 E-mail : huil@hindusthan.co.in Website : www.hindusthan.co.in

Date: 27<sup>th</sup> August, 2021

To  
The Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400001  
**Scrip Code: 539984**

**Sub: Notice for 61<sup>st</sup> Annual General Meeting and Annual Report for the financial year 2020-21.**

**Ref: Disclosure under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations)**

Dear Sir/Madam,

This is to inform you that the 61<sup>st</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on Friday, 24<sup>th</sup> September, 2021 through Video Conferencing / Other Audio-Visual Means, in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

In terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Notice of 61<sup>st</sup> AGM along with Annual Report of the Company for the financial year 2020-21 which are being sent through electronic mode to the Members by today i.e. Friday, 27.08.2021.

Notice for 61<sup>st</sup> AGM along with Annual Report are also uploaded on the Company's website at [www.hindusthanurban.com](http://www.hindusthanurban.com) and the website of the NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

This is for your information and records.

Thanking You,

**For Hindusthan Urban Infrastructure Limited**

  
**M.L. Birmiwala**  
**President- Finance & Secretary**

Encl: As above





# HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

Registered Office: Kanchenjunga, (7<sup>th</sup> Floor) 18, Barakhamba Road, New Delhi - 110001

CIN: L31300DL1959PLC003141, E-mail: [investors@hindusthan.co.in](mailto:investors@hindusthan.co.in)

Website: [www.hindusthanurban.com](http://www.hindusthanurban.com), Phone: +91-11-23310001-05

## **NOTICE**

Notice is hereby given that the Sixty-first Annual General Meeting of the Members of Hindusthan Urban Infrastructure Limited will be held on Friday, 24<sup>th</sup> September, 2021 at 2:00 P.M. through video conference ("VC")/ other audio visual means ("OAVM") to transact the following business:

### **Ordinary Business:**

#### **1. Adoption of financial Statements.**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 together with the Report of the Board of Directors and Auditors thereon.

#### **2. Adoption of consolidated financial Statements.**

To receive, consider and adopt the consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 together with the Report of the Board of Directors and Auditors thereon.

#### **3. Re-appointment of Mr. Shyam Sunder Bhuwania as Director.**

To appoint a director in place of Mr. Shyam Sunder Bhuwania (DIN: 00107171), who retires by rotation and being eligible, seeks re-appointment.

### **Special Business:**

#### **4. Ratification of remuneration of the Cost Auditors.**

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

"Resolved that pursuant to provisions of section 148(3) of the Companies Act, 2013 and Rules made thereunder, approval of the shareholders be and is hereby accorded for the ratification of remuneration of Rs. 31,500 (Rupees Thirty One Thousand Five Hundred Only) inclusive of conveyance charges for visit to Company's works, plus applicable taxes payable to M/s. J.K. Kabra & Co., Cost Accountants (Firm Registration No. 000009) appointed by the Board of Directors as Cost Auditors of the Company for the financial year 2021-22."

#### **5. Revision in the remuneration of Mr. Deepak Kejriwal as Managing Director.**

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

"Resolved that pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said Act and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded for the revision in the remuneration paid/payable to Mr. Deepak Kejriwal (DIN: 07442554) as Managing Director of the Company with effect from 1<sup>st</sup> April, 2021 for remaining period of his present tenure i.e. upto 30<sup>th</sup> November, 2021 on the terms and conditions including remuneration as set out in the statement annexed to the notice.

Resolved further that the overall managerial remuneration payable to Mr. Deepak Kejriwal shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee & Audit Committee but not exceeding Rs. 90 Lakhs per annum at any point of time and that the terms and conditions of the aforesaid remuneration payable to the said Managing Director be varied/altered/revised within said overall limit in such manner as may be required during remaining period of his tenure.

Resolved further that where in any financial year during the tenure of the said Managing Director, the company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration.

Resolved further that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

#### **6. Re-appointment and remuneration of Mr. Deepak Kejriwal as Managing Director.**

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

“Resolved that pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and any other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to approval of Central Government and all other applicable regulatory approvals, consent and permissions, if any required, approval of the members be and is hereby accorded to re-appoint Mr. Deepak Kejriwal (DIN: 07442554) as Managing Director of the Company for a term of three years with effect from 1<sup>st</sup> December, 2021, liable to retire by rotation on the terms and conditions including remuneration as set out in the statement annexed to the notice with liberty to the Board of Directors (herein after referred to as the “Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit without referring the matter to the General Body not exceeding the limits specified under Schedule V of the companies Act, 2013 as amended/modified or any statutory modification or re-enactment thereof including any guidelines or notification or rules on managerial remuneration issued by the Central Government from time to time and as may be acceptable to Mr. Deepak Kejriwal.

Resolved further that the overall managerial remuneration payable to Mr. Deepak Kejriwal shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee & Audit Committee but not exceeding Rs. 90 Lakhs per annum at any point of time and that the terms and conditions of the aforesaid remuneration payable to the said Managing Director be varied/alterd/revised within said overall limit in such manner as may be required during period of his tenure.

Resolved further that where in any financial year during the tenure of the said Managing Director, the company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration.

Resolved further that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution”

**By Order of the Board of Directors  
For Hindusthan Urban Infrastructure Limited**

**Date: 29<sup>th</sup> June, 2021  
Place: New Delhi**

**Sd/-  
M.L. Birmiwala  
President - Finance & Secretary  
FCS No.: 1037**

**Notes:**

- a. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) setting out material facts concerning the business under item nos. 4 to 6 of the Notice is Annexed hereto and forms part of this notice.
- b. In view of the outbreak of COVID-19 pandemic, social distancing measures are a pre-requisite and in terms of Ministry of Corporate Affairs (“MCA”) General Circular 14/2020 dated 8<sup>th</sup> April, 2020, General Circular 17/2020 dated 13<sup>th</sup> April, 2020, General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 General Circular No. 22/2020 dated 15<sup>th</sup> June, 2020, General Circular No. 33/2020 dated 28<sup>th</sup> September, 2020, General Circular No. 39/2020 dated 31<sup>st</sup> December, 2020, General Circular No. 2/2021 dated 13<sup>th</sup> January, 2021 and General Circular No. 10/2021 dated 23<sup>rd</sup> June, 2021 (“MCA Circulars”) and Securities Exchange Board of India (SEBI) Circular dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January, 2021 physical presence of the Members at common venue of the Annual General Meeting (AGM) is avoided and companies are permitted to conduct meeting through Video Conference (“VC”)/ Other Audio Visual Means (“OAVM”). The deemed venue for the AGM shall be the Registered Office of the Company.
- c. Since physical attendance of Members has been dispensed in terms of MCA Circular, there is no requirement of appointment of proxies. Accordingly, facility of appointment of proxies by Members under Section 105 of the Act, will not be available for the AGM and hence the Proxy Form and Attendance Slip is not annexed to the Notice.
- d. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and the members can join the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first serve basis.
- e. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- f. In line with the MCA Circulars and SEBI Circulars, the Notice calling the AGM and Annual Report 2020-21 is being sent

only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report 2020-21 will also be made available on the Company's website at [www.hindusthanurban.com](http://www.hindusthanurban.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- g. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 18<sup>th</sup> September, 2021 to Friday, 24<sup>th</sup> September, 2021 (both days inclusive) for the purpose of AGM.
  - h. The Company's Registrar and Transfer Agents for its share registry work (Physical and Electronic) are Skyline Financial Services Limited.
  - i. Members can avail the facility of nomination in respect of securities held by them in physical form pursuant to the provision of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed form duly filled-in to RTA. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.
  - j. Members are requested to -
    - i. intimate to the DP, changes if any, in their names, registered addresses, email address, telephone/mobile numbers, and/or changes in their bank account details, if the shares are held in dematerialized form.
    - ii. intimate to the Company's RTA, changes if any, in their names, registered addresses, email address, telephone/mobile numbers, and/or changes in their bank account details, if the shares are held in physical form (share certificates).
    - iii. consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
    - iv. dematerialize their Physical Shares to Electronic Form (Demat) as, in terms of Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can be transferred only in dematerialised form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. Dematerialisation of shares would help to eliminate risks associated with Physical Shares. Members can contact Registrar and Transfer Agents viz., Skyline Financial Services Limited, New Delhi (Tel. No. +91 11 40450193-97) for assistance, if any, in this regard.
  - k. Since the AGM will be held through VC/OAVM, the route map is not annexed with the Notice.
  - l. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form who have not done so are requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Registrar and Transfer Agent.
  - m. Members are requested to refer to the Corporate Governance Report for information in connection with the unpaid / unclaimed dividend liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Members are requested to refer the website of the Company [www.hindusthanurban.com](http://www.hindusthanurban.com) for the details made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019.
- Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the financial year 2013-14 onwards are requested to lodge their claims with RTA or company immediately. It may be noted that the unclaimed Final Dividend for the financial year 2013-14 declared by the Company can be claimed by the Members before 30<sup>th</sup> September, 2021.
- n. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the RTA by emailing to [compliances@skylinerta.com](mailto:compliances@skylinerta.com) immediately to receive copies of Annual Report in electronic mode.
  - o. Shareholders may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investor.relations@hindusthan.co.in](mailto:investor.relations@hindusthan.co.in). The same will be replied by the company suitably.
  - p. Information with regard to Mr. Shyam Sunder Bhuwania and Mr. Deepak Kejriwal, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) and the applicable Secretarial Standard, is annexed hereto. Requisite declarations have been received from the Directors seeking their appointment / re-appointment.
  - q. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the RTA. Members are requested to keep the same updated.



- r. The Company has been maintaining, inter alia, the following statutory registers at its registered office at 7<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001:
- i) Register of contracts or arrangements in which directors are interested under section 189 of the Act.
  - ii) Register of directors and key managerial personnel and their shareholding under section 170 of the Act.
- In accordance with the MCA circulars, the said registers will be made accessible for inspection through electronic mode, and shall remain open and be accessible to any member during the continuance of the meeting.
- s. Pursuant to provisions of the Listing Regulations, the Company is maintaining an email ID, [investors.relations@hindusthan.co.in](mailto:investors.relations@hindusthan.co.in) exclusively for prompt redressal of members/ investors grievances.

**Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and MCA Circulars, the Company is pleased to provide members facility to exercise their right to vote during the AGM by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited ("NSDL").

The remote e-voting period commences on **Tuesday, 21<sup>st</sup> September, 2021 (9:00 a.m.) and ends on Thursday, 23<sup>rd</sup> September, 2021 (5:00 p.m.)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, 17<sup>th</sup> September, 2021, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, 17<sup>th</sup> September, 2021.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting during the AGM through electronic means.

Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on cut-off date, may obtain the login id and password by sending a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

Mr. Kapoor Chand Garg, Practicing Company Secretary (FCS: 7145, CP: 7829) , Proprietor M/s. KCG & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting during the General Meeting, will first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report 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 result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.hindusthanurban.com](http://www.hindusthanurban.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately after the declaration of result by the Chairman or a person authorized by him in writing. Simultaneously the results shall also be forwarded to BSE Limited, Mumbai.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The details of the process and manner for remote e-voting are explained below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

S. No.	Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
(b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
(c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (one time password) based login for casting the votes on the e-voting system at NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

#### Details on Step 2 is given below:

#### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kapoorgarg.cs@gmail.com](mailto:kapoorgarg.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone nos. +91 22 24994545.

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self- attested scanned copy of Aadhar Card) by email to RTA at [compliances@skylinerta.com](mailto:compliances@skylinerta.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self -attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to RTA at [compliances@skylinerta.com](mailto:compliances@skylinerta.com).
3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the

User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/folio number, email id, mobile number at [investor.relations@hindusthan.co.in](mailto:investor.relations@hindusthan.co.in) between 7<sup>th</sup> September, 2021 (9.00 a.m.) to 10<sup>th</sup> September, 2021 (5.00 p.m.). Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**By Order of the Board of Directors  
For Hindusthan Urban Infrastructure Limited**

**Date: 29<sup>th</sup> June, 2021  
Place: New Delhi**

**M.L. Birmiwala  
President - Finance & Secretary  
FCS No.: 1037**

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**Explanatory Statement**  
**(Pursuant to Section 102(1) of the Companies Act, 2013)**

**Item No. 4**

The Board of Directors, at its meeting held on 29<sup>th</sup> June, 2021 on recommendation of the Audit Committee, approved the re-appointment of M/s. J.K. Kabra & Co., Cost Accountants (Firm Registration No. 000009) as the Cost Auditor of the Company for the financial year 2021-22 on a remuneration of Rs. 31,500 (Rupees Thirty One Thousand Five Hundred Only) inclusive of conveyance charges for visit to company's works, plus applicable taxes.

Section 148(3) of the Companies Act, 2013 and Rules made thereunder require the Board to appoint an individual, who is a cost accountant or a firm of cost accountants, as Cost Auditors on the recommendations of the Audit Committee, which shall also recommend remuneration for such Cost Auditors and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the members of the company.

The Board has given the necessary approvals with due recommendation from the Audit Committee. The resolution contained in item no. 4 of the Notice, accordingly, seeks members' approval/ratification for the remuneration of Cost Auditors of the Company for the financial year 2021-22.

None of the directors or key managerial personnel or their relatives are directly or indirectly concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends this ordinary resolution set out in item no. 4 of the Notice for approval by members.

**Item No. 5 and 6**

Mr. Deepak Kejriwal was appointed as Whole-time Director (designated as Whole-time Director & Chief Financial Officer) effective from 1<sup>st</sup> December, 2018 for the term of 3 (three) years subject to the approval of shareholders.

Subsequently, appointment and remuneration of Mr. Deepak Kejriwal was approved by the shareholders through Postal Ballot on 29<sup>th</sup> March, 2019 with the power to the Board of Directors / Nomination and Remuneration Committee to alter, modify remuneration within the limits of provisions and Schedule V to the Companies Act, 2013.

Further, the Nomination and remuneration Committee and Audit Committee in their meetings held on 27<sup>th</sup> August, 2020 also recommended for change in designation of Mr. Deepak Kejriwal from Whole-time Director to Managing Director of the company with effect from 1<sup>st</sup> September, 2020 subject to other requisite approvals, if any.

The existing term for appointment of Mr. Deepak Kejriwal would expire on 30<sup>th</sup> November, 2021. Mr. Deepak Kejriwal was not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.



The Nomination and remuneration Committee, Audit Committee and Board of Directors of the company in their meeting held on 29<sup>th</sup> June, 2021 approved the following:

(a) Re-appointment as Managing Director with effect from 1<sup>st</sup> December, 2021

(b) Revision in the remuneration with effect from 1<sup>st</sup> April, 2021

on the terms & conditions and remuneration as follows:

**Salary & Perquisites:-**

S. No.	Particulars
1.	Salary Rs. 2,76,740/- (Rupees Two Lakh Seventy Six Thousand Seven Hundred and Forty Only) per month.
2.	Conveyance allowance Rs. 44,315/- (Rupees Forty Four Thousand Three Hundreds and Fifteen Only) per month.
3.	House Rent Allowance Rs. 2,07,555/- (Rupees Two Lakh Seven Thousand Five Hundred and Fifty Five Only) per month.
4.	Leave Travel Allowance Rs. 23,066/- (Rupees Twenty Three Thousand and Sixty Six Only) Per Month.
5.	Company owned Car with running and maintenance expenses at actuals to be borne by the Company. The Car should be used exclusively for attending the company's work.
6.	Company's contribution towards Provident Fund subject to a ceiling of 12% of the salary as laid down under the Income Tax Rules, 1962.
7.	Gratuity as per rules and practice of the Company.
8.	No sitting fee will be paid for attending the meeting of the Board of Directors or Committee thereof.
9.	The services will be subject to termination on three months' notice on either side or salary in lieu thereof.
10.	An Annual Variable Pay of Rs. 18,00,000/- (Rupees eighteen lakhs only) would be paid as per company policy. The employee should be on the pay rolls of the company at the time of disbursement to be eligible for pay out.

In the event of absence or inadequacy of profits in any financial year, Mr. Deepak Kejriwal will be paid the above salary as minimum remuneration and in addition there to the perquisites not exceeding the limits specified under Section-II of Part-II of Schedule-V to the Act.

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

It is proposed to seek Members approval for the re-appointment and revision in the remuneration paid/payable to Mr. Deepak Kejriwal as Managing Director in terms of the applicable provisions of the Companies Act, 2013 and rules made thereunder as amended upto date.

Brief profile of Mr. Deepak Kejriwal, his experience, qualifications and other details have been included in the Annexure-A to this Notice. Mr. Deepak Kejriwal satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under subsection (3) of Section 196 of the Act for being eligible for this re-appointment. Mr. Deepak Kejriwal is not disqualified from being appointed as Director in terms of Section 164 of the Act and he is not debarred from holding the office of director by virtue of any order passed by SEBI or any such authority.

Statement pursuant to the provisions of Section-II of Part – II of Schedule-V to the Act is annexed herewith.

A copy of the draft letter proposed to be issued to Mr. Deepak Kejriwal is open for inspection at the Registered Office of the Company on all working days except Saturday during business hours from 11.00 A.M. to 1.00 P.M.

The Board recommends the passing of the special resolution as set out at item nos. 5 and 6 of this notice for the approval of the Members.

Except for Mr. Deepak Kejriwal and his relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution as set out at Item No. 5 and 6 of this Notice.

The required details as per the Secretarial Standards ("SS-2") and Regulations 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as **Annexure - A** to this notice.

**By Order of the Board of Directors  
For Hindusthan Urban Infrastructure Limited**

**Date: 29<sup>th</sup> June, 2021  
Place: New Delhi**

**M.L. Birmiwala  
President - Finance & Secretary  
FCS No.: 1037**

**Statement pursuant to the provisions of Section-II of Part – II of Schedule-V to the Companies Act, 2013.**

**I. General Information**

1. Nature of Industry	:	Manufacture of Electrical Equipments																						
2. Year of commencement of commercial production	:	1960																						
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	:	N.A.																						
4. Financial performance based on given indicators.		<table><tr><th rowspan="2">Financial Parameters</th><th>2020-21</th><th>2019-20</th></tr><tr><th>(Rs. In Lakhs) (Audited)</th><th>(Rs. In Lakhs) (Audited)</th></tr><tr><td>Sales</td><td>34,620.81</td><td>46,087.06</td></tr><tr><td>Profit/(Loss) before depreciation</td><td>1,794.69</td><td>2,422.00</td></tr><tr><td>Depreciation</td><td>1,410.52</td><td>1,473.50</td></tr><tr><td>Profit/(Loss) after depreciation, but before provision for tax &amp; exceptional item</td><td>384.17</td><td>948.50</td></tr><tr><td>Net Profit/(Loss)</td><td>258.81</td><td>555.60</td></tr></table>			Financial Parameters	2020-21	2019-20	(Rs. In Lakhs) (Audited)	(Rs. In Lakhs) (Audited)	Sales	34,620.81	46,087.06	Profit/(Loss) before depreciation	1,794.69	2,422.00	Depreciation	1,410.52	1,473.50	Profit/(Loss) after depreciation, but before provision for tax & exceptional item	384.17	948.50	Net Profit/(Loss)	258.81	555.60
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Profit/(Loss) after depreciation, but before provision for tax & exceptional item	384.17	948.50																						
Net Profit/(Loss)	258.81	555.60																						

**II. Information about appointee**

S. No.	Particulars	Mr. Deepak Kejriwal
1.	Background details	Graduate in Commerce and Fellow Member of the Institute of Chartered Accountants and is looking after overall finance and operations of the company.
2.	Past remuneration	Rs. 75 Lakhs per annum
3.	Recognition or awards	None
4.	Job profile and his suitability	Responsible for overall business management of the Company under the supervision of Board of Directors.
5.	Remuneration proposed	The proposed remuneration would comprise of monthly basic salary, allowances, perquisites as mentioned in the proposed item no. 5 and 6 of the notice.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).	The remuneration of the appointee, Mr. Deepak Kejriwal is fully justifiable and comparable to that prevailing remuneration being paid in the industry, keeping in view his profile, enriched knowledge and vast experience besides position of the appointee.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	No relation with any director or KMP of the Company.

### III. Other Information

1.	Reasons of loss or inadequate profits.	:	Low order booking position of conductor and unpredicted increase in price of Aluminum for conductor divisions and under recovery in kiln in case of Insulator Division.
2.	Steps taken or proposed to be taken for improvement	:	Improve the recovery from Kiln, reduction of manufacturing cost by reducing of overhead cost.
3.	Expected increase in productivity and profits in measurable terms.	:	Depends upon the allocation of funds by Central Govt. to the power sector, hence cannot be assessed.

**DETAILS PURSUANT TO REGULATION 26(4) AND 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS IN RESPECT OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT.**

<b>Name of the Director</b>	<b>Shyam Sunder Bhuwania</b>	<b>Deepak Kejriwal</b>
Director Identification Number	00107171	07442554
Original date of Appointment	04.02.1975	01.12.2018
Qualification	Law Graduate and Chartered Accountant	Graduate in Commerce and Fellow Member of the Institute of Chartered Accountants of India
Experience including Expertise in specific functional areas/ Brief Resume	Over 51 years of rich experience. Mr. Shyam Sunder Bhuwania had worked with this company for 47 years. Presently he is working in the capacity of adviser in the company.	Mr. Deepak Kejriwal is looking after the overall management of the company where he focuses on developing business and is responsible for corporate finance and overall working of the company. He joined the company in 2003 and has held a number of senior roles within the company.
Terms and Conditions of Appointment / Re-appointment	Liable to retire by rotation.	Approval of Members has been sought for his re-appointment as Managing Director for second term of three years effective from 1 <sup>st</sup> December, 2021. For more details, please refer Explanatory Statement
Remuneration sought to be paid	As approved by the Board at its meeting held on 27 <sup>th</sup> August, 2020 and shareholders vide Postal ballot dated 29 <sup>th</sup> November, 2020.	As per item No. 5 and 6
Relationship with other Directors and Key Managerial Personnel	Not Applicable	Not Applicable
Directorship in other Companies	<ul style="list-style-type: none"> <li>• Hindusthan Speciality Chemicals Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Hindusthan Speciality Chemicals Limited</li> <li>• Jai Commercial Company Limited</li> </ul>
Chairman/Member in the Committees of the Boards of other Listed companies	None	None
No. of shares held in the Company	70	5
Number of meetings of the Board attended during the year	5	6



# ANNUAL REPORT 2020-2021



**HINDUSTHAN URBAN INFRASTRUCTURE LIMITED**

(An enterprise of THE HINDUSTHAN GROUP)



## **HINDUSTHAN URBAN INFRASTRUCTURE LIMITED**

### **DIRECTORS**

Mr. Raghavendra Anant Mody	Chairman & Whole-time Director
Mr. Deepak Kejriwal	Managing Director
Mr. Shyam Sunder Bhuwania	Non-Executive, Non-Independent Director
Mr. Sadhu Ram Bansal	Independent Director
Mr. Mool Chand Gauba	Independent Director
Ms. Suman Lata Saraswat	Independent Director

### **KEY MANAGERIAL PERSONNEL (KMP)**

Mr. M.L. Birmiwala	President - Finance & Secretary
Mr. Sushil Kumar Mishra	Chief Financial Officer

### **STATUTORY AUDITORS**

M/s. K.N. Gutgutia & Co.,  
Chartered Accountants

### **BANKERS**

Canara Bank  
State Bank of India

### **REGISTERED OFFICE**

'Kanchenjunga' (7<sup>th</sup> Floor)  
18, Barakhamba Road  
New Delhi-110001

### **WORKS**

Bhubaneswar	(Odisha)
Guwahati	(Assam)
Gwalior	(Madhya Pradesh)
Mandideep	(Madhya Pradesh)

### **LISTING OF EQUITY SHARES**

BSE Limited

### **REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Services Private Limited  
D-153/A, 1st Floor, Okhla Industrial Area, Phase-1,  
New Delhi-110020

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## BOARDS' REPORT

### The Shareholders,

Your Directors are pleased to present their Sixty-First Annual Report of the company for the financial year ended 31.03.2021.

### Financial Highlights

The company's financial performance for the year ended 31.03.2021 is summarized below:

(₹ in Lakhs)

Particulars	Standalone Results		Consolidated Results	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>Total Revenue (Gross)</b>	<b>35,255.28</b>	<b>46,294.00</b>	<b>54,096.11</b>	<b>55,032.85</b>
<b>Operating Profit Before Depreciation, Finance Cost, Exceptional Items and Tax</b>	<b>4,122.64</b>	<b>5,175.91</b>	<b>6,533.87</b>	<b>3,356.99</b>
Less: Depreciation and Amortisation expenses	1,410.52	1,473.50	2,855.70	2,824.41
Less: Finance Costs	2,327.95	2,753.91	4,102.89	4,517.62
<b>Profit/(Loss) before Tax</b>	<b>384.17</b>	<b>948.50</b>	<b>(424.72)</b>	<b>(3,985.05)</b>
Less: Tax expenses	125.36	392.90	(96.15)	(889.35)
<b>Net Profit/(Loss) for the year</b>	<b>258.81</b>	<b>555.60</b>	<b>(328.57)</b>	<b>(3,095.70)</b>
Surplus brought forward from previous year	1,095.55	540.13	<b>(3,670.14)</b>	(574.26)
Dividend on Equity paid	-	-	-	-
Tax on Dividend	-	-	-	-
Ind-AS adjustments on Deferred Tax & Others	-	(0.18)	-	(0.18)
<b>Balance available for appropriation</b>	<b>1,354.36</b>	<b>1,095.55</b>	<b>(3,998.71)</b>	<b>(3,670.14)</b>

The COVID-19 pandemic casted a shadow of uncertainty and anxiety all over the world, creating global disruption. The physical and emotional wellbeing of employees and stakeholders continues to be the top priority for the Company. Through these difficult times, the relentless effort and determination of all the frontline health and social workers has stood out at a beacon of hope for humanity and company would like to convey sincere gratitude to all of them for not only keeping the society safe but also helping the economy of country to move forward. During this ongoing pandemic, Company followed all the guidelines issued in this regard by the Central Government and the respective States with regard to the operations and safety of people. The strict standard of physical and hygiene were enforced.

### State of Affairs & Operations

During the year under review, the gross revenue from operations on standalone basis of the company has declined to ₹ 35,255.28 Lakhs as compared to ₹ 46,294.00 Lakhs in the previous year 2019-20. Consequently, the profit before depreciation and tax has decreased from ₹ 2,422.00 Lakhs to ₹ 1,794.69 Lakhs.

The availability of our prime raw material for conductor division i.e. aluminium remained satisfactory. The prices of aluminium increased substantially at the LME from USD 1457.15 in April, 2020 to USD 2191.59 in March, 2021. Turnover of conductor and Insulator segments were lower sequentially as the wave of covid -19 played major role and there has been slow down in the issue of new tenders by power utilities during the year for both the segments which might be picked up during next financial year. Company have been continuously striving to increase order book position and add more markets for both the segments.

During the year, the Company had successfully executed export /deemed export orders of ₹ 631.94 Lakhs as compared to ₹ 713.88 Lakhs during previous year. Efforts are being made to increase our export order book.

### Consolidated Financials

In the financial year 2020-21 income from operations was ₹ 54,096.11 Lakhs as compared to ₹ 55,032.85 Lakhs in previous year 2019-20. The profit before depreciation and tax has increased to ₹ 2430.98 Lakhs from Loss before depreciation and tax of ₹ 1,160.63 Lakhs.

During the year under review, the gross revenue of the subsidiary company Hindusthan Speciality Chemicals Limited has increased to ₹ 18,844.57 Lakhs as compared to ₹ 8,755.78 Lakhs in financial year 2019-20, thereby showing a growth of 115.22%.

The loss after tax has decreased to ₹ 587.47 Lakhs from ₹ 3,649.52 Lakhs due to improvement in margin in key products as well as increase in Turnover.



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## **BOARDS' REPORT (Contd.)**

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### **Indian Economic Review**

The Indian government announced complete lockdown in public movement and economic activities from the fourth week of March 2020. The lockdown staggered an already slowing economy as 1.38 billion Indians stayed indoors - one of the most stringent lockdowns anywhere.

The outbreak of the novel coronavirus impacted the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9 per cent in the first quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June, 2020 onwards. The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others reported unprecedented growth. India de-grew at a relatively improved 7.5 per cent in the July-September quarter and reported 0.4 per cent growth in the October- December quarter.

### **Outlook**

The Indian economy is projected to grow by more than 10% in FY22 as per various institutional estimates, making it one of the fastest-growing economies. India's growth journey could be the result of a culmination of favourable tailwinds like consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, reforms and an efficient roll-out of the vaccine, among others.

However, the only dampener is the surge in Covid-19 in the first quarter of the current financial year that could affect public consumption of products and services.

### **Transfer to reserves**

The Company do not propose to transfer any amount to general reserve for the financial year ended 31.03.2021.

### **Dividend**

In order to conserve the resources, your Directors do not recommend payment of any dividend for the year ended 31.03.2021.

### **Subsidiary Company**

The Company has one material subsidiary company i.e Hindusthan Speciality Chemicals Limited (HSCL).

HSCL has during the year under report after completion of the establishment of the State-of-the-Art Green-Field manufacturing facility of "Epoxy Resin and Allied products" at Jhagadia, Bharuch, Gujarat stabilized the production. The quality of all the products has been well accepted in the market and repeat bulk orders from established primary users are being received.

HSCL is manufacturing various grades of Epoxy Resins and selling the same in HSCL's brand name. During the year under report, plant capacity of LER/SER/Formulations/Hardeners and Reactive Diluents has been achieved. Company has also initiated the activities to reduce the utility cost by contemplating use of alternative fuel which will result in the reduction of cost. On the utilities front, company installed Inverted loop in the cooling tower to reduce the power consumed in supplying water to the condensers.

Company's LER and SER processes are now fully automated and running on Distributed Control System with adequate interlocks for improved safety during manufacturing.

Efforts are on for the reduction of waste polymer generated during the processing of LER. Company is exploring further ways to reduce cost by initiating various activities and have started recycling of water in the process to bring down the load on effluent and savings in water consumption.

HSCL has developed number of products in in-house research and Development Laboratory and commercialized the same which are accepted by the customers. Maximum emphasis is being given to increase the production and marketing of formulated products.

HSCL has commenced the manufacturing of Bond One range of products and it has been very well accepted by the market. Your company has commissioned the plant for Electrical and Electronic specialty products based on the Technology provided by international leader. The trial products are under evaluation.

During the Year 2020-21, there is a significant increase in sales in comparison with last financial year.

A statement containing the salient features of financial statements of subsidiary Company in the prescribed Form AOC – 1 forms a part of Consolidated Financial Statements (CFS) in compliance with Section 129 (3) and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Rule 5 of the Companies (Accounts) Rules, 2014 is attached in the notes to the consolidated Financial Statements. The said Form also highlights the financial performance of the subsidiary Company included in the CFS of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014, as amended upto date.

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## BOARDS' REPORT (Contd.)

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In accordance with Section 136 of the Act, the financial statements of the subsidiary are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the CFS and all other documents required to be attached to this report have been uploaded on the website of the Company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

The Policy for determining material subsidiaries is available on the website of the company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### **Cash Flow and Consolidated Financial Statement**

As required under regulation 34 of the Listing Regulations [Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015], a cash flow statement is part of the Annual Report 2020-2021. Further, the Consolidated Financial Statements of the Company for the financial year 2020-2021 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and as prescribed by Listing Regulations. The said Financial Statements have been prepared on the basis of the audited financial statements of the Company, its subsidiaries as approved by their respective Board of Directors.

### **Management Discussion and Analysis Report**

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report. It provides details about the overall industry structure, global and domestic economic scenarios and developments in business operations / performance of the Company's business.

### **Corporate Governance**

Your Company is committed to maintain the highest standards of corporate governance. We believe in adherence to good corporate practices, implement policies and guidelines and develop a culture of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters to enhance and retain investor trust, long-term shareholder value and respect minority rights in all our business decisions.

The Corporate Governance Report along with the requisite certificate from the statutory auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under SEBI Listing Regulations forms part of the Annual Report.

### **Change in nature of Business, if any.**

During the financial year, the Company has altered Part B of Clause III of the object clause of its Memorandum of Association by incorporating therein;

- a) To carry on the business of horticulture, floriculture, sericulture, cultivators, of all kinds of seeds, fruits, proprietor of orchards and traders, exporter, dealers, processors, preservers and sellers of the products of such horticulture, floriculture, sericulture, seeds and cultivation and manufacturers of drinks including beverages produced from such products or otherwise.
- b) To cultivate, plant, purchase, sell, trade or otherwise deal in vegetable and flower seeds, oil seeds, grass, timber wood, bamboo, straw, seeds fruits and other articles that are the produce of land and to sell purchase, trade and deal in the same as principals or agents, solely or with partnership with other."

Approval of shareholders was obtained through postal ballot dated 13.02.2021 for above amendments in the object clause of the Memorandum of Association.

Accordingly, the company has started the above activities on surplus land available at Khurda, (Odisha).

### **Directors Responsibility Statement**

Pursuant to Section 134(5) of the Act, Directors of your Company hereby state and confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) The selected accounting policies have been applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c) Proper and sufficient care has been taken for the 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 fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Internal Financial Controls laid down in the company are adequate and were operating effectively;
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

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## BOARDS' REPORT (Contd.)

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### **Directors and Key Managerial Personnel**

As on 31<sup>st</sup> March, 2021 the Board comprised of six members including one woman member. The Board has an appropriate mix of Executive Directors ('EDs'), Non-Executive Directors ('NEDs') and Independent Directors ('ID'), which is compliant with the Companies Act, 2013, the SEBI Listing Regulations, 2015 and is also aligned with the best practices of Corporate Governance.

### **Changes in Board of Directors and other Key Managerial Personnel**

Mr. Shyam Sunder Bhuwania resigned from the position of Vice Chairman & Managing Director (KMP) of the Company with effect from close of the business hours of 31<sup>st</sup> August, 2020 and was appointed as an Advisor of the company with effect from 1<sup>st</sup> September, 2020. The Board places on record its appreciation for his invaluable contribution and guidance during his long tenure as Vice Chairman & Managing Director with the Company.

Mr. Shyam Sunder Bhuwania is a Non-Executive Director of the Company, liable to retire by rotation. Mr. Shyam Sunder Bhuwania, Director (Non- executive), attained the prescribed age limit and in order to comply with the requirement of Regulation 17(1A) of the amended SEBI (LODR) Regulations, approval of members of Company was accorded by the Postal Ballot on 30th November, 2020 by way of Special Resolution for continuation of his directorship in the Company.

Mr. Deepak Kejriwal resigned from the position of Chief Financial Officer (KMP) of the company with effect from end of the day of 31<sup>st</sup> August, 2020 and his designation was changed from Whole-time Director to Managing Director with effect from 1<sup>st</sup> September, 2020.

Mr. Sushil Kumar Mishra was appointed as Chief Financial Officer (KMP) of the company with effect from 1<sup>st</sup> September, 2020.

Mr. Mool Chand Gauba, Non-Executive Independent Director (DIN: 02942664) was re-appointed as an Independent Director of the company with effect from 21<sup>st</sup> September, 2020 for a second term of three consecutive years i.e upto 20<sup>th</sup> September, 2023. Approval of members of Company was accorded at the Sixtieth AGM for re- appointment of Mr. Mool Chand Gauba as Non-Executive Independent Director.

Mr. Raghavendra Anant Mody (DIN: 03158072) was re-appointed as Chairman & Whole-time Director of the company, liable to retire by rotation, with effect from 3<sup>rd</sup> October, 2020 for a term of three consecutive years i.e. upto 2<sup>nd</sup> October, 2023. Approval of members of Company was accorded at the Sixtieth AGM for re-appointment of Mr. Raghavendra Anant Mody as Chairman & Whole-time Director.

Your company is in full compliance of Listing Regulations and the Act with regard to the composition of Board of Directors.

### **Retire by rotation and subsequent re-appointment**

Mr. Shyam Sunder Bhuwania will retire by rotation in the Sixty-first Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as Director.

### **Key Managerial Personnel**

As on date, company has following Key Managerial Personnel in compliance with the provisions of section 203 of the Act.

Mr. Raghavendra Anant Mody	-	Chairman & Whole-time Director
Mr. Deepak Kejriwal	-	Managing Director
Mr. Murari Lal Birmiwala	-	President-Finance & Secretary
Mr. Sushil Kumar Mishra	-	Chief Financial Officer

### **Board Meetings**

The meetings of the Board are scheduled at regular intervals to discuss and decide on matters of business performance, policies, strategies and other matters of significance. The schedule of the meetings is circulated in advance to ensure proper planning and effective participation. In certain exigencies, decisions of the Board are also accorded through circulation.

During the year, the Board met six times. For further details, please refer report on Corporate Governance of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Detailed information regarding the meetings of the Board is included in the report on Corporate Governance, which forms part of the annual report.

### **Committee of the Board**

Currently, the Company has five Board level Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Share Transfer Committee.

Detailed information regarding the Committees of the Board is included in the report on Corporate Governance, which forms part of the annual report

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## BOARDS' REPORT (Contd.)

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### **Declaration of Independent Directors**

The Company has three Independent Directors namely Mr. Sadhu Ram Bansal, Mr. Mool Chand Gauba and Ms. Suman Lata Saraswat. All the directors are professionally qualified and possess appropriate balance of skills, expertise and knowledge and are qualified for appointment as Independent Director.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act read with Regulation 16 and 25(8) of the Listing regulations. Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

Further, the Independent Directors have also submitted their declaration in compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of Indian Institute of Corporate Affairs ("IICA") for a period of one year or five years or life time till they continue to hold the office of an independent director.

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

### **Auditors**

#### **(i) Statutory Auditors**

M/s. K.N. Gutgutia & Co., Chartered Accountants (Firm Registration No. 304153E) were appointed as Statutory Auditors of the company from the conclusion of 57<sup>th</sup> Annual General Meeting ("AGM") held on 29.09.2017 till the conclusion of 62<sup>nd</sup> AGM to be held in the year 2022.

M/s. K.N. Gutgutia & Co., Chartered Accountants have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The Audit Report of M/s. K.N. Gutgutia & Co., Chartered Accountants on the Financial Statements of the company for the Financial Year 2020-21 is a part of the Annual Report. The report does not contain any qualification, reservation, adverse remark or disclaimer.

#### **(ii) Cost Auditors**

The Company is required to maintain the cost accounting records in terms of Section 148(1) of the Act read with rules made thereunder. The Company is regularly maintaining the required cost accounting records.

The Board of Directors of the company, on the recommendations made by the Audit Committee has appointed M/s. J.K. Kabra & Co., Cost Accountants (Firm Registration No. 000009) as Cost Auditors of the company to conduct the audit of cost records of certain products for the financial year 2021-22.

The remuneration proposed to be paid to the Cost Auditors is subject to ratification by the members of the Company at the Sixty-first AGM.

The Company has received consent from M/s. J.K. Kabra & Co., Cost Accountants, to act as the Cost Auditors for conducting audit of the cost records for the financial year 2021-22 along with a certificate confirming their independence and arm's length relationship.

The Cost Auditor will submit their report for the financial 2020-21 on or before the due date.

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

The Board has re-appointed M/s. KCG & Associates, Company Secretaries as Secretarial Auditors to conduct an audit of the Secretarial records for the financial year 2021-22.

The Company has received consent from M/s. KCG & Associates to act as the Secretarial Auditors for conducting audit of the secretarial records for the financial year ending 31<sup>st</sup> March, 2022.

The Secretarial Audit Report for the financial year ended 31.03.2021 under the Act read with rules made thereunder and Regulation 24A of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is annexed herewith as **Annexure-I** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant to the SEBI circular vide no. CIR/CFD/CMD/1/27/2019 dated 8<sup>th</sup> February, 2019, the Company has submitted the Annual Secretarial Compliance Report, issued by M/s. KCG & Associates, Practicing Company Secretaries with the BSE Limited where shares of the Company are listed.

#### **(iv) Internal Auditors**

M/s. NSBP & Co., Chartered Accountants were re-appointed as Internal Auditors for the financial year 2020-21 and their report is reviewed by the Audit committee from time to time.



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## BOARDS' REPORT (Contd.)

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As per the recommendations of the Audit Committee, M/s. NSBP & Co., Chartered Accountants were re-appointed as Internal Auditors of the company for the financial year 2021-22.

### **Reporting of Frauds by Auditors**

During the year under review, none of the Auditors have reported any instances of fraud committed in the Company by its Officers or Employees to the Audit Committee/Board under section 143(12) of the Act, details of which needs to be mentioned in this Report.

### **Share Capital**

The Authorised share Capital of the Company is ₹ 100,00,00,000 divided into 25,00,000 equity shares of ₹ 10 each and 9,75,00,000 preference shares of ₹ 10 each. The paid up Share Capital as on 31.03.2021 stood ₹ 96,63,25,850 consisting of Equity Share Capital of ₹ 1,44,28,850/- Lakhs and Preference Share Capital of ₹ 95,18,97,000/-

During the year, the company has not issued any share capital with differential voting rights, sweat equity or ESOP nor provided any money to the employees or trusts for purchase of its own shares.

### **Material changes and commitments**

No material changes or commitments have occurred between the end of the financial year to which the financial statements relate and the date of this report, affecting the financial position of the Company.

### **Annual Evaluation of Board and Directors**

As required under the Act and the Listing Regulations, an evaluation of the performance of the Independent Directors was carried out by the Board of Directors during the year, based on the criteria laid down by the Nomination and Remuneration Committee. On an overall assessment, it was found that all the Independent Directors have given a good account of themselves. The Board concluded that the Independent Directors individually and collectively were well qualified and their contributions were in the interest of the Company.

The Independent Directors in a separate meeting held on 13.02.2021 reviewed and evaluated the performance of Non-Independent Directors and Board as a whole.

The performance of the Chairman and Executive Directors was evaluated by Independent Directors for leadership and direction to the Company judging as per the parameters of the evaluation criteria and it was noted that their performance was satisfactory. It was further noted that the Chairman took proper initiative in policy decision making with the senior executives and Board.

The Members of Nomination and Remuneration Committee evaluated the performance of other Board members excluding themselves on the basis of the performance evaluation tools and were satisfied with overall performance of all the Board members and recommended the Board for continuation of the Members of the Board. Based on the recommendation of the Board, the Committee approved the term of appointment of Independent Directors.

### **Directors Appointment and Remuneration**

Appointment of Directors on the Board of the Company is based on the recommendations of the Nomination and Remuneration Committee. The committee identifies and recommends to the Board, persons for appointment thereon, after considering the necessary and desirable competencies. The committee takes into account positive attributes like integrity, maturity, judgement, leadership position, time and willingness, financial acumen, management experience and knowledge in one or more fields of finance, law, management, marketing, administration, research, etc.

In case of Independent Directors (IDs) they should fulfill the criteria of independence as per the Act and Regulation 16 of the Listing Regulations in addition to the general criteria stated above. It is ensured that a person to be appointed as director has not suffered any disqualification under the Act or any other law to hold such an office.

The Directors of the Company are paid remuneration as per the Remuneration Policy of the Company. The details of remuneration paid to the directors during the year 2020-21 are given in Form MGT-9 and same is available at the website of the Company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### **Remuneration Policy**

The Company has a Remuneration Policy relating to remuneration of the Directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company. During the year under review, the Company has revised the Nomination and Remuneration Policy, in accordance with the amendments to Section 178 of the Act and Listing Regulations.

The Remuneration Policy of the Company is available at the website of the company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### **Board Diversity**

Adequate diversity on the Board is essential to meet the challenges of business globalisation, rapid deployment of technology,

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## **BOARDS' REPORT (Contd.)**

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greater social responsibility, increasing emphasis on corporate governance and enhanced need for risk management. The Board enables efficient functioning through differences in perspective and skill and fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical backgrounds. The Board recognises the importance of a diverse composition and has adopted a Broad Diversity Policy which sets out its approach to diversity. The policy is available at the website of the Company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Information required under section 134(3) (m) of the Act read with Companies (Accounts) Rules, 2014 is given in the **Annexure-II** to this report.

### **Corporate Social Responsibility (CSR)**

The Company has a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company which was duly approved by the Board. CSR Committee of the Board has developed a CSR Policy.

A detailed report regarding Corporate Social Responsibility is appended herewith as **Annexure-III** to the Boards' report.

Additionally, the CSR Policy is available on the website of the company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### **Internal Control System and their Adequacy**

The Company has adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for proper maintaining of the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

### **Vigil Mechanism**

In pursuance of the provisions of section 177 (10) of the Act and Regulation 22 of the Listing Regulations, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Whistle Blower Policy is available on the website of the company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### **Related Party Transactions**

The policy on Related Party Transactions as approved by the Board is available on the website of the Company at [www.hindusthanurban.com](http://www.hindusthanurban.com). All related party transactions that were entered into during the financial year 2020-21 were on an arm's length basis and in the ordinary course of business. There were no material related party transactions made by the company during the year that required shareholders' approval under Section 188 of the Act.

All related party transactions are reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and Materiality of Related Party Transactions, formulated by the Company. Prior approval of the Audit Committee is obtained on a yearly basis for the transactions which are planned and/or repetitive in nature and omnibus approvals are taken.

The details of the transactions with related parties during the financial year 2020-21 are provided in the accompanying financial statements. Form AOC-2 pursuant to Section 134 (3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as **Annexure-IV**.

### **Significant Material Orders Passed by Regulators or Courts or Tribunals**

No significant orders have been passed by any Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future.

### **Loans, Guarantees and Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to the Financial Statements.

### **Development and Implementation of a Risk Management Policy**

Being a diversified and prudent enterprise, your Company continues to focus on a system-based approach to manage risks. Risk management has always been an integral part of your Company. Backed by strong internal control systems and existing Risk Management Framework have laid down the roles and responsibilities of various business segments regarding the managing of risks, covering a range of responsibilities, right from strategic to operational. These responsibilities today offer a strong foundation for appropriate risk management procedures, their effective implementation as well as the independent monitoring and reporting handled by Internal Audit and the top management team.

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## **BOARDS' REPORT (Contd.)**

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Your Company has set appropriate structures to monitor and manage inherent business risks proactively. Accordingly, raw material pricing risks, commodity risks and currency fluctuation risks are effectively managed by its proficient and capable team. It also has appropriate checks and balances in place and aims to minimise the adverse impact of these risks on its operations.

### **Public Deposits**

During the year under review, the Company has not accepted any deposits within the meaning of section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

### **Anti-Sexual Harassment Policy**

Pursuant to the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company constituted Internal Complaints Committee at all its workplaces. There has not been any instance of complaint reported in this regard to Audit Committee.

The Company has internal complaints committee as prescribed under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and is in compliance of provisions of the said Act.

### **Transfer of unpaid and unclaimed amount to Investor Education and Protection Fund (IEPF)**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all dividends which remains unpaid or unclaimed for a period of seven years from the date of their transfer to the unpaid dividend account are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Central Government.

During the year, the Company has transferred unpaid and unclaimed dividend amount of ₹ 54,264.00 to Investor Education Protection Fund for the financial year 2012-13. During the financial year, there were no applicability of transfer of corresponding shares to IEPF Authority as per IEPF rules. Since the Company has not declared the dividend during 2018-19 onward and did not meet the criteria of unclaimed dividend account for consecutive seven years, hence shares had not been transferred to IEPF.

Details of shares/shareholders in respect of which dividend has not been claimed are provided on our website and can be accessed at [www.hindusthanurban.com](http://www.hindusthanurban.com). The shareholders are therefore encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

### **Secretarial Standards of ICSI**

The Company is in compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

### **Extract of Annual Return**

The Extract of annual return in Form MGT-9 as per the provisions of Section 134(3)(a) and 92(3) of the Companies Act, 2013, is available at the website of the Company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### **Policy for Determination of Materiality of an Event or Information**

In line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy for determination of materiality-based events.

The Policy for Determination of materiality of an event or information can be accessed on the company's website at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### **Policy on Preservation of Documents**

In pursuant to Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the policy on preservation of the documents.

The policy on preservation of documents can be accessed on the company's website at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### **Insider Trading -Code of Conduct**

In pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Insider Trading Code. The Code provides framework for dealing with the securities of Company in mandated manner.

The above Insider Trading-code of conduct can be accessed on the company's website at [www.hindusthanurban.com](http://www.hindusthanurban.com)

### **Policy for Procedure of Inquiry in Case of Leak of Unpublished Price Sensitive Information ("UPSI")**

In pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has formulated a written policy and procedures

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## BOARDS' REPORT (Contd.)

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for inquiry in case of leak of unpublished price sensitive information and initiate appropriate action on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries. In pursuant to this regulation, the Company has adopted the Policy for Procedure of Inquiry in Case of Leak of Unpublished Price Sensitive Information ("UPSI").

Policy for procedure of Inquiry in case of Leak of Unpublished Price Sensitive information ("upsi") can be accessed on the company's website at [www.hindusthanurban.com](http://www.hindusthanurban.com)

### **Personnel**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed to this report as **Annexure-V**.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of your Company during working hours, 21 days before the Sixty-first Annual General Meeting and shall be made available to any shareholder on request.

### **Acknowledgement**

Your Directors place on record their sincere appreciation and gratitude for the assistance and generous support extended by all Government authorities, Financial Institutions, Banks, Customers and Vendors during the year under review. Your Directors wish to express their immense appreciation for the devotion, commitment and contribution shown by the employees of the company while discharging their duties.

**For and on behalf of the Board of Directors**

**Place: New Delhi**  
**Date: 29<sup>th</sup> June, 2021**

**Raghavendra Anant Mody**  
**Chairman**  
**DIN: 03158072**

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## Annexure- I

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**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies*  
*(Appointment and Remuneration Personnel) Rules, 2014]*

To  
The Members  
**HINDUSTHAN URBAN INFRASTRUCTURE LIMITED**  
7<sup>th</sup> Floor, Kanchenjunga Building,  
18, Barakhamba Road, New Delhi - 110001

I, Kapoor Chand Garg, proprietor of M/s. KCG & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindusthan Urban Infrastructure Limited** (CIN: L31300DL1959PLC003141) (hereinafter called "the company"). The 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 company's 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (as amended) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable to the company during the period of audit.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended; - **Not Applicable to the company during the period of audit.**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable to the company during the period of audit.**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable to the company during the period of audit.**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and - **Not Applicable to the company during the period of audit.**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable to the company during the period of audit.**
- (vi) I further report that after considering the compliance system prevailing in the company and after carrying out test checks of the relevant records and documents maintained by the company, it has complied with the following laws that are applicable specifically to the company:
  - (a) Industrial Disputes Act, 1947
  - (b) Factories Act, 1948

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## Annexure- I (Contd.)

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- (c) Payment of Bonus Act, 1965
- (d) Minimum Wages Act, 1948
- (e) Payment of Wages Act, 1936
- (f) Payment of Gratuity Act, 1972
- (g) Workmen's Compensation Act, 1923
- (h) Employees' State Insurance Act, 1948
- (i) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

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 BSE Limited and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015;

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, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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/shorter notice including meetings conducted through Video conference 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 the Board and Committee Meeting were carried out unanimously as recorded in the minutes of the Board of Directors or Committee of the Board, as the case may be.

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.

This report is to be read with my letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

**For KCG & Associates  
Company Secretaries**

**Kapoor Chand Garg  
Proprietor  
C.P. No. 7829  
FCS No. 7145**

**Place: New Delhi  
Date: 29<sup>th</sup> June, 2021**



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## **Annexure - A**

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To  
The Members  
**HINDUSTHAN URBAN INFRASTRUCTURE LIMITED**  
7<sup>th</sup> Floor, Kanchenjunga Building,  
18, Barakhamba Road,  
New Delhi - 110001

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

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

**For KCG & Associates  
Company Secretaries**

**Kapoor Chand Garg  
Proprietor  
C.P. No. 7829,  
FCS No. 7145**

**Place: New Delhi  
Date: 29<sup>th</sup> June, 2021**

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## Annexure – II

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### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134(3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

#### I. Conservation of Energy

##### (a) **Energy Conservation measures taken.**

The company has made the efforts to meet the day to day required energy demand in manufacturing activities with available resources. Company has always considered energy and natural resource conservation as a focus area and has been consciously making efforts towards improving the energy performance year on year.

During the year, Company's Insulator Division had taken below measures for energy conservation.

- Changed the conventional lighting with LED lighting in its administrative block and plant to save the electricity.
- Energy efficient motors have been used for electrical energy conservation.
- Compressed air usage has been reduced to reduce electrical energy consumption.

##### (b) **Additional Investments and proposals, if any, being implemented for reduction for consumption of energy.**

- Compressed air usage has been reduced to reduce electrical energy consumption by change in technology ( Use of coupling)\_ Investment approx. 3.5 lakhs
- Recuperator fitted at firing oven ( Kiln) to conserve exhaust heat energy for heating of combustion air\_ Investment approx. 1 lakh

##### (c) **Total energy consumption and energy consumption per unit of production of energy consumption and consequent impact on the cost of production of goods.**

Total energy consumption in IEC for 2020-21 is 15732628 units and 1294 units per MT of production.

##### (d) **Total Energy consumption and energy consumption per unit of production as per Form-A in respect of industries specified in the Schedule thereto. – Not applicable**

#### II. Technology Absorption

##### 1. **Research & Development (R&D)**

###### (a) Specific areas in which R&D carried out by the Company. –

- Cost reduction for Raw material body\_ New recipe of insulator body.
- New Product development \_ TR series for US market, White glaze products, Body for higher strength disc insulators.

###### (b) Benefit derived as a result of the above R&D. – Cost reduction and new sales orders

###### (c) Future Plan of action –

- New Product development
- Yield Improvement
- Process improvement
- Cost reduction

###### (d) Expenditure on R&D

- |   |                    |
|---|--------------------|
| i) Capital  | - 10.00 Lakhs      |
| ii) Recurring   | - 1.00 Lakhs/month |
| iii) Total  | - 22.00 Lakhs      |
| iv) Total R&D expenditure as a Percentage of total, turnover – 0.13 % |                    |

##### 2. **Technology absorption, adaptation and innovation.**

###### (a) Efforts, in brief, made towards technology absorption, adaptation and innovation - Nil

###### (b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. - Nil

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## Annexure – II (Contd.)

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- (c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year).  
Not applicable

Technology Imported	Year of Import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons thereof, and future plans of action.
Not Applicable			

### III. Foreign Exchange Earning and outgo

- (a) **Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.**

Company's Insulators Division exported to countries i.e. Italy, Turkey, Russia, Egypt, South Africa, Bangladesh and Nepal etc. Company has made efforts to maintain focus on retaining of existing buyers and avail of export opportunities based on economic considerations.

During the year, Company made exports of ₹ 553.98 Lakhs

- (b) **Total Foreign Exchange used and earned on accrual basis (₹ in Lakhs)**

Used : ₹ 739.48

Earned : ₹ 553.98

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 29<sup>th</sup> June, 2021

Raghavendra Anant Mody  
Chairman  
DIN: 03158072

## Annexure - III

### Corporate Social Responsibility

Pursuant to provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, details pertaining to Corporate Social Responsibility Committee (CSR) are provided herein below:

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR Policy of the Company sets the framework guiding the Company's CSR activities. It outlines the governance structure, operating framework, monitoring mechanism and CSR activities that would be undertaken. CSR activities are largely focused in the areas of education, poverty and protection of animals and other activities as the company may choose to select in fulfilling its CSR objectives. The CSR Policy was approved by the Committee in July 2014, and subsequently was put up on the Company's website at <a href="http://www.hindusthanurban.com">www.hindusthanurban.com</a> .
2. The Composition of the CSR Committee.	Mr. Raghavendra Anant Mody - Chairman Mr. Deepak Kejriwal - Member Mr. Mool Chand Gauba - Member
3. Average net profit of the company for last three financial years	₹ 471.11 Lakh
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above). Last unspent amount: Total amount to be spent in 2020-21	NIL ₹ 9.42 Lakh
5. Details of CSR spent during the financial year 2020-21: (a) Total amount to be spent for the financial year 2020-21 (b) Amount unspent, if any	The Company has spent ₹ 10.12 Lakh during financial year 2020-21. The prescribed expenditure is stated above. NIL

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

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency/Direct
1	Providing Financial aid to meticulous students as Tuition Fee and distribution of School uniform, Books, Bags to students of economically weaker section	Promotion of Education.	Malipada, Distt Khurda, (Odisha)	2.82	2.82	2.82	Bangur Shikshya Sadan
2	Distribution of Blanket, Refreshment to Senior citizen of BPL category.	Eradicating hunger, poverty and malnutrition	Village Champajhara Malipada, Distt.Khurda, (Odisha)	0.74	0.74	0.74	Kanpur Panchayat
3	Distribution of Grocery to economically weaker villagers, effected due to Covid-19 pandemic.	Eradicating hunger poverty and malnutrition and Covid-19 Relief	Village Champajhara Malipada, Distt.Khurda, (Odisha)	0.76	0.76	0.76	Direct
4	Support to Govt. Hospital (Surgical Items)	Promoting health care including preventive health care.	Satlapur, Mandideep, Distt. Raisen, (M.P)	2.86	2.86	2.86	Govt. Hospital.
5	Infrastructure development (Tables, Benches & Chalkboard)) at Govt. Girls Higher Secondary School.	Promotion of Education	Mandideep, Distt. Raisen, (M.P)	2.22	2.22	2.22	Gov. Girls Higher Secondary School.

## Annexure - III (Contd.)

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency/Direct
6	Infrastructure development (Tables, & Benches) at Jawahar Navodaya Schools	Promotion of Education	Satlapur Mandideep, Distt. Raisen, (M.P)	0.72	0.72	0.72	Jawahar Navodaya School.
			<b>TOTAL</b>	<b>10.12</b>	<b>10.12</b>	<b>10.12</b>	

7	Our CSR responsibilities	We hereby affirm that the CSR policy, as approved by the Board of Directors, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.					
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**For and on behalf of the Board of Directors**

**Place : New Delhi**  
**Date: 29<sup>th</sup> June, 2021**

**Raghavendra Anant Mody**  
**Chairman**  
**DIN: 03158072**

## Annexure - IV

### FORM NO. AOC-2

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 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 arm's length transactions under third proviso thereto.

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

**NONE; DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS.**

a)	Name(s) of the related party and nature of relationship	<b>Not Applicable</b>
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which (a) the requisite resolution was passed in general meeting as required under first proviso to Section 188	

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

**NONE; DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL\* CONTRACT OR ARRANGEMENT.**

(\*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.)

a)	Name(s) of the related party and nature of relationship	<b>Not Applicable</b>
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date(s) of approval by the Board, if any	
f)	Amount paid as advances, if any	

**For and on behalf of the Board of Directors**

**Place: New Delhi**  
**Date: 29<sup>th</sup> June, 2021**

**Raghavendra Anant Mody**  
**Chairman**  
**DIN: 03158072**



## Annexure - V

**Particulars prescribed under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

### **PART- A**

Information required under section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (i) ***The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2020-21 is as follows:***

Mr. Raghavendra Anant Mody	1:18
Mr. Shyam Sunder Bhuwania	1:04
Mr. Deepak kejriwal	1:11

- (ii) ***Details of percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary are as follows:***

Name of Director	Increase / (Decrease)
Mr. Raghavendra Anant Mody	0%
Mr. Shyam Sunder Bhuwania	0%
Mr. Deepak Kejriwal	0%
Mr. Sadhu Ram Bansal	Nil
Mr. Mool Chand Gauba	Nil
Mrs. Suman Lata Saraswat	Nil
Mr. M.L. Birmiwala	0%

- (iii) ***The percentage increase in the median remuneration of employees in the financial year 2020-21:***

The percentage increase in the median remuneration of employees in the financial year is around 2%.

- (iv) ***The number of permanent employees on the rolls of company***

The number of employees on permanent rolls of the company is 372.

- (v) ***Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.***

Not applicable

- (vi) ***Affirmation that the remuneration is as per the remuneration policy of the company:***

Yes, the remuneration paid to all Key Managerial Personnel was in accordance with remuneration policy adopted by the Company.

**For and on behalf of the Board of Directors**

Place: New Delhi  
Date: 29<sup>th</sup> June, 2021

**Raghavendra Anant Mody**  
Chairman  
DIN: 03158072

# REPORT ON CORPORATE GOVERNANCE

## 1. PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance emerges from the application of best and sound business practices which ensure that the company operates within the regulatory framework. The adoption of such corporate practices ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, lenders, creditors, employees, other stakeholders and the society at large. The practice of responsible governance has enabled it to achieve sustainable growth, while meeting the aspirations of its stakeholders and fulfilling societal expectations.

The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet stakeholder's expectations.

This report is prepared in accordance with the provisions of the Listing Regulations [Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] and the report contains the details of Corporate Governance systems, procedures and processes being followed at Hindustan Urban Infrastructure Limited.

## 2. THE BOARD OF DIRECTORS

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses. The composition and size of the Board is reviewed periodically to ensure that the Board is a wholesome blend of Directors with complementary skill-sets.

### Composition of the Board

The Board has an optimal mix of Executive and Non-Executive Directors, comprising Independent Directors and the same is also in line with the applicable provisions of Companies Act, 2013("the Act") and Listing Regulations.

As on date of this report, the Board comprised of 6 (six) directors consisting of 1 (one) Promoter Executive Director, 1 (one) Non-Promoter Executive Director, 1(one) Non-Executive-Non Independent Director and 3 (three) Non-Executive Independent Directors including a Woman Director.

The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 ("Act") read with the Rules prescribed thereunder.

### Meeting, attendance and other directorships

During the Financial year 2020-21, all six meetings of Board were held through video conference in accordance with the provisions of law i.e. on 06.05.2020, 29.06.2020, 27.08.2020, 12.11.2020, 12.12.2020, 13.02.2021. The maximum gap between any two Board Meetings held during the year was not more than 120 days.

Based on intimations/disclosures received from the Directors periodically none of the Board of Directors of the Company holds Membership/Chairmanships more than the prescribed limits. The Board confirms that the Independent Directors fulfill the conditions specified in these regulations and that they are Independent of the management.

In view of Covid-19 pandemic all these board meetings were held by video conferencing / other audio-visual mode as allowed under MCA Circular No.20/2020 dated 5th May, 2020 and SEBI SEBI/HO/CFD/CMD1/CIR/P/2020/79 12<sup>th</sup> May, 2020

The details of membership of Directors on the other Board/Committees and attendance record of Directors at Board/Committees/ Annual General Meeting are given hereunder:

Name of Directors	Nature of Directorship	Board Meetings		AGM Attendance	Directorship in other companies*	Number of Chairmanship/ Memberships in Committees***		Directorship held in other listed companies	Relationship with each other	No. of shares held in the company along with percentage to the paid up share capital of the company#
		Held	Attended			Member-ship	Chairman-ship			
Mr. Raghavendra Anant Mody ^	Executive Chairman/Promoter	6	2	Yes	4	-	-	Director of Pradyumna Steels Limited	**	3866
Mr. Shyam Sunder Bhuwania ^^	Executive, Vice Chairman & Managing Director	6	5	Yes	1	-	-	-	**	70

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of Directors	Nature of Directorship	Board Meetings		AGM Attendance	Directorship in other companies*	Number of Chairmanship/ Memberships in Committees***		Directorship held in other listed companies	Relationship with each other	No. of shares held in the company along with percentage to the paid up share capital of the company#
		Held	Attended			Member-ship	Chairman-ship			
Mr. Deepak Kejriwal <sup>^^^</sup>	Executive, Managing Director	6	6	Yes	2	2	-	-	**	5
Mr. Sadhu Ram Bansal	Non-Executive Director/ Independent	6	6	Yes	3	3	1	Independent Director of KEI Industries Limited FIITJEE Limited	**	-
Mr. Mool Chand Gauba <sup>^^</sup>	Non-Executive Director/ Independent	6	6	Yes	2	1	1	-	**	-
Ms. Suman Lata Saraswat	Non-Executive Director/ Independent	6	5	Yes	5	1	4	Independent Director of:- Carbo Industrial Holdings Limited Foster Engineering & Industries Limited Hindusthan Business Corporation Limited Pradyumna Steels Limited	**	-

^ Mr. Raghavendra Anant Mody was re-appointed as Chairman & Whole-time Director of the company with effect from 03.10.2020.

^^ Continuation of directorship of Mr. Shyam Sunder Bhuwania as Non-Executive, Non-Independent Director of the company w.e.f. 01.09.2020.

^^^ Mr. Mool Chand Gauba was re-appointed as Independent Director for second term effective from 20.09.2020.

^^^^ Mr. Deepak Kejriwal was appointed as Managing Director w.e.f. 01.09.2020.

\* Excludes directorship in Hindusthan Urban Infrastructure Limited. Also excludes directorship in private companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.

\*\* No inter-se relationship with any of the Directors of the Company.

\*\*\* The Committees considered for the purpose are those prescribed under Regulation 26(1)(b) of the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies.

# As per declaration made to the Company by the Directors as to the shares held in their own name or held jointly as the first holder or held on beneficial basis as the first holder.

Matrix setting out the skills/expertise/competence required in the context of its business for it to function effectively and those actually available with the Board:

Skill and its description	Mr. Raghavendra Anant Mody	Mr. Shyam Sunder Bhuwania	Mr. Deepak Kejriwal	Mr. Sadhu Ram Bansal	Mr. Mool Chand Gauba	Mrs. Suman Lata Saraswat
<b>Strategy and planning</b> Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company.	Yes	yes	Yes	Yes	Yes	Yes
<b>Risk and Compliance</b> Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.	Yes	Yes	Yes	Yes	Yes	-
<b>Financial Management and Accounting</b> Comprehensive understanding of financial accounting, reporting and controls and analysis.	Yes	Yes	Yes	Yes	Yes	Yes

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Skill and its description	Mr. Raghavendra Anant Mody	Mr. Shyam Sunder Bhuwania	Mr. Deepak Kejriwal	Mr. Sadhu Ram Bansal	Mr. Mool Chand Gauba	Mrs. Suman Lata Saraswat
<b>Sales, Marketing &amp; Brand building</b> Experience in developing strategies to grow sales and market share, build brand awareness and equity.	Yes	Yes	Yes	-	Yes	Yes
<b>Board service and Governance</b> Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholders interest.	Yes	Yes	-	Yes	Yes	Yes
<b>Knowledge and expertise of Trade and economic policies</b> Possessing knowledge and expertise of various trade and economic policies, ability to analyse their impact on the business of the Company and devise revised strategies.	Yes	Yes	Yes	Yes	Yes	Yes

### 3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The minutes of the meeting of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The Board has established the following statutory and non-statutory Committees:-

#### a. AUDIT COMMITTEE

##### Composition

The Audit Committee comprises of Mr. Mool Chand Gauba as Chairman, Mr. Sadhu Ram Bansal and Mr. Deepak Kejriwal as Members.

Mr. M.L. Birmiwala acts as Secretary of the Committee.

##### Meeting, quorum and attendance

During the year, four meetings of the Committee were held on the following dates:

(i) 29.06.2020 (ii) 27.08.2020 (iii) 12.11.2020 (iv) 13.02.2021

In view of existence of Covid19 pandemic throughout the year, all these Committee meetings were held by video conference mode as allowed under MCA Circular No.20/2020 dated 5<sup>th</sup> May, 2020 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020.

The attendance of the members at Audit Committee meetings held during the financial year 2020-21 are detailed below:

Name of the Members	No. of Meetings	
	Held during tenure	Attended
Mr. Mool Chand Gauba	4	4
Mr. Sadhu Ram Bansal	4	4
Mr. Deepak Kejriwal	2	2
Mr. Shyam Sunder Bhuwania *	2	2

\* Mr. Shyam Sunder Bhuwania ceased to be member of the Committee w.e.f 31.08.2020.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 and 21 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations, 2015). Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time.

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## REPORT ON CORPORATE GOVERNANCE (Contd.)

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The detailed terms of reference of the Audit Committee is available on the website of the Company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

The Audit Committee ensures that it has reviewed each area that is required to be reviewed under its terms of reference and under applicable legislation or by way of good practice.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditors as special invitees. The minutes of each Audit Committee meeting are placed in the next meeting of the Board.

### b. NOMINATION AND REMUNERATION COMMITTEE

#### Composition

The Nomination and Remuneration Committee comprises of Mr. Mool Chand Gauba as Chairman, Mr. Sadhu Ram Bansal and Ms. Suman Lata Saraswat as Members.

Mr. M.L. Birmiwala acts as Secretary of the Committee.

#### Meeting, quorum and attendance

During the year, three meetings of the Committee were held on the following dates:

(i) 29.06.2020 (ii) 27.08.2020 (iii) 13.02.2021

In view of existence of Covid19 pandemic throughout the year, all these Committee meetings were held by video conference mode as allowed under MCA Circular No.20/2020 dated 5<sup>th</sup> May, 2020 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020.

The attendance of the members at Nomination and Remuneration Committee meetings held during the financial year 2020-21 are detailed below:

Name of the Members	No. of Meetings	
	Held during tenure	Attended
Mr. Mool Chand Gauba	3	3
Mr. Sadhu Ram Bansal	3	3
Ms. Suman Lata Saraswat	3	2

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, 2015. Apart from the above, the Committee also carries out such functions/responsibilities entrusted to it by the Board of Directors from time to time.

The detailed terms of reference of the Nomination and Remuneration Committee is available on the website of the Company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

The Chairman of the Nomination and Remuneration Committee has attended last Annual General Meeting of the Company held on 18<sup>th</sup> September, 2020.

#### Board Diversity

The Company has adopted the Policy on Board Diversity as required under Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations, 2015.

#### REMUNERATION POLICY

The details of Company's Remuneration Policy for Directors, Key Managerial Personnel and Senior Management are given in the Board's Report.

The Remuneration Policy of the Company is to ensure that Directors, Company's Senior Management including Key Managerial Personnel are rewarded in a fair and reasonable manner, for their individual contributions to the success of the Company and are provided with appropriate incentives to encourage enhanced performance.

The remuneration paid to the Directors, Company's Senior Management including Key Managerial Personnel is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. Remuneration payable to Executive Directors is subject to the subsequent approval by the shareholders at the General Meeting and such other authorities, if required.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### REMUNERATION OF DIRECTORS

#### Executive Directors

The details of the Remuneration (including allowances and perquisites) paid to the Directors of the company for the financial year 2020-21 are as follows:

(Amount in ₹)

Name of the Directors	Basic Salary	Allowance & Perquisites	Sitting fee	Commission	Total
Mr. Raghavendra Anant Mody *	38,50,000	29,46,536	-	-	67,96,536
Mr. Shyam Sunder Bhuwania *	4,80,000	1,82,400	-	-	6,62,400
Mr. Deepak Kejriwal *	10,01,355	35,26,089	-	-	45,27,444
Mr. Sadhu Ram Bansal	-	-	1,55,000	-	1,55,000
Mr. Mool Chand Gauba	-	-	1,65,000	-	1,65,000
Ms. Suman Lata Saraswat	-	-	1,02,500	-	1,02,500

\* Allowances and Perquisites in case of Mr. Raghavendra Anant Mody, Mr. Shyam Sunder Bhuwania (part of the financial year up to 31.8.2020) and Mr. Deepak Kejriwal are Books and Periodicals allowance, House Rent Allowance, Leave Travel concession, Provident Fund, Gratuity as per their appointment letters issued by the company as Executive Directors.

The Company has not granted stock options to any of its Directors.

#### Independent Directors

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Independent Directors are paid ₹ 15,000 (Rupees fifteen thousand only) as sitting fees for attending every meeting of the Board and ₹ 7,500 (Rupees seven thousand five hundred only) for attending the Committees Meetings including separate meeting of Independent Director held during the year. During FY 2020-21, the Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company other than those mentioned in the Notes of the Standalone Financial Statements.

#### Non-Executive Directors with materially significant, pecuniary or business relationship with the Company

There have been no pecuniary or business relationship between the Non-Executive Directors and the Company, except for the sitting fees payable to them in accordance with the applicable laws and with the approval of the shareholders. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

### PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and Listing Regulations, a separate exercise was carried out to evaluate the performance of Individual Directors of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board of Directors. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

- **Board, Committees and Senior Management**

One of the key responsibilities of the Board and the Nomination & Remuneration Committee includes establishment of a structured assessment process for evaluation of performance of the Board, Committees of the Board and individual performance of each Director including the Chairman.

- **Board and Individual Directors**

The parameters of the performance evaluation process for the Board, *inter alia*, considers work done by the Board



## REPORT ON CORPORATE GOVERNANCE (Contd.)

around long term strategy, mix of Board members, discharging its governance & fiduciary duties, handling critical and dissenting suggestions, etc.

The parameters of the performance evaluation process for Directors includes effective participation in meetings of the Board, attendance of Director(s), etc. Independent Directors were evaluated by the entire Board with respect to fulfillment of independence criteria as specified in the Listing Regulations and their Independence from the Management.

The Independent Director(s) had evaluated the performance of Non-Executive Directors and the Chairman of the Board. The outcome of meeting evaluation was discussed at the respective meetings of Board, Committees and Independent Directors.

- **Committees of the Board**

The performance evaluation of committees were carried out based on the degree of fulfillment of key responsibilities as outlined by the charter, adequacy of committee composition, effectiveness of meetings, quality of deliberations at the meetings and information provided to the Committees. The overall performance evaluation exercise was completed to the satisfaction of the Board. The Board of Directors deliberated on the outcome and agreed to take necessary steps going forward.

- **Managing Director or Whole-time Director**

The Nomination & Remuneration Committee evaluates the performance of the Managing Director/Whole-time Director by setting his Key Performance Objectives or Key Performance Parameters at the beginning of each financial year. The Committee ensures that his Key Performance Objectives are aligned with the immediate and long-term goals of the Company.

### c. **STAKEHOLDER'S RELATIONSHIP COMMITTEE**

#### **Composition**

The Stakeholders Relationship Committee comprises of Mr. Sadhu Ram Bansal as Chairman, Mr. Deepak Kejriwal and Ms. Suman Lata Saraswat as Members.

Mr. M.L. Birmiwala is the Secretary of the Committee and Compliance Officer of the company.

During the year, one meeting of the Committee was held on 13.02.2021.

In view of existence of Covid19 pandemic throughout the year, the Committee meeting was held by video conference mode as allowed under MCA Circular No.20/2020 dated 5<sup>th</sup> May, 2020 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 12<sup>th</sup> May, 2020.

The attendance of the members at Stakeholders Relationship Committee meeting held during the financial year 2020-21 are detailed below:

Name of the Members	No. of Meetings	
	Held during tenure	Attended
Mr. Sadhu Ram Bansal	1	1
Mr. Deepak Kejriwal	1	1
Ms. Suman Lata Saraswat	1	1
Mr. Shyam Sunder Bhuwania*	-	-

\* Mr. Shyam Sunder Bhuwania ceased to be member of the Committee w.e.f 31.08.2020.

The detailed terms of reference of the Stakeholders' Relationship Committee is available on the website of the Company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

During the year, the Company had received three complaints from shareholders and there were no complaints which had remained unresolved at the end of the year. Further, no investor grievance has remained unattended / pending for more than thirty days.

### d. **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

#### **Composition**

CSR Committee comprises of Mr. Raghavendra Anant Mody as Chairman, Mr. Deepak Kejriwal and Mr. Mool Chand Gauba as Members.

Mr. M.L. Birmiwala is the Secretary of the Committee.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Meeting, quorum and attendance

During the year, two meetings of the Committee were held on the following dates:

(i) 06.01.2021 (ii) 03.03.2021

The attendance of the members at Corporate Social Responsibility (CSR) Committee meetings held during the financial year 2020-21 are detailed below:

Name of the Members	No. of Meetings	
	Held during tenure	Attended
Mr. Raghavendra Anant Mody	2	-
Mr. Mool Chand Gauba	2	2
Mr. Deepak Kejriwal	2	2
Mr. Shyam Sunder Bhuwania *	-	-

\* Mr. Shyam Sunder Bhuwania ceased to be member of the Committee w.e.f 31.08.2020.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 135 of the Companies Act, 2013.

The CSR Policy of the Company has been uploaded on the Company's website at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### e. SHARE TRANSFER COMMITTEE

The share transfer Committee comprises of Mr. Raghavendra Anant Mody and Mr. M.L. Birmiwala, responsible for approving the transfer, transmission, consolidation of securities, issuance of duplicate certificates etc. which are in physical form. The Board takes note of the transfer of shares approved by the Committee in their next meeting. Mr. Shyam Sunder Bhuwania ceased to be member of the Committee w.e.f 31.08.2020.

The Committee is authorized to look into and review the reports relating to approval / confirmation of requests for share transfer / transposition / consolidation / issue of duplicate share certificates / sub-division, remat, demat of shares etc. in respect of shares in physical form. Since there was no request for transfer / Sub Division etc. of shares in physical form, no meeting of share transfer was held during the year.

## 4. INDEPENDENT DIRECTORS

### MEETINGS OF INDEPENDENT DIRECTORS

In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI Listing Regulations, 2015 and all are independent of the Management.

The Independent Directors are appointed by the Members of the Company and letter of appointment is issued to them as per Schedule IV of the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

Schedule IV of the Companies Act, 2013 and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year without the attendance of Non – Independent Directors.

During the financial year 2020-21, the Independent Directors met on 13.02.2021 discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board. In addition to formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

### FAMILIARISATION PROGRAMME

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 the company regularly familiarizes independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

The Company conducts Familiarisation Programme for Independent Directors to enable them to understand their roles, rights and responsibilities. The Independent Directors are provided with necessary documents/ brochures and internal policies to enable them to familiarize with the Company's procedures and practices.

Moreover, when new Director(s) are inducted on the Board, an information pack is handed over to them which includes Company profile, Company's Codes and Policies, Strategy and such other operational information which will enable them to understand the Company and its business(es) in a better way.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The details of such familiarisation programme are disclosed on the website of the company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### SELECTION OF INDEPENDENT DIRECTORS

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and the decisions are considered by the Nomination and Remuneration Committee, for appointment of Independent Director on the Board. The Committee, inter alia, considers Qualification, positive attributes, area of expertise, number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance with the Company's Policy for selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the law.

### FRAMEWORK FOR MONITORING SUBSIDIARY COMPANIES

During the year, Hindusthan Speciality Chemicals Limited was material subsidiary of the Company, as per the Listing Regulations. In terms of the provisions of Regulation 24(1) of the Listing Regulations, appointment of one of the Independent Directors of the Company on the Board of material subsidiary was applicable to Hindusthan Speciality Chemicals Limited.

The composition and effectiveness of Boards of subsidiary is reviewed by the Company periodically. Governance framework is also ensured through appointment of Managerial Personnel and Secretarial Auditor. An appropriate compliance management system of the subsidiary is also in place. Guidance is provided to subsidiary on matters relating to conduct of Board meeting, training and familiarisation programmes for the Independent Directors on the Board of subsidiary.

The Company is in compliance with Regulation 24A of the Listing Regulations. The Company's unlisted material subsidiary undergo Secretarial Audit. Copy of Secretarial Audit Reports of Hindusthan Speciality Chemicals Limited are available on the website of the Company. The Secretarial Audit Report of the unlisted material subsidiary does not contain any qualification, reservation, adverse remark or disclaimer. The Company monitors performance of subsidiary company, inter alia, by the following means:

- Financial statements, in particular investments, if any, made by subsidiary company are reviewed quarterly by the Company's Audit Committee.
- Minutes of Board meetings of subsidiary company are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by subsidiary company is placed before the Company's Board.
- Presentations are made to the Company's Board on business performance of subsidiary of the Company by the senior management.
- The Company's Policy for determining Material Subsidiaries is available on the website of the Company.

## 5. GENERAL BODY MEETINGS

- a. The details of the last three Annual General Meetings are as under:

Financial Year(s)	Venue	Date	Time	Special Resolution Passed
2017-2018	Hotel Connaught Royale, 106, Babar Road, Connaught Place, Opp. World Trade Center, New Delhi – 110001	28.09.2018	9:30A.M.	Nil
2018-2019	Hotel Connaught Royale, 106, Babar Road, Connaught Place, Opp. World Trade Center, New Delhi – 110001	30.09.2019	9:30A.M	Yes *
2019-2020	Video Conference and Other Audio Visual Means	18.09.2020	2:00 P.M	Yes **

- b. \* Special resolution for Payment of Managerial Remuneration under Section 197 of the Companies Act, 2013 was passed at the AGM held in 2019.

\*\* Special resolution for Re-appointment of Mr. Mool Chand Gauba as an Independent Director and Mr. Raghavendra Anant Mody as Chairman & Whole time Director was passed at the AGM held on 18.09.2020.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- c. Whether any Special Resolution is proposed to be passed through postal ballot this year:

Following resolution proposed to be passed by postal ballot during this year:

- (i) Re-appointment of Mr. Sadhu Ram Bansal as an Independent Director (Non –Executive) for a period of three years with effect from 13<sup>th</sup> August, 2021 (“Second Term”).
- (ii) Increase in the remuneration of Mr. Raghavendra Anant Mody, Chairman & Whole-time Director with effect from 1<sup>st</sup> July, 2021.
- (iii) Increase in the remuneration of Mrs. Sanchita Mody (Mother of Mr. Raghavendra Anant Mody), Advisor – Corporate Planning (“Related Party”) with effect from 1<sup>st</sup> July, 2021.

- d. Details of special resolution passed through postal Ballot during the financial year 2020-21.

The company had sought the approval of the shareholder by way of a Special Resolution as follows:

- (a) Postal Ballot notice dated 21<sup>st</sup> October, 2020 for continuation of directorship of Mr. Shyam Sunder Bhuvania (DIN: 00107171) as Non-Executive, Non-Independent Director
- (b) Postal Ballot notice dated February 13, 2021 for Alteration in Object Clause of the Memorandum of Association and Alteration in Liability Clause of the Memorandum of Association.

### 6. MEANS OF COMMUNICATION

The Company promptly discloses information on material corporate developments and other events as required under Listing Regulations. Such timely disclosures are an indicator of the Company's good corporate governance practices.

Annual Reports, notice of the meetings and other communications to the Shareholders are sent through e-mail, post or courier.

However, this year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs (“MCA”) has vide its circular no 20/2020 dated 5<sup>th</sup> May 2020 directed the Companies to send the Annual Report only by e-mail to all the Members of the Company. Therefore, the Annual Report for FY 2020-21 and Notice of 61<sup>st</sup> AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

#### (a) Quarterly Results

The Company's quarterly/half-yearly/ annual financial results are sent to Stock Exchange and published in newspapers i.e. Pioneer and Financial Express in English & Pioneer and Jansatta in Hindi. Simultaneously, they are also put on the Company's website [www.hindusthanurban.com](http://www.hindusthanurban.com).

#### (b) Stock Exchange

The Company is timely submitting the required information, statement and report to the BSE Ltd. The Company intimates Stock Exchange all price sensitive information which in its opinion are material & of relevance to the shareholders.

#### (c) Reminder to Investors

Reminders for unclaimed shares, unpaid dividend / unpaid interest are sent to the shareholders as per records every year.

### 7. GENERAL SHAREHOLDER INFORMATION

A	Annual General Meeting	:	
	Date, Time and venue	:	Friday, 24 <sup>th</sup> September, 2021 at 2:00 P.M. through Video Conference (“VC”)/ Other Audio Visual Means (“OAVM”)
B	Book Closure	:	Saturday, 18 <sup>th</sup> September, 2021 to Friday, 24 <sup>th</sup> September, 2021 (both days inclusive)
C	Financial Calendar	:	
	Financial year	:	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022
	Tentative schedule for declaration of financial results during the financial year 2021-22	:	
	Quarter ending 30 <sup>th</sup> June, 2021	:	Before 14 <sup>th</sup> August, 2021
	Quarter ending 30 <sup>th</sup> September, 2021	:	Before 14 <sup>th</sup> November, 2021
	Quarter ending 31 <sup>st</sup> December, 2021	:	Before 14 <sup>th</sup> February, 2022
	Quarter and year ending 31 <sup>st</sup> March, 2022	:	Before 30 <sup>th</sup> May, 2022

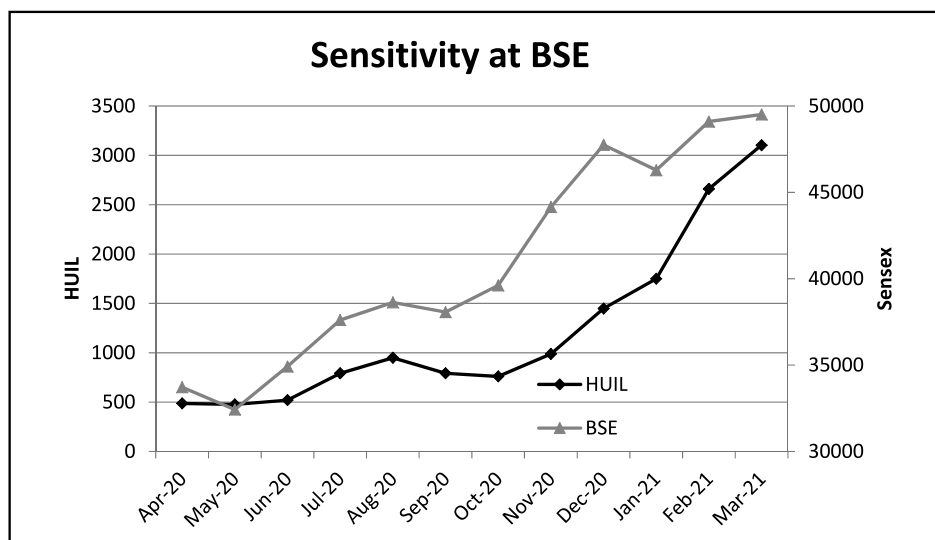
## REPORT ON CORPORATE GOVERNANCE (Contd.)

D	Listing details	:	
	Name of Stock Exchange and Stock Code		Address
	BSE Limited (BSE) – 539984		BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
	ISIN		INE799B01017
	Payment of Listing Fees		Annual listing fee for the financial year 2021-22 will be paid to BSE Limited.
	Payment of Depository Fees		Annual Custody / Issuer fee for the year 2021-22 to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL) will be paid on receipt of the invoice.

- c. Market Price Data – the monthly high and low prices of the Company's shares at BSE for the financial year ended 31<sup>st</sup> March, 2021 are as follows:

Month	BSE (In ₹)			BSE (Sensx Closing)
	High	Low	Closing	
<b>2020</b>				
April	599.95	382	486.85	33717.62
May	510	402.05	476	32424.10
June	591	450.50	520	34915.80
July	821	471	791.75	37606.89
August	1199	582	949.30	38628.29
September	1018.80	740	792	38067.93
October	830.40	751.10	760	39614.07
November	1050.80	733	987.50	44149.72
December	1469.95	967.20	1447.80	47751.33
<b>2021</b>				
Jan	1826.85	1377	1750	46285.77
Feb	2699.95	1672.40	2660.65	49099.99
Mar	3287.95	2537.95	3102.85	49509.15

- f. Stock Performance (comparison of closing price / index value on respective dates)



\* Sources [www.bseindia.com](http://www.bseindia.com)

## REPORT ON CORPORATE GOVERNANCE (Contd.)

G	In case the securities of the Company are suspended from trading, the reasons thereof	:	The Securities of the Company are not suspended from trading on the stock exchange.
H	Registrar and Transfer Agents:	:	Skyline Financial Services Private Limited, D-153/A, First Floor, Okhla Industrial Area, Phase-1, New Delhi – 110020 Phone no. :011-40450193-97 Email: <a href="mailto:info@skylinerta.com">info@skylinerta.com</a> Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a>
I	Share Transfer System	:	The share transfer committee meets to approve the transfer/transposition, issue of duplicate share certificates and consolidation of shares in physical form in case there is/are such request and duly transferred shares are generally dispatched within the prescribed period under the Companies Act, 2013/Guidelines of the Stock Exchange.
J	Distribution of Shareholding	:	Distribution of shareholding of shares of the Company as on 31 <sup>st</sup> March, 2021 is as follows:

No. of Shares held	No. of Shareholders	% of Shareholders	Aggregate Shares held	% of Shareholding
1 – 500	1151	93.65	69348	4.81
501 – 1000	32	2.60	23571	1.63
1001 – 2000	15	1.22	23310	1.62
2001 – 3000	12	0.98	30076	2.08
3001 – 4000	2	0.16	7421	0.51
4001 – 5000	1	0.08	4478	0.31
5001 – 10000	1	0.08	6650	0.46
10001 & above	15	1.22	1278031	88.57
<b>Total</b>	<b>1229</b>	<b>100</b>	<b>1442885</b>	<b>100</b>

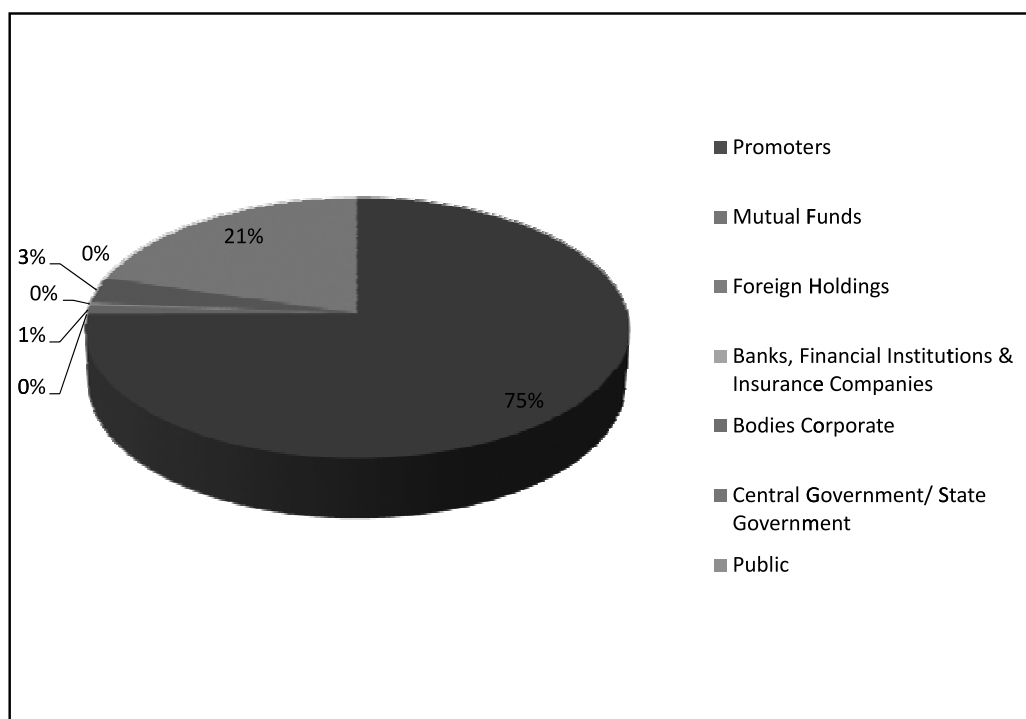
k The Shareholding Pattern as on 31<sup>st</sup> March, 2021.

Shares held by	No. of Shares	% of Shareholding
Promoters & Promoters Group	1080911	74.91
Public Shareholding :		
1. Banks and Financial Institutions	4478	0.31
2. Bodies Corporate	47228	3.27
3. Foreign holdings (NRIs)	16494	1.14
4. Indian Public/ Others	293774	20.37
<b>Total</b>	<b>1442885</b>	<b>100</b>



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### I Category wise shareholding



### m. Dematerialization & liquidity of shares

Trading in company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE799B01017. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares of the company are actively traded in BSE Limited. Hence the company's shares have good liquidity. The details of shares in physical and dematerialized form are as given below:

Particulars	No. of Shares	% share capital
NSDL	617347	42.79
CDSL	810848	56.20
Physical	14690	1.01
<b>Total</b>	<b>1442885</b>	<b>100</b>

n.	Outstanding Instruments and their impact on equity	:	The Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments as on 31 <sup>st</sup> March, 2021.
o.	Commodity Price Risk / Foreign Exchange Risk and Hedging activities	:	The Company has a mechanism to assess risk, periodically review it and ensure that steps are taken to mitigate the risks. The company does not undertake any commodity hedging activity. The company actively monitors the foreign exchange movements and take steps to cover risks.
p.	Plant Locations	:	<div>Plot No. 321, 325/1386, Champajhara, Mallipada, Distt.- Khurda-752108, (Odisha)</div> <div>Insulators &amp; Electricals Company (Insulator Division)1-8, New Industrial Area, P.B. No. 1, Mandideep-460046 (M.P)</div> <div>Plot No. 1C, Brahmaputra Industrial Park, Village: Sila, P. O. College Nagar, North Guwahati, Distt. Kamrup – 781031 (Assam)</div> <div>Industrial Area, P.O. Birla Nagar, Gwalior – 474004 (Madhya Pradesh)</div>

## REPORT ON CORPORATE GOVERNANCE (Contd.)

q.	Address for Correspondence	:	Hindusthan Urban Infrastructure Limited, 7 <sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001 Tel: +91-11-23310001-05 Email: <a href="mailto:investors@hindusthan.co.in">investors@hindusthan.co.in</a> , Website: <a href="http://www.hindusthanurban.com">www.hindusthanurban.com</a>				
r.	Credit Ratings	:	The company has not issued any debt instruments and does not have any fixed deposit programme or any scheme during the financial year ended 31.03.2021. The rating given by Brickwork Ratings for the short term borrowing and long term borrowing of the company are A3 and BBB- respectively. There was no revision in the said ratings during the year under review.				
s.	Transfer to the Investor Education and Protection Fund		<p>Pursuant to applicable provisions of the Companies Act, 2013 (Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (IEPF Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of 7 (seven) years from the date of transfer to Unclaimed Dividend Account of the Company.</p> <p>During the year under review, the Company sent individual notices, seeking action from the shareholders who have not claimed their dividends. The Company has transferred to IEPF the following unclaimed dividends:</p> <table><tr><th>Particulars</th><th>Amount of Dividend</th></tr><tr><td>Final Dividend for the Financial Year 2012-13</td><td>₹ 54,264</td></tr></table> <p>During the financial year 2021–22, the Company would be transferring unclaimed final dividend amount for the financial year ended 31<sup>st</sup> March, 2014 on or before 30<sup>th</sup> September, 2021 to IEPF.</p>	Particulars	Amount of Dividend	Final Dividend for the Financial Year 2012-13	₹ 54,264
Particulars	Amount of Dividend						
Final Dividend for the Financial Year 2012-13	₹ 54,264						

### 8. OTHER DISCLOSURES

#### i. Related Party Transactions

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in notes of Standalone Financial Statements, forming part of the Annual Report.

The Company's major related party transactions are generally with its subsidiary company. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests.

During the year under review, the Board of Directors have adopted the updated related party transaction policy in line with the amendments to the Listing Regulations. During FY 2020-21, there were no material related party transactions in terms of Regulation 23 of the SEBI Listing Regulations, 2015.

The policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website at [www.hindusthanurban.com](http://www.hindusthanurban.com).

The details of remuneration paid to the employee of the company, who is relative of Director as on 31<sup>st</sup> March, 2021 is as under:

Name of employee	Nature of relationship with Director(s)	Remuneration (Amount in ₹)
Mrs. Sanchita Mody, Advisor – Corporate Planning	Relative (Mother) of Mr. Raghavendra Anant Mody	36,96,684
Ms. Devhuti Mody, General Manager-HR	Relative (Sister) of Mr. Raghavendra Anant Mody	16,39,283

In terms of Section 177 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment and remuneration payable to the aforesaid is approved by the Audit Committee and noted by the Board of Directors of the Company and is at arm's length and in ordinary course of business of the Company.

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## REPORT ON CORPORATE GOVERNANCE (Contd.)

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**ii. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

None

**iii. Vigil Mechanism and Whistle Blower Policy**

The Company has adopted a Whistle Blower Policy as per the provisions of Act and as required by the Listing Regulations. The Whistle Blower Policy is hosted on the website of the Company.

During the year under review, the Policy was suitably amended to include reporting of instances relating to leak of Unpublished Price Sensitive Information (UPSI).

**iv. Disclosure of commodity price risks or foreign exchange risk and hedging activities:**

Commodities are a large part of raw materials procured and consumed by the Company. Your Company has a reasonable framework and governance mechanism to ensure that it is sufficiently protected from market volatilities. Your Company manages foreign exchange risk with appropriate hedging activities consistent with the policies of the Company. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, from time to time. There are no materially uncovered exchange rate risks in the context of the Company's imports and exports. The details of foreign exchange exposures as on 31<sup>st</sup> March, 2020 are disclosed in the Notes to the Standalone financial statements.

**v. Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations**

The Company has not raised funds through preferential allotment or qualified institutional placement.

**vi. Certificate from Practicing Company Secretary**

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies and changes if any regarding their Directorships. The Company has obtained a certificate from Mr. Kapoor Chand Garg, proprietor of M/s. KCG & Associates, Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority.

**vii. Recommendations of Committees of the Board**

There were no instances during the financial year 2020-21, wherein the Board had not accepted recommendations made by any committee of the Board.

**viii. Total fees paid to Statutory Auditors of the Company**

Total fees of ₹ 5,39,278 (Rupees Five Lakh Thirty Nine Thousand Two Hundred Seventy Eight Only) for financial year 2020-21, for all services, was paid by the Company and its subsidiary, on a consolidated basis, to the statutory auditors.

**iv. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed off during the financial year 2020-21 are as under:

- a. Number of complaints filed during the financial year: Nil
- b. Number of complaints disposed off during the financial year: Nil
- c. Number of complaints pending as on end of the financial year: Nil

**x. Risk Management**

The Audit Committee reviews key risks affecting the Company and mitigation measures thereof.

**xi. Code of Conduct**

All the Board members and Senior Management personnel have affirmed compliance with the code of conduct. The Company has in place a comprehensive Code of Conduct ('the Code') applicable to the Directors and employees. The Code is applicable to Non-Executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the Code has been put up on the Company's website and can be accessed at [www.hindusthanurban.com](http://www.hindusthanurban.com). The Code has been circulated to Directors and Management Personnel and its compliance is affirmed by them annually.

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## REPORT ON CORPORATE GOVERNANCE (Contd.)

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A declaration to this effect signed by Mr. Deepak Kejriwal, Managing Director of the company forms part of this Report. In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

### **xii Accounting Treatment**

The Financial Statements of the Company for FY 2020-21 have been prepared in accordance with the applicable accounting principles in India and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder.

### **xiii. CEO/ CFO Certification**

Mr. Deepak Kejriwal, Managing Director and Mr. Sushil Kumar Mishra, Chief Financial Officer have provided Compliance Certificate to the Board in accordance with Regulation 17 (8) read with Part B of Schedule II of the SEBI Listing Regulations, 2015 for the financial year ended 31.03.2021.

### **xiv. Compliance Reports**

The Board has reviewed the compliance reports pertaining to the laws applicable to the Company at its meetings on quarterly basis.

### **xv. Subsidiary Companies Monitoring Framework:**

The Company has material non-listed Indian subsidiary company in terms of Regulation 16 of the Regulations. Minutes of the Board meetings of the subsidiary company are placed at the Board meeting of the Company on periodical basis. The Audit Committee reviews the financial statements including investments, if any, made by the unlisted subsidiary of the Company.

The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### **xvi Audit of Reconciliation of Share Capital:**

As stipulated by SEBI, a Practicing Company Secretary carries out the Audit of Reconciliation of Share Capital on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. The Audit report is submitted to the Stock Exchanges and is placed before the Board at its meetings.

### **xvii Corporate Identification Number (CIN): L31300DL1959PLC003141.**

### **xviii. Information flow to the Board Members**

As required under Regulation 17(7), Part A of Schedule II of SEBI Listing Regulations, 2015, information is provided to the Board members for their information, review, inputs and approval from time to time.

### **xix. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons:**

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations).

The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons, Code of Fair Disclosure & Conduct and Whistle Blower Policy have been uploaded on website of the Company at [www.hindusthanurban.com](http://www.hindusthanurban.com).

The Audit Committee review cases of non-compliances, if any, and makes necessary recommendations w.r.t. action taken against such defaulters.

### **xx. Website**

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations. Detailed information on the Company's business and products, quarterly/half yearly/nine months and annual financial results are displayed on the Company's website and can be accessed at [www.hindusthanurban.com](http://www.hindusthanurban.com).

### **xxi. Secretarial Compliance Report**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary

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## REPORT ON CORPORATE GOVERNANCE (Contd.)

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of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchange within 60 days of the end of the financial year.

The Company has engaged the services of Mr. Kapoor Chand Garg, Proprietor of M/s. KCG & Associates, Company Secretaries and Secretarial Auditors of the Company for providing this certification.

### **xxii. compliance with mandatory requirements**

The Company has complied with all mandatory requirements of Listing Regulations relating to Corporate Governance.

### **xxiii. compliance with mandatory requirements**

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015.

### **xxiv. Adoption and Non Mandatory Requirements**

(i) During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

(ii) The Internal Auditors of the Company directly reports to the Audit Committee which oversees the internal audit functions.

### **xxv. The 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 are as follows:**

Regulation	Particulars of Regulations	Compliance Status (Yes/ No)
17	Board of Directors	yes
18	Audit Committee	yes
19	Nomination and Remuneration Policy	yes
20	Stakeholders Relationship Committee	yes
21	Risk Management Committee	N.A
22	Vigil Mechanism	yes
23	Related party Transaction	yes
24	Corporate Governance requirement with respect to subsidiary of listed entity	yes
25	Obligation with respect to independent directors	yes
26	Obligation with respect to Directors and Senior Management	yes
27	Other Corporate Governance requirements	yes
46(2)(b) to (i)	Functional Website	yes

### **xxvi Separate post of Chairman and CEO:**

The Company has separate Chairman and Managing Director.

### **xxvii Green Initiative**

Pursuant to section 101 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as amended, the Company can send Notice of Annual General Meeting, financial statements and other Communication in electronics forms. This Company is sending the Annual Report including the Notice of Annual General Meeting, Audited Standalone & Consolidated Financial Statements, Directors Report, Auditors Report along with their annexure etc. for the financial year 2020-21 in the electronic mode to the shareholders who have registered their e-mail ids with the Company and/or their respective Depository Participates (DPs). Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail addresses with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Company's Registrar and Share Transfer Agent "Skyline Financial Services Private Limited".

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## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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To  
The Members of  
Hindusthan Urban Infrastructure Limited

1. We, **K.N. Gutgutia & Co., Chartered Accountants**, the Statutory Auditors of **Hindusthan Urban Infrastructure Limited** (the "Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Management's Responsibility

2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with conditions of the Corporate Governance stipulated in the Listing Regulations.

### Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), and Guidance Note on Reports or Certificates. For Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control of Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2021.
7. We 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.

For **K. N. Gutgutia & Co.,**  
**Chartered Accountants**  
**FRN 304153E**

Place: New Delhi  
Date: 29<sup>th</sup> June, 2021

(**B.R. Goyal**)  
**Partner**  
**M. No. 12172**

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## DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

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In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I hereby confirm that all the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board Members and Senior Management for the year ended 31<sup>st</sup> March, 2021.

**For Hindusthan Urban Infrastructure Limited**

**Place: New Delhi**  
**Date: 29<sup>th</sup> June, 2021**

**Deepak Kejriwal**  
**Managing Director**

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## CEO & CFO CERTIFICATE

We hereby certify that-

- a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2021 and that to the best of our knowledge and belief;
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the Company's affair and are in accordance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2021 are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting Deficiencies in the design or operation of internal controls, if any of which we are aware have been disclosed to the Auditor, and the Audit Committee and steps have been taken to rectify, deficiencies.
- d)
  - (i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
  - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

**Place: New Delhi**  
**Date: 29<sup>th</sup> June, 2021**

**Sushil Kumar Mishra**  
**(Chief Financial Officer)**

**Deepak Kejriwal**  
**(Managing Director)**



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## CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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To  
The Members  
Hindusthan Urban Infrastructure Limited  
7<sup>th</sup> Floor, Kanchenjunga Building,  
18, Barakhamba Road,  
New Delhi - 110001

This is to certify that on verification of declarations made by the Directors and records maintained by **Hindusthan Urban Infrastructure Limited** ("the Company"), none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India (SEBI) /Ministry of Corporate Affairs or any such Statutory Authority, as per the requirement of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For KCG & Associates**  
**Company Secretaries**

**Kapoor Chand Garg**  
**(Proprietor)**  
**FCS No. 7145**  
**CP No. 7829**

**Place: New Delhi**  
**Date: 29<sup>th</sup> June, 2021**

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# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Annual Overview

The Global Economy has witnessed an unprecedented set-back with the outbreak of the Covid-19 crisis, Fitch Ratings lowered India's economic growth estimates for FY 2021-22 to 8.4-10.1%, during FY 2020-21. The Government of India also had to announce a nation-wide lockdown when the pandemic was at its peak and thereafter restricted a majority of activities excepting to essential activities. All these had resulted into considerable slowdown of economic activities across the country.

The Indian macro-economic environment has become increasingly challenging after the pandemic. The impact of the pandemic and lockdown was disproportionately felt across industries. This also had adverse effect in all the segments of Company.

### 1. Industry Structure and Developments

The Indian Power sector is one of the most diversified in the world which is anticipated to register sound revenue in coming years on the back of rising Government efforts towards providing electricity access in the rural areas.

The Global Covid-19 pandemic was global challenge involving simultaneous disruptions of both supply and demand in all world economy led to significant reductions in income, disruptions in the transportation and manufacturing industries have been adversely impacted in the wake of the pandemic. Global growth has declined by 3.3% in 2020, the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support.

Total installed capacity of power stations in India stood at 382.15 GW as of April 2021. Electricity production reached 1,381.27 billion units (BU) in FY21.

### 2. Opportunities & Threats

India's electricity sector is likely to register a decline in power demand by 2.0-2.5% and a drop in plant load factor (PLF) to 58-59% for the whole year in financial year 21-22. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides.

There are opportunities for more Porcelain Insulators sales due to increasing investment toward the modernization of aging grid infrastructure along with rapid urbanization which will drive the India electric insulators market. We are also roping in new buyers. India transmission electric insulators market is anticipated to grow over 7% by 2024.

The Conductors are crucial elements of a transmission and distribution (T&D) network. However, the domestic conductor industry has witnessed sluggish growth over the past four years, recording a CAGR about 2%.

### 3. Segment-wise or Product-wise Performance

During the year revenue from operations of Insulator division has decreased by 13.33% from ₹194.16 Crore in FY 2019-20 to ₹ 168.28 Crores in FY 2020-21 whereas profit before interest and tax has fallen by 12.91% from ₹ 26.27 Crores in FY 2019-20 to ₹ 22.80 Crores in FY 2020-21.

During the year revenue from operations of conductor division has decreased by 31.62% from ₹ 264.00 Crores to ₹ 180.52 Crores in F Y 2020-21 as a result profit before interest and tax has fallen to ₹ 0.16 Crores as compared to ₹ 8.75 Crores in previous financial year.

During the year revenue from segment of "Real Estate" has decreased by 21.38% from ₹ 4.77 Crore in F Y 2019-20 to ₹ 3.75 Crore in FY 2020-21. As a result, profit before interest and tax has fallen to ₹ 2.92 Crores as compared to ₹ 4.11 Crores in previous year.

### 4. Future Outlook

The COVID-19 pandemic significantly affected the Indian economy with the national lockdown in April, 2020 followed by phased unlocking and localized lockdown in March, 2021 as the second wave of pandemic hit the country.

India is the world's third largest power consumer and producer with installed power capacity of 382.15 GW. The 13th National Electricity plan target 479 GW of generation capacity, including 243 GW of thermal and 175 GW of renewable capacity.

Growing population along with increasing electrification and per capita uses will provide further impetus. Power consumption is estimated to reach 1894.7 Twh in 2022. Demand growth for Conductor and Insulator industry is being driven by power generation, transmission and distribution.

Power demand is expected to grow at 6.5 – 6.8% CAGR in FY20-23 driven by high latent demand, rapid urbanization and increasing electricity access. The Government has undertaken programs to provide 24x7 power to all villages and households leading to increase in power demand.

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

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### 5. Risk and Concerns

Additional shutdowns due to pandemic waves and rapid spread of COVID-19 in India may impact operations and demand. Deterioration in supply chain and demand due to pandemic COVID -19 have emerged as a significant business risk. Increasing competition in the domestic market, may put pressure on the profitability of the Company. Delays in orders from state DISCOMS and power utilities may impact performance for both the segments. Sharp increase in raw material cost could lead to increase in cost of finished products.

The cyclical nature of the power business has an obvious impact on our performance. Project delays from customers' side may have an impact. Slowdown in the Indian economy due to global developments could adversely impact growth in the short-term.

### 6. Internal control systems and their adequacy

The company is having adequate internal control systems and procedures commensurate with the size of the company which facilitates orderly and efficient conduct of its business including adherence to Company's policies. The Company continued its focus on enhancing revenue growth. Various actions in terms of cost reduction, value engineering, competitive sourcing and improving credit discipline have been undertaken. There has been a significant progress in the Industry. The internal control system ensures compliance with applicable law & regulations.

The Audit Committee is regularly reviewing the Internal Audit Reports for the audit carried out in all the key areas of the operations. All Internal Audit Reports are regularly placed before the Audit Committee for their approval and appropriate actions are advised, wherever required.

### 7. Human Resources/Industrial Relations

The Company promotes an open and transparent working environment to enhance teamwork and build business focus. It is the company's belief that the Human Resource is the driving force towards progress and success of a Company. The year gone by brought many challenges owing to Covid led disruptions which posed serious threats to the entire mankind.

Maintaining balance between safety of employees and business continuity, Work From Home (WFH) facility was accorded to people immediately post lockdown. Similarly, our factories resumed operations with robust hygiene norms and considering all the social-distancing regulations.

In order to bring focus in HR Systems, Company has implemented system and procedures in HR system in line with the industry standards. The company seeks to motivate and retain its professional by offering reasonable compensation and opportunity to grow in the organization by systematic training for employees and with career and succession plans in place. The total permanent employee's strength of the company was 372 as on 31.03.2021. The industrial relations in all Works remained cordial during the year.

### 8. Financial/ Operational performance

Covered under the separate head of the Board's Report.

### 9. Cautionary Statement

This report to the Shareholders is in compliance with the Corporate Governance Standard incorporated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange and as such cannot be construed as holding out for any forecast, projection, expectation, invitation, offer, etc. within the meaning of applicable Securities' Laws and Regulations.

Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to Company's operations include domestic and international economic conditions affecting demand, supply and price conditions, changes in government regulations, tax regimes and other statutes. Readers are cautioned not to place undue reliance on the forward looking statements.

**For and on behalf of the Board of Directors**

Place: New Delhi  
Date: 29<sup>th</sup> June, 2021

**Raghavendra Anant Mody**  
Chairman  
DIN: 03158072

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# INDEPENDENT AUDITOR'S REPORT

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## TO THE MEMBERS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

### I. Report on the Audit of Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2021

#### 1. Opinion

- A. We have audited the Standalone Financial Statements of **Hindusthan Urban Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
- B. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its Profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

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

#### 3. 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 be communicated in our report.

#### 4. Information Other than the Standalone Financial Statements and Auditor's Report thereon

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

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

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

#### 5. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

- A. 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, other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of Companies Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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- B. 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 Board of Directors are responsible for overseeing the Company's financial reporting process.

### 6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

- A. 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.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) 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.
  - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - iv) 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.
  - v) 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.
- C. 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.
- D. 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.
- E. 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.

## II. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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2. (A) As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit;
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
  - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer note 31 to the standalone financial statements
  - The Company has made provision, as required under the applicable law or Ind-AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (C) 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,:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

PLACE: NEW DELHI  
DATE: 29<sup>TH</sup> JUNE, 2021

For **K.N. Gutgutia & Co.**  
CHARTERED ACCOUNTANTS  
FRN 304153E

**(B.R. GOYAL)**  
PARTNER  
M. NO.12172  
**(UDIN : 21012172AAAAQB8165)**



## INDEPENDENT AUDITOR'S REPORT (Contd.)

### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph II point 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Hindusthan Urban Infrastructure Limited of even date)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets
- (c) According to the information and explanations given to us, title deeds of immovable properties of the company are held in the name of the Company.
- ii) (a) The inventories have been physically verified during the year lying at various project sites by the management at reasonable intervals.
- (b) In our opinion, no material discrepancies were noticed on physical verification of stocks.
- iii) According to the information and explanations given to us the Company has, during the year, granted unsecured loan to its subsidiary company covered in the register maintained under Section 189 of the Act. The terms and conditions of the grant of such loans are not prejudicial to the company's interest. The borrower has not made payment of interest to the Company as the lender bank to the subsidiary company has stipulated that the company will not make payment of interest to the holding company till the borrowing company achieve profitability and also terms for payment for interest between holding company and subsidiary company.
- iv) According to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of making Investment, grants of Loans and providing guarantees and securities.
- v) The Company has not accepted any deposits from the public during the year and hence paragraph 3(v) of the Order is not applicable to the Company.
- vi) Pursuant to the rules made by the central government of India, the company is required to maintain cost records as specified under section 148(1) of the act in respect of its products. We have broadly reviewed the same, and are of opinion that prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) According to the records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Duty Of Custom, Duty Of Excise, Cess and other statutory dues wherever applicable.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Duty Of Customs, Goods and Service Tax, Cess and other material statutory dues were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.
- (b) According to the records and information and explanations given to us and the records of the company examined by us, dues of Income Tax, Sales Tax, Service Tax, Goods & Service Tax, Duty Of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues which have not been deposited on account of disputes are as follows:

Name of the Statute	Nature of dues	Amount (in ₹) (net of amount paid)	Year to which the amount relates( FY)	Forum where dispute is pending
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Haryana	17,20,197	2004-05	Sales Tax Tribunal, Chandigarh
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, U.P.	4,88,619	1995-96	Hon'ble High Court, Allahabad. Remanded to Assistant Commissioner (Assessment), Ghaziabad.
Madhya Pradesh Commercial Tax	Entry Tax	4,52,796	2011-12	Office of the Appellate Authority Commercial Tax, Indore, MP



## INDEPENDENT AUDITOR'S REPORT (Contd.)

Name of the Statute	Nature of dues	Amount (in ₹) (net of amount paid)	Year to which the amount relates( FY)	Forum where dispute is pending
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, U.P.	9,25,200	2000-01	Hon'ble High Court, Allahabad
Madhya Pradesh Commercial Tax	Central Sales Tax	68,22,651	2014-15	Office of the Appellate Authority Commercial Tax, Bhopal, MP
Central Excise	Central Excise, Guwahati	15,90,385	2012-13 & 2013-14	CESTAT, Kolkata
Central Excise	Central Excise, Guwahati	25,67,144	2014-15	CESTAT, Kolkata
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Gwalior	19,79,209	2015-16	Appeal filed before Commissioner of VAT, Gwalior
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Gwalior	14,81,400	2011-12	Appeal filed before Commissioner of ET Gwalior
Madhya Pradesh Commercial Tax	Central Sales Tax	1,20,40,978	2015-16	Office of the Appellate Authority Commercial Tax, Bhopal, MP
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	GST & Central Excise, Khurda	20,55,175	2014-15	Appeal filed with Commissioner (Appeals), GST & Central Excise against order of Commissioner (Audit)-GST & Central Excise
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	VAT, Khurda	2,86,973	2017-18	Appeal filed before STO CT & GST CIRCLE
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Sale Tax, Khurda	73,92,174	2017-18	Appeal filed before STO CT & GST CIRCLE
Madhya Pradesh Commercial Tax	Central Sales Tax	80,47,944	2016-17	Office of the Appellate Authority Commercial Tax, Bhopal, MP
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Sale Tax, Khurda	2,42,41,885	2015-16	Appeal filed before STO CT & GST CIRCLE
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Sale Tax, Khurda	2,92,61,576	2016-17	Appeal filed before STO CT & GST CIRCLE
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Sale Tax, Khurda	19,20,462	2016-17	Assisstant Commissioner of GST & Central Excise
GST & Central Excise	GST & Central Excise, Khurda	76,11,787	2015-16 to 2017-18	Add.Commissioner of GST & Central Excise
Madhya Pradesh Commercial Tax	Central Sales Tax	6,81,819	2017-18	Office of the Appellate Authority Commercial Tax, Bhopal, MP
Income Tax Department	Income Tax	6,73,400	2013-14 (A.Y.)	CIT(A), Appeals, Kolkata-20
Income Tax Department	Income Tax	2,05,224	2008-09 (A.Y.)	ACIT, (Central Circle-1(4), Kolkata
Income Tax Department	Income Tax	2,22,910	2002-03 (A.Y.)	ACIT, (Central Circle-1(4), Kolkata
Income Tax Department	Income Tax	12,49,380	2016-17 (A.Y.)	CIT(A), Kolkata-20

In respect of Income Tax Demand given above, includes ₹ 4.28 Lacs pertaining to ITAT Appeal order effect not given by the Income Tax department. The company had filed rectification application for the same demand.

- viii) Based on our audit procedures and according to the information given by the management, the company has not defaulted repayment in respect of any loans or borrowings from any financial institution, bank, government. The company has not issued debentures during the year.
- ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of any initial public offer or further public offer (including debt instrument) and the monies raised by way of term loans were applied for the purpose for which the loans were obtained.

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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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- x) Based upon the audit procedures performed and to the best of our knowledge and according to the information and explanations given to us by the management, we report that no fraud by the Company or any fraud on the company by its officer or employees has been noticed or reported during the course of our audit.
- xi) On the basis of records and information and explanations made available and based on the examination of the records of the company, managerial remuneration which has been paid or provided is in accordance with the requisite approval mandated vide provisions of Section 197 read with schedule V to the Companies Act 2013.
- xii) The Company is not a Nidhi Company and hence 3 (xii) of the Order is not applicable to the Company.
- xiii) As per the information and explanations and records made available by the management of the company and audit procedure performed, for the related parties transaction entered during the year, the company has complied with the provisions of sec 177 and 188 of the act, wherever applicable. As explained, as per records and details made available to us such related parties transactions have been disclosed in the note no. 34 of standalone financial statements as required by the applicable Ind-AS.
- xiv) According to the records of the company, it has not made any preferential allotment of shares or private placement of shares or fully/partly convertible debentures during the year under report. Accordingly paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv) According to information and explanation given to us and based on the examination of the records of the company, the Company has not entered into any non-cash transaction with Director or person connected with him. Hence paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and hence paragraph 3 (xvi) of the Order is not applicable to the Company.

For **K.N. Gutgutia & Co.**  
CHARTERED ACCOUNTANTS  
FRN 304153E

**(B.R. GOYAL)**  
PARTNER  
M. NO.12172

**(UDIN : 21012172AAAAQB8165)**

PLACE: NEW DELHI  
DATE: 29<sup>TH</sup> JUNE, 2021

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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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### ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph II point 2 A (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Hindusthan Urban Infrastructure Limited 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**

We have audited the internal financial controls over financial reporting of **Hindusthan Urban Infrastructure Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the 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, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

##### **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 (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 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.

##### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing 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 judgement, 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 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

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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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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.

For **K.N. Gutgutia & Co.**  
CHARTERED ACCOUNTANTS  
FRN 304153E

**(B.R. GOYAL)**  
PARTNER

M. NO.12172

**(UDIN : 21012172AAAAQB8165)**

PLACE: NEW DELHI  
DATE: 29<sup>TH</sup> JUNE, 2021

# STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Lakhs)			
Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
1. <b>Non - current assets</b>			
(a) Property, Plant and Equipment	2	16,401.86	17,627.21
(b) Capital work - in - progress	3	72.29	47.24
(c) Investment Properties	4	20,748.60	20,603.84
(d) Other Intangible assets	5(a)	49.07	98.47
(e) Intangible assets under development	5(b)	26.06	-
(f) Financial assets			
(i) Investment	6	8,459.31	8,459.31
(ii) Loans	10	1.35	3.15
(iii) Other Financial Assets	11	25.55	369.61
(g) Other non - current assets	13	921.82	929.01
<b>Total non - current assets</b>		<b>46,705.91</b>	<b>48,137.84</b>
2. <b>Current assets</b>			
(a) Inventories	7	10,907.32	9,437.06
(b) Financial assets			
(i) Trade receivables	8	13,989.41	11,195.46
(ii) Cash and cash equivalents	9(I)	32.18	785.01
(iii) Other bank balances	9(II)	1,495.35	352.94
(iv) Loans	10	4,378.76	4,395.06
(v) Other Financial Assets	11	988.59	565.65
(c) Current Tax Assets (Net)	12	83.82	63.69
(d) Other Current Assets	13	1,874.32	1,409.25
<b>Total current assets</b>		<b>33,749.75</b>	<b>28,204.12</b>
<b>Total Assets</b>		<b>80,455.66</b>	<b>76,341.96</b>
<b>EQUITY AND LIABILITIES</b>			
1. <b>EQUITY</b>			
(a) Equity share capital	14	144.29	144.29
(b) Other equity		45,753.13	45,485.78
<b>Total equity</b>		<b>45,897.42</b>	<b>45,630.07</b>
2. <b>LIABILITIES</b>			
(A) <b>Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	3,604.57	3,822.69
(ii) Other financial liabilities	17	25.51	68.73
(b) Provisions	18	490.28	584.02
(c) Deferred tax liabilities (net)	19	7,374.43	7,345.34
(d) Other Non-current liabilities	20	64.77	58.30
<b>Total non - current liabilities</b>		<b>11,559.56</b>	<b>11,879.08</b>
(B) <b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	9,198.59	9,627.31
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	16	231.68	191.62
(b) total outstanding dues of creditors other than (ii) (a) above	16	11,728.39	6,509.77
(iii) Other financial liabilities	17	1,380.51	1,712.11
(b) Other current liabilities	20	342.24	678.18
(c) Provisions	18	117.27	113.82
<b>Total current liabilities</b>		<b>22,998.68</b>	<b>18,832.81</b>
<b>Total Equity &amp; Liabilities</b>		<b>80,455.66</b>	<b>76,341.96</b>
Significant accounting policies	1		
Notes to the financial statements	2-46		

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date  
**For K. N. Gutgutia & Company**  
Chartered Accountants  
FRN: 304153E

**(B. R. Goyal)**  
Partner  
Membership No: 12172

Place: New Delhi  
Date : 29<sup>th</sup> June, 2021

**For and on behalf of the Board of directors of  
Hindusthan Urban Infrastructure Ltd**

**Raghavendra Anant Mody**  
(DIN : 03158072)  
Chairman and Whole Time Director

**Sushil Kumar Mishra**  
Chief Financial Officer

**Deepak Kejriwal**  
(DIN : 07442554)  
Managing Director

**M.L.Birmiwala**  
President-Finance &  
Company Secretary

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

			(₹ in Lakhs)
Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	21	35,255.28	46,294.00
II Other income	22	1,003.21	952.70
III <b>Total income (I + II)</b>		<b>36,258.49</b>	<b>47,246.70</b>
IV <b>Expenses :</b>			
Cost of Materials Consumed	23	22,982.93	31,498.19
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(1,785.06)	(2,408.28)
Employee benefits expense	25	1,845.66	2,209.59
Finance costs	26	2,327.95	2,753.91
Depreciation and amortization expense	27	1,410.52	1,473.50
Other expenses	28	9,092.32	10,771.29
<b>Total expenses</b>		<b>35,874.32</b>	<b>46,298.20</b>
V <b>Profit /(Loss) before exceptional items and tax (III - IV)</b>		<b>384.17</b>	<b>948.50</b>
VI Exceptional items	30	-	-
VII <b>Profit/(Loss) before tax (V-VI)</b>		<b>384.17</b>	<b>948.50</b>
VIII <b>Tax expense/(benefit)</b>	36		
(1) Current tax		99.60	516.51
(2) Deferred tax		641.87	43.24
- Tax adjustment of earlier years		(516.52)	(166.85)
- Minimum Alternate Tax (Credit) Entitlement		(99.60)	-
IX <b>Profit / (Loss) for the year (VII - VIII)</b>		<b>258.81</b>	<b>555.60</b>
X <b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss	29	13.13	(23.96)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(4.59)	8.37
<b>Total Other Comprehensive Income for the year</b>		<b>8.54</b>	<b>(15.59)</b>
XI <b>Total Comprehensive Income for the year (IX + X)</b>		<b>267.35</b>	<b>540.01</b>
XII <b>Earnings per equity share:</b>	37		
(1) <b>Basic</b>		17.94	38.51
(2) <b>Diluted</b>		17.94	38.51

**Significant accounting policies**

**1**

**Notes to the financial statements**

**2-46**

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date  
**For K. N. Gutgutia & Company**  
Chartered Accountants  
FRN: 304153E

**For and on behalf of the Board of directors of  
Hindusthan Urban Infrastructure Ltd**

**(B. R. Goyal)**  
Partner  
Membership No: 12172

**Raghavendra Anant Mody**  
(DIN : 03158072)  
Chairman and Whole Time Director

**Deepak Kejriwal**  
(DIN : 07442554)  
Managing Director

Place: New Delhi  
Date : 29<sup>th</sup> June, 2021

**Sushil Kumar Mishra**  
Chief Financial Officer

**M.L. Birmiwala**  
President- Finance &  
Company Secretary

# STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

	(₹ in Lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit /(Loss) Before Tax	384.17	948.50
Adjustments for :		
Depreciation & amortisation expense	1,410.52	1,473.50
Unrealised Foreign Exchange Fluctuation Loss/(Gain)	2.34	(24.19)
Finance Cost	2,327.95	2,753.91
Provision for Liquidated Damages/ Bad Debts W/off	38.31	56.35
Liability/Sundry Balance Written back	(162.77)	(90.97)
Provision for Employee Benefits	(90.28)	36.88
Re-measurement of defined benefit plans transferred to OCI	13.13	(23.96)
Rental Income	(375.44)	(477.14)
Interest Income	(689.44)	(539.43)
Profit on Sale of Property, Plant & Equipment	(82.29)	(4.25)
Profit on Sale of Investment	-	(2.43)
Deferred Government Grant transferred	(14.63)	(14.63)
<b>Operating Profit Before Working Capital Changes</b>	<b>2,761.57</b>	<b>4,092.13</b>
Adjustments for:		
(Increase)/Decrease in Trade Receivables	(2,805.40)	9,999.48
(Increase)/Decrease in Loans and Other Assets	(388.10)	(176.55)
(Increase)/Decrease in Inventories	(1,470.26)	(2,092.09)
Increase/(Decrease) in Trade Payable, Provisions & Other liabilities	5,071.20	(7,475.49)
<b>Cash Generated from Operations</b>	<b>3,169.01</b>	<b>4,347.48</b>
Direct Tax Paid (net of refund)	(119.73)	(75.00)
<b>Net Cash Inflow /(Outflow) from Operating Activities</b>	<b>3,049.28</b>	<b>4,272.48</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition / Purchase of PPE & Other Intangible Assets	(162.42)	(406.25)
Sale Proceeds of Property, Plant & Equipment (PPE)	124.97	33.32
Purchase of Investment Property	(190.48)	(93.02)
Purchase of Investment	-	(1,825.00)
Sale of Investments in shares / mutual funds	-	1,827.43
Interest Income Received	175.73	136.80
(Investment)/Redemption in Term Deposit with bank as margin money (incl. unclaimed dividend)	(798.36)	(450.03)
Rental Income	375.44	477.14
Loan given to Subsidiary (net)	10.00	(2,684.66)
<b>Net Cash Inflow /(Outflow) from Investing Activities</b>	<b>(465.12)</b>	<b>(2,984.29)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From / (Repayment) of Short Term Borrowings (net)	(1,581.39)	847.74
Loan taken from /(repaid to) Related parties	1,150.00	1,500.00
Proceeds from /(Repayment) of Long term Borrowings	(708.07)	(579.20)
Finance Cost Paid	(2,177.78)	(2,548.78)
Repayment of Lease Liability	(19.20)	(19.65)
Dividend Paid (including DDT)	(0.54)	(2.17)
<b>Net Cash Inflow /(Outflow) from Financing Activities</b>	<b>(3,336.99)</b>	<b>(802.06)</b>
<b>Net Increase/ (Decrease) in cash &amp; cash equivalents</b>	<b>(752.83)</b>	<b>486.13</b>
Cash & cash equivalents at Beginning of the Year	785.01	298.88
<b>Cash &amp; cash equivalents at End of the Year</b>	<b>32.18</b>	<b>785.01</b>
<b>Components of cash &amp; cash equivalents:</b>		
- Balance with Banks : On current accounts	28.61	51.50
- Cash on hand	3.57	4.86
- Term Deposits with Banks ( with maturity of less than 3 months)	-	728.65
	<b>32.18</b>	<b>785.01</b>

- The above cash flow has been prepared under the "Indirect Method" as set out in Ind AS-7 : Statement of Cash Flows
- Acquisition/Purchase of Property, Plant & Equipment includes movement of capital work in progress, Intangible assets and capital advances & capital payable, paid during the year.

Significant accounting policies

1

Notes to the financial statements

2-46

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date  
**For K. N. Gutgutia & Company**  
Chartered Accountants  
FRN: 304153E

**For and on behalf of the Board of directors of  
Hindusthan Urban Infrastructure Ltd**

**(B. R. Goyal)**  
Partner  
Membership No: 12172

**Raghavendra Anant Mody**  
(DIN : 03158072)  
Chairman and Whole Time Director

**Deepak Kejriwal**  
(DIN : 07442554)  
Managing Director

Place: New Delhi  
Date : 29<sup>th</sup> June, 2021

**Sushil Kumar Mishra**  
Chief Financial Officer

**M.L.Birmiwala**  
President- Finance &  
Company Secretary



# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## A Equity Share Capital

Particulars	Issued		Subscribed & fully paid up	
	No of Shares	Amount	No of Shares	Amount
Equity shares of ₹ 10 each				
As at March 31, 2020	1443000	144.30	1442885	144.29
As at March 31, 2021	1443000	144.30	1442885	144.29

## B Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Equity Component of	Total
	Capital Redemption Reserve	General Reserve	Surplus/ (Deficit)	Remeasurement of Defined Benefit Plans	Redeemable Preference Share Capital (Net of Taxes)	
Balance as at 01.04.2019 (A)	26.44	39,538.21	540.13	(7.20)	4,848.37	44,945.95
Profit for the year	-	-	555.60	-	-	555.60
Items of OCI for the year ended, net of tax- Remeasurement benefit of defined benefit plans	-	-	-	(15.59)	-	(15.59)
<b>Total Comprehensive Income for the year 2019-20 (B)</b>	-	-	<b>555.60</b>	<b>(15.59)</b>	-	<b>540.01</b>
Increase / Reductions during the year	-	-	-	-	-	-
Leases: Ind-AS 116 transition effect	-	-	(0.18)	-	-	(0.18)
<b>Total (C)</b>	-	-	<b>(0.18)</b>	-	-	<b>(0.18)</b>
<b>Balance as at 31.03.2020 (A)+(B)+(C) (D)</b>	<b>26.44</b>	<b>39,538.21</b>	<b>1,095.55</b>	<b>(22.79)</b>	<b>4,848.37</b>	<b>45,485.78</b>
Profit for the year	-	-	258.81	-	-	258.81
Items of OCI for the year ended, net of tax- Remeasurement benefit of defined benefit plans	-	-	-	8.54	-	8.54
<b>Total Comprehensive Income for the year 2020-21 (E)</b>	-	-	<b>258.81</b>	<b>8.54</b>	-	<b>267.35</b>
<b>Total (F)</b>	-	-	-	-	-	-
<b>Balance as at 31.03.2021 (D)+(E)+(F) (G)</b>	<b>26.44</b>	<b>39,538.21</b>	<b>1,354.36</b>	<b>(14.25)</b>	<b>4,848.37</b>	<b>45,753.13</b>

## Significant accounting policies

1

## Notes to the financial statements

2-46

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date  
**For K. N. Gutgutia & Company**  
Chartered Accountants  
FRN: 304153E

**For and on behalf of the Board of directors of  
Hindusthan Urban Infrastructure Ltd**

**(B. R. Goyal)**  
Partner  
Membership No: 12172

**Raghavendra Anant Mody**  
(DIN : 03158072)  
Chairman and Whole Time Director

**Deepak Kejriwal**  
(DIN : 07442554)  
Managing Director

Place: New Delhi  
Date : 29<sup>th</sup> June, 2021

**Sushil Kumar Mishra**  
Chief Financial Officer

**M.L. Birmiwala**  
President- Finance &  
Company Secretary

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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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### COMPANY INFORMATION

Hindusthan Urban Infrastructure Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is located at 'Kanchenjunga' (7th Floor), 18, Barakhambha Road, New Delhi, India. The Company is listed on the Bombay Stock Exchange (BSE).

The Company is engaged mainly in the business of manufacturing & selling of electrical conductors, insulator products and also engaged in real-estate activity of renting out property.

These financial statements were authorized for issue in accordance with a resolution of the directors on dated 29<sup>th</sup> June, 2021.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

(i) Statement of compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

(ii) Historical cost convention

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

(iii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated

#### 1.2 Key accounting estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**a. Property, Plant and Equipment**

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**b. Defined benefit obligation**

The costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 33, 'Employee benefits'.

**c. Fair value measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using prudent valuation techniques, which involve various judgements and assumptions.

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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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### d. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions/deferred tax liability/assets.

### 1.3 Current & non-current classification:

The assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it 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.

Current assets include the portion of non current financial assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after reporting date; or
- d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

### 1.4 Property, Plant and Equipment and Intangible Assets

#### (i) Property, Plant and Equipment

Property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, and any directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenditure incurred on start-up and commissioning of the project and/or substantial expansion, including the expenditure up to the date of commencement of commercial production are capitalised. Subsequent expenditures related to an item of fixed asset are capitalised to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

#### (ii) Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances paid towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

#### (iii) Intangible Assets

- **Acquired Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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- **Internally generated intangible assets**

Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred.

**(iv) Derecognition**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

**(v) Depreciation and Amortization**

- **Depreciation**

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method as per the useful lives and in the manner prescribed under Part C of Schedule II of the Companies Act, 2013.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

On increase in value due to revaluation on the basis of remaining useful life as estimated by the valuer, the corresponding amount is directly transferred to General Reserve from Revaluation Reserve.

- **Amortisation**

Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

The estimated useful life of intangible assets like Product development, Software systems etc. has been estimated as five years.

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

### 1.5 Impairment

The Company assesses at each Balance Sheet date whether there is any indication that an asset/cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset/cash generating unit. If such recoverable amount of the asset or the recoverable amount of the cash generating unit is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.

An assessment is also done at each balance sheet date whether there is any indication that an impairment loss recognized for an asset/cash generating unit in prior accounting periods may no longer exist or may have decreased. If any such indications exists, the assets/ cash generating unit's recoverable amount is estimated. The carrying amount of the fixed asset/ cash generating unit is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous periods. A reversal of impairment loss is recognized in the Statement of Profit and Loss.

### 1.6 Revenue Recognition

Revenue from sale of products & services is recognized when the significant risks and rewards of ownership of the products or services are transferred to the buyer, recovery of the consideration is reasonably assured and the amount of revenue can be measured reliably. Revenues is net of goods & service tax (GST) and discounts, if any.

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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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Income from subsidy, disbursed/disbursable by the Governments is included in other operating income. The subsidy amount is recognized only to the extent that the realization is reasonably assured.

Dividend income is recognized when the right to receive the income is established.

Income from interest on deposits and loans is recognized on time proportionate basis.

Export incentives/ benefits are accounted for on accrual basis in the year in which exports are made and are included in other operating income.

### 1.7 Government grants and subsidies

The Company is entitled to subsidies from government in respect of manufacturing unit located in specified regions.

Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to them.

Government subsidy relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight line basis over the expected life of the related assets and presented within other operating revenue.

### 1.8 Inventory

Inventories are stated at lower of cost or net realisable value except scrap which is valued at net estimated realizable value.

The cost for the purpose of valuation is computed on the basis of weighted average price in case of Conductors and in case of Insulators Division on the basis of First-in-First out (FIFO).

Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

The cost of work-in-progress and finished goods comprises of raw materials, packing materials, direct labour, other direct costs, and appropriate portion of variable and fixed production overheads and such other costs incurred as to bring the inventory to its present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the estimated costs of completion/ reprocessing and the estimated cost necessary to make the sale.

### 1.9 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.

#### A) Financial Assets

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### a) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in the statement of profit and loss and is included in the "Other income" line item.

##### b) Investment in Equity Instruments at fair value through profit & loss

These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in profit & loss.

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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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### c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

### B) Financial Liabilities

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### 1.10 Derivative financial instrument

The Company uses derivative financial instruments, such as forward & Options currency contracts to hedge its foreign currency risks. Derivative financial instruments are measured at their fair value at the end of each reporting period.

### 1.11 Measurement of Fair Values

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

**Level 1** — quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3** — inputs that are unobservable for the asset or liability

### 1.12 Investment in Subsidiary Companies

The Company has elected to recognize its investments in subsidiary companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 6.

### 1.13 Foreign Currency Translation

#### Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

#### Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

### 1.14 Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

#### Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.



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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

### **Deferred tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

### **1.15 Provisions and Contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

### **1.16 Cash and Cash Equivalents**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

### **1.17 Employee Benefits**

#### **Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### **Post-Employment Benefits:**

##### **I. Defined Contribution plans:**

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period.



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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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### II. Defined Benefit plans:

Recognition and measurement of Defined Benefit plans:

The cost of providing defined benefits is determined using the actuarial valuation techniques with actuarial valuations being carried out at each reporting date. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses, are recognized in Other Comprehensive Income. The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

#### Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the actuarial valuation techniques.

### 1.18 Research & Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

### 1.19 Borrowing Cost

Borrowing cost includes interest, ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

### 1.20 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### 1.21 Events occurring after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### 1.22 Earnings Per Share

#### a) *Basic earnings per share*

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

#### b) *Diluted earnings per share*

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders after taking income tax effect of interest and other finance cost associated with dilutive potential equity shares and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 1.23 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided over its useful life using the Straight-Line Method

### 1.24 Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature

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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### 1.25 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

#### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

#### Lease Liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 2 Property, Plant & Equipment

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & equipment	Computers & IT equipment	Office equipment	Furniture & fixtures	Motor Vehicle	Right of use assets	Total
<b>Gross Block</b>										
As at 01.04.2019	1,745.60	103.66	8,007.40	19,830.86	78.08	189.20	436.45	474.35	-	30,865.60
Additions	-	-	15.93	302.81	2.16	7.87	-	8.86	46.26	383.90
Disposals	-	-	-	(28.11)	-	(0.26)	(0.97)	(79.46)	-	(108.80)
Other adjustments	-	56.54	-	-	-	-	-	-	-	56.54
<b>As at 31.03.2020</b>	<b>1,745.60</b>	<b>160.20</b>	<b>8,023.33</b>	<b>20,105.56</b>	<b>80.25</b>	<b>196.81</b>	<b>435.48</b>	<b>403.76</b>	<b>46.26</b>	<b>31,197.24</b>
As at 01.04.2020	1,745.60	160.20	8,023.33	20,105.56	80.25	196.81	435.48	403.76	46.26	31,197.24
Additions	-	-	27.65	71.90	0.71	1.72	37.53	-	-	139.50
Disposals	-	-	-	(616.99)	-	-	-	(15.92)	-	(632.91)
Other adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2021</b>	<b>1,745.60</b>	<b>160.20</b>	<b>8,050.98</b>	<b>19,560.48</b>	<b>80.95</b>	<b>198.52</b>	<b>473.02</b>	<b>387.83</b>	<b>46.26</b>	<b>30,703.83</b>
<b>Depreciation</b>										
As at 01.04.2019	-	22.20	2,390.91	9,241.00	57.31	143.84	142.10	262.09	-	12,259.45
Charge for the year	-	2.14	288.09	966.94	5.82	21.41	40.33	48.77	16.82	1,390.31
Disposals	-	-	-	(7.07)	-	(0.06)	(0.85)	(71.75)	-	(79.73)
Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2020</b>	<b>-</b>	<b>24.34</b>	<b>2,678.99</b>	<b>10,200.87</b>	<b>63.13</b>	<b>165.18</b>	<b>181.58</b>	<b>239.11</b>	<b>16.82</b>	<b>13,570.02</b>
As at 01.04.2020	-	24.34	2,678.99	10,200.87	63.13	165.18	181.58	239.11	16.82	13,570.02
Charge for the year	-	1.31	259.64	945.69	4.40	9.87	40.31	44.15	16.82	1,322.18
Disposals	-	-	-	(575.38)	-	-	-	(14.85)	-	(590.22)
Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2021</b>	<b>-</b>	<b>25.65</b>	<b>2,938.63</b>	<b>10,571.18</b>	<b>67.52</b>	<b>175.05</b>	<b>221.89</b>	<b>268.42</b>	<b>33.64</b>	<b>14,301.98</b>
<b>Net Block</b>										
As at 31.03.2020	1,745.60	135.86	5,344.34	9,904.70	17.12	31.62	253.90	164.65	29.44	17,627.21
<b>As at 31.03.2021</b>	<b>1,745.60</b>	<b>134.55</b>	<b>5,112.35</b>	<b>8,989.30</b>	<b>13.43</b>	<b>23.47</b>	<b>251.12</b>	<b>119.42</b>	<b>12.62</b>	<b>16,401.86</b>

## 3 Capital Work in Progress

Particulars	Capital Work in Progress
As at 31.03.2020	47.24
<b>As at 31.03.2021</b>	<b>72.29</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 4 Investment Properties

Particulars	Land at Banera	Land at Bangalore (including Site development)	Land at Khurda	Land at Faridabad	Building at Faridabad	Total
<b>Gross Block</b>						
As at 01.04.2019	0.91	1,123.21	56.54	19,046.00	669.98	20,896.64
Additions	-	-	-	-	93.02	93.02
Other adjustments	-	-	(56.54)	-	-	(56.54)
<b>As at 31.03.2020</b>	<b>0.91</b>	<b>1,123.21</b>	<b>-</b>	<b>19,046.00</b>	<b>763.00</b>	<b>20,933.12</b>
As at 01.04.2020	0.91	1,123.21	-	19,046.00	763.00	20,933.12
Additions	-	-	-	-	190.48	190.48
Other adjustments	-	(24.35)	-	-	-	(24.35)
<b>As at 31.03.2021</b>	<b>0.91</b>	<b>1,098.86</b>	<b>-</b>	<b>19,046.00</b>	<b>953.48</b>	<b>21,099.24</b>
<b>Depreciation</b>						
As at 01.04.2019	-	-	-	-	312.59	312.59
Charge for the year	-	-	-	-	16.69	16.69
Other adjustments	-	-	-	-	-	-
<b>As at 31.03.2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>329.28</b>	<b>329.28</b>
As at 01.04.2020	-	-	-	-	329.28	329.28
Charge for the year	-	-	-	-	21.36	21.36
Other adjustments	-	-	-	-	-	-
<b>As at 31.03.2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350.64</b>	<b>350.64</b>
<b>Net Block</b>						
As at 31.03.2020	0.91	1,123.21	-	19,046.00	433.72	20,603.84
<b>As at 31.03.2021</b>	<b>0.91</b>	<b>1,098.86</b>	<b>-</b>	<b>19,046.00</b>	<b>602.83</b>	<b>20,748.60</b>
<b>Fair Value #</b>						
As at 31.03.2020	0.91	1,123.21	-	19,046.00	433.72	20,603.84
<b>As at 31.03.2021</b>	<b>0.91</b>	<b>7,507.50</b>	<b>-</b>	<b>19,768.93</b>	<b>1,242.91</b>	<b>28,520.25</b>

### # Estimation of Fair Value

The company obtained independent valuations of its investment properties. The best evidence of fair value is the current prices in an active market for similar properties. The fair values of investment properties have been determined by K. Thammaiah & Associates, Chartered Engineers & Registered Valuers for our property at Bangalore & by Jayant Consultants, Chartered Engineers & Govt. approved valuers for our property at Faridabad.

	Year ended March 31, 2021	Year ended March 31, 2020
Rental income derived from investment properties	375.44	477.14
Direct operating expenses (including repairs and maintenance) generating rental income	61.95	49.21
<b>Income arising from investment properties before depreciation</b>	<b>313.49</b>	<b>427.92</b>
Depreciation	21.36	16.69
<b>Income arising from investment properties (Net)</b>	<b>292.13</b>	<b>411.23</b>

### Premises given on operating lease:

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between 2 and 5 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

The total future minimum lease rentals receivable at the Balance Sheet date are as under:

	As at March 31, 2021	As at March 31, 2020
For a period not later than one year	587.35	384.04
For a period later than one year and not later than five years	1,362.54	357.82
For a period later than five years	-	-
<b>Total</b>	<b>1,949.89</b>	<b>741.86</b>

## 5(a) Other Intangible Assets

Particulars	Computer softwares	Product Development	Total
<b>Gross Block</b>			
As at 01.04.2019	206.10	135.00	341.11
Additions	1.62	-	1.62
<b>As at 31.03.2020</b>	<b>207.72</b>	<b>135.00</b>	<b>342.72</b>
As at 01.04.2020	207.72	135.00	342.72
Additions	17.59	-	17.59
Disposals	-	-	-
<b>As at 31.03.2021</b>	<b>225.31</b>	<b>135.00</b>	<b>360.31</b>
<b>Amortization</b>			
As at 01.04.2019	118.33	59.42	177.75
Charge for the year	39.05	27.45	66.50
Disposals	-	-	-
<b>As at 31.03.2020</b>	<b>157.38</b>	<b>86.87</b>	<b>244.25</b>
As at 01.04.2020	157.38	86.87	244.26
Charge for the year	39.49	27.49	66.98
Disposals	-	-	-
<b>As at 31.03.2021</b>	<b>196.87</b>	<b>114.37</b>	<b>311.24</b>
<b>Net Block</b>			
As at 31.03.2020	50.34	48.13	98.47
<b>As at 31.03.2021</b>	<b>28.43</b>	<b>20.64</b>	<b>49.07</b>

## 5(b) Intangible Assets under development

Particulars	Total
As at 31.03.2020	-
<b>As at 31.03.2021</b>	<b>26.06</b>

## 6 Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
Investments in Equity Shares	Current	Non-Current	Current	Non-Current
<b>a) Unquoted Equity Shares (Measured at Cost)</b>				
<b>Subsidiary Companies</b>				
Hindusthan Speciality Chemicals Ltd.	-	8,459.31	-	8,459.31
<b>Total</b>	<b>-</b>	<b>8,459.31</b>	<b>-</b>	<b>8,459.31</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Aggregate amount of unquoted investments	Face Value per unit	As at March 31, 2021		As at March 31, 2020	
		No. of Units	Amount	No. of Units	Amount
<b>Investments in Equity Shares - Subsidiary Company</b>					
Hindusthan Speciality Chemicals Ltd. (Rs 10 each)	10	84,591,382	8,459.31	84,591,382	8,459.31
			<b>8,459.31</b>		<b>8,459.31</b>
<b>Aggregate amount of unquoted investments</b>			<b>8,459.31</b>		<b>8,459.31</b>

## 7 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(I) Raw materials - In hand	1,501.40	1,699.78
(II) Work-in-Progress	4,160.55	2,360.72
(III) Finished Goods	3,655.86	3,787.58
(IV) Stores & Spares and Packing	1,416.70	1,533.12
(V) Scrap	172.81	55.86
<b>Total</b>	<b>10,907.32</b>	<b>9,437.06</b>

(i) For method of valuation of inventories, refer note 1.8

(ii) The provision in respect of excess, slow-moving, damaged, or obsolete inventories lying in books is ₹ 1713.80 Lakhs (Prev year - ₹ 1713.80 Lakhs) for Work in Progress & ₹ 58.53 Lakhs (Prev year - ₹ 58.53 Lakhs) for Stores & Spares.

## 8 Trade Receivables

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Trade receivables considered good - Secured	-	-	462.88	431.56
Trade receivables considered good - Unsecured	-	-	13,638.06	10,837.74
Trade receivables which have significant increase in credit risk	-	-	-	-
Trade receivables - credit impaired	-	-	-	-
<b>Total</b>	-	-	<b>14,100.94</b>	<b>11,269.30</b>
Less: Loss allowance	-	-	(111.53)	(73.84)
<b>Total</b>	-	-	<b>13,989.41</b>	<b>11,195.46</b>

## 9 Cash & cash equivalents and Other Bank Balances

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
<b>Cash and Bank Balances</b>				
<b>(I) Cash &amp; cash equivalents</b>				
(i) Balance with Banks Current Accounts	-	-	28.61	51.50
(ii) Cash on Hand	-	-	3.57	4.86
(iii) Deposits with Banks held as Margin money/ Security (Maturity of less than three months)	-	-	-	728.65
	-	-	<b>32.18</b>	<b>785.01</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 9 Cash & cash equivalents and Other Bank Balances (Contd.)

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
<b>(II) Other Bank Balances</b>				
Earmarked Balances with Banks - Unclaimed Dividend	-	-	1.25	1.80
Deposits with Banks held as Margin money/ Security (Maturity of more than 3 months and upto 12 months)	-	-	1,494.10	351.14
	-	-	<b>1,495.35</b>	<b>352.94</b>
<b>Total</b>	-	-	<b>1,527.53</b>	<b>1,137.95</b>

## 10 Loans

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Loans to related parties				
Hindusthan Speciality Chemicals Ltd.	-	-	4,375.66	4,385.66
Loans to employees	1.35	3.15	3.10	9.40
<b>Total</b>	<b>1.35</b>	<b>3.15</b>	<b>4,378.76</b>	<b>4,395.06</b>

### Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - Secured	-	-
Loans considered good - Unsecured	4,380.11	4,398.21
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>4,380.11</b>	<b>4,398.21</b>

## 11 Financial Assets: Others

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
<b>Unsecured, considered good</b>				
Interest accrued but not due	-	-	41.38	34.49
Interest receivable	-	-	947.21	440.39
Insurance Claim Receivable	-	-	-	90.77
Deposits with Banks held as Margin money/ Security (Maturity of more than twelve months)	25.55	369.61	-	-
<b>Total</b>	<b>25.55</b>	<b>369.61</b>	<b>988.59</b>	<b>565.65</b>

## 12 Current Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Payment of Tax / TDS / TCS (Net of Provisions)	83.82	63.69
<b>Total</b>	<b>83.82</b>	<b>63.69</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 13 Other Assets

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
<b>(I) Capital Advances</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	50.81	-	-	79.91
<b>(II) Security Deposits</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good				
(A) (i) Sales Tax (Under Litigation)	202.92	202.92	-	-
(ii) Municipal Corporation (Under Litigation)	5.15	5.15	-	-
(iii) Central Excise & Custom (Under Litigation)	6.29	5.14	-	-
(iv) Electricity Board (Under Litigation)	27.91	27.91	-	-
(B) Others -				
I) Tender	96.66	106.60	-	-
II) Electricity	287.25	330.78	-	-
III) Others	132.61	132.49	-	-
Less: Provision for doubtful deposits	-	-	-	-
<b>(III) Earnest Money Deposit</b>				
- Lien Fixed Deposit	-	-	-	-
- Others	91.81	88.01	-	-
<b>(IV) Deposit/ Credit with Government Authorities</b>				
GST, Custom, Excise & Service Tax	-	-	850.62	879.13
Sales tax	-	-	26.07	26.07
<b>(V) Subsidies/ incentives receivable from Central/ State government</b>	-	-	488.41	-
<b>(VI) Advances to Suppliers</b>	-	8.12	189.24	202.12
Less: Provision for doubtful advances	-	-	(3.90)	(3.90)
<b>VII) Employees</b>	-	-	34.93	37.67
Less: Provision for doubtful advances	-	-	-	-
<b>VIII) Other Advances</b>				
Related Parties	-	-	32.22	25.15
Others	20.41	21.89	256.73	163.10
<b>Total</b>	<b>921.82</b>	<b>929.01</b>	<b>1,874.32</b>	<b>1,409.25</b>

## 14 i) Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
25,00,000 ( 31 March 2020 : 25,00,000) Equity Shares of ₹ 10/-each.	250.00	250.00
<b>Issued</b>		
14,43,000 ( 31 March 2020 : 14,43,000) Equity Shares of ₹ 10/-each.	144.30	144.30
<b>Subscribed &amp; Fully Paid up</b>		
14,42,885 ( 31 March 2020 : 14,42,885) Equity Shares of ₹ 10/-each.	144.29	144.29
<b>Total</b>	<b>144.29</b>	<b>144.29</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## (a) Reconciliation of shares outstanding at the beginning and at end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	1,442,885	144.29	1,442,885	144.29
Add:- Addition during the Year	-	-	-	-
Less:- Deletion during the Year	-	-	-	-
<b>Closing Balance</b>	<b>1,442,885</b>	<b>144.29</b>	<b>1,442,885</b>	<b>144.29</b>

## (b) Terms/rights attached to equity shares

The Company has equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

Shares in respect of each class in the company held by its holding company rights ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate : NIL

Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts : NIL

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company has not Issued equity share capital including shares allotted for consideration other than cash during the past five years.

## (c) Details of Shareholders holding more than 5% equity shares in the company

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Equity Shares	Percentage Holding	No. of Equity Shares	Percentage Holding
Hindusthan Consultancy & Services Ltd.	708,825	49.12%	708,825	49.12%
Carbo Industrial Holdings Ltd	132,820	9.21%	132,820	9.21%
Promain Ltd	117,900	8.17%	117,900	8.17%

## 15 Borrowings

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
<b>Secured Loans from Banks:</b>				
a) - Term Loan (Rupee Loan)	1,852.45	2,329.11	-	-
Less:- Current Maturities	(896.57)	(970.32)	-	-
Sub Total	<b>955.88</b>	<b>1,358.79</b>	-	-
b) - Term Loan (FCLR Loan)	-	231.41	-	-
Less:- Current Maturities	-	(231.41)	-	-
Sub Total	-	-	-	-
<b>c) Loans repayable on demand</b>				
From Related parties (Unsecured)	-	-	2,650.00	1,500.00
Sub Total	-	-	<b>2,650.00</b>	<b>1,500.00</b>
<b>d) Liability Component of Redeemable Preference Shares</b>	2,648.69	2,463.90	-	-
	<b>2,648.69</b>	<b>2,463.90</b>	-	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 15 Borrowings (Contd.)

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
<b>e) Working Capital Facilities from Banks-Secured (Repayable on Demand)</b>				
<i>Foreign Currency Loan</i>				
PCFC Loan	-	-	175.08	-
Sub Total	-	-	<b>175.08</b>	-
<i>Rupee loan</i>				
Cash Credit	-	-	5,073.51	7,126.70
Working Capital Demand Loan	-	-	1,300.00	1,000.61
Sub Total	-	-	<b>6,373.51</b>	<b>8,127.31</b>
<b>Total</b>	<b>3,604.57</b>	<b>3,822.69</b>	<b>9,198.59</b>	<b>9,627.31</b>

### a) Term Loan (Rupee Loan)

- (i) **Type of Loan:** 10.75% p.a. Term Loan Canara Bank, New Delhi of ₹ 4500 Lakhs is sanctioned on 14.08.2015 by Canara Bank, New Delhi for our Khurda Projects against which ₹ 4064.34 Lakhs availed.

**Nature of Security:** The loan is secured by exclusive charge on land & building and other fixed/movable/immovable assets situated at Village-Champajhara, Distt- Khurda, Bhubaneswer.

**Terms of Repayment:** The said loan is repayable in 32 quarterly structured instalments starting from quarter ended December' 2015 and ending on November'2023.

- (ii) **Type of Loan:** 7.95% p.a. GECL 2.0 Term loan of ₹ 1010 Lakhs from Canara Bank is sanctioned on 03.03.2021 against which ₹ 1 lakh availed till 31.03.2021.

**Nature of Security:** Secured by second charge on primary security/collateral security.

**Terms of Repayment:** The loan is repayable in 47 equated monthly instalments of ₹ 21 lakhs & last instalment of ₹ 23 lakhs after moratorium period of 12 months from the date of disbursement.

- (iii) **Type of Loan:** 13.50% p.a. Term loan of ₹ 1150 Lakhs from State Bank of India.

**Nature of Security:** Secured by 1st charge over fixed assets situated at plot no. 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.

**Terms of Repayment:** The loan is repayable in 19 quarterly instalment of ₹ 60.93 Lakhs starting from Sep' 2016 & ending on Sep' 2021.

- (iv) **Type of Loan:** 7.75% p.a. Term loan of ₹ 400 Lakhs from State Bank of India as per Common COVID-19 Emergency Credit Line Scheme.

**Nature of Security:** Secured by extension of charges on primary security/collateral security.

**Term of Repayment:** The loan is repayable in 18 equated monthly instalments of ₹ 23 lakhs starting from Sep'2020 and ending on Feb'2022.

- b) **Type of Loan :** 12.65% p.a. FCLR Term loan of USD 3.30 Lakhs from State Bank of India disbursed on 26.04.2019

**Nature of Security :** Secured by 1st Charge over fixed assets situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.

**Terms of Repayment:** The loan is repayable after 1 year as per forward contract arrangement made & hence re-paid during the year.

- c) **Loans repayable on demand** - Inter-corporate loans taken during the year from related parties repayable on demand.

- d) **Liability Component of Redeemable Preference Shares :**

Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 9518.97 Lakhs issued on 12.12.2018. Present Value of Principal amount of such shares at the end of 20 years considered as Liability Component as per Ind-AS 32 using

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

discount rate @ 7.50% is ₹ 2648.69 Lakhs. Interest expense recognised during the year as per Ind-AS 32 is ₹ 184.79 lakhs (Previous year - ₹ 172.82 Lakhs)

### e) Working Capital Facilities for Banks :

- (i) **Type of Loan:** Working Capital Facilities from Canara Bank for the Conductor Division against which drawing is ₹ 1123.52 Lakhs. (Previous year - ₹ 3701.11 Lakhs)

**Nature of Security :** Secured against hypothecation of stocks, book debts and plant & machinery both present & future at Village-champajhara, Distt- Khurda, Bhubaneswar & 12/1, Milestone, Delhi Mathura Road, Faridabad. & Plot No 1C, Industrial park, Sila Mouza, Kamrup, Guwahati, Assam and equitable mortgage of land and building at 12/1, Milestone, Delhi Mathura Road, Faridabad.

- (ii) **Type of Loan:** Working capital facilities from State Bank of India, Bhopal Branch & IDBI Bank, Bhopal Branch for the Insulator division against which drawing is ₹ 5249.99 Lakhs (Previous year - ₹ 4426.20 Lakhs )

**Nature of Security:** Secured against hypothecation of all types of stocks and book debts and other receivable situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P. or such other place as approved by bank and secured collaterally by way of second charge on fixed assets of insulators division situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.

- (iii) **Type of Loan:** PCFC Working Capital Loan from State Bank of India, Bhopal Branch & IDBI Bank, Bhopal Branch for the Insulator division against which drawing is 241490 USD @ 72.50 as on 31.03.2021 (Previous year - Nil)

Interest rate varies from 1% p.a. to 6% p.a. on foreign currency denominated working capital facilities and it varies from 8% p.a. to 13% p.a. on rupee denominated working capital facilities.

### 16 Trade payables (including Acceptances)\* (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro and small enterprises	231.68	191.62
Total outstanding dues of creditors other than micro and small enterprises	11,728.39	6,509.77
<b>Total</b>	<b>11,960.07</b>	<b>6,701.39</b>

\*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

### 17 Other financial liabilities excluding provisions

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Current Maturities of Long term Debt (Refer note 15)				
Term Loan from Canara Bank - Rupee Loan	-	-	547.21	506.25
Term Loan from SBI - Rupee Loan	-	-	349.36	464.07
Term Loan from SBI - FCNR Loan	-	-	-	231.41
Interest accrued but not due on borrowings	-	-	19.97	60.52
Interest payable	-	-	9.22	5.20
Unclaimed dividend	-	-	1.25	1.80
Other Payables	-	-	249.28	220.78
Creditors For Capital Goods	-	-	18.58	1.90
Other Deposits : Trade/Service deposits	25.51	54.91	171.82	192.19
Mark to Market Balance against outstanding forward contract	-	-	-	11.10
Lease Liabilities	-	13.82	13.82	16.89
<b>Total</b>	<b>25.51</b>	<b>68.73</b>	<b>1,380.51</b>	<b>1,712.11</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 18 Provisions

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Provision for employee benefits	489.04	582.78	117.27	113.82
Contract Loss provision	1.24	1.24	-	-
<b>Total</b>	<b>490.28</b>	<b>584.02</b>	<b>117.27</b>	<b>113.82</b>

(₹ in Lakhs)

### 19 Deferred tax liabilities (net)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax liabilities on:</b>		
- Fixed assets (PPE) U/s-32	7,294.67	7,423.37
- Equity Component of Preference Share Capital	2,400.75	2,465.32
	<b>9,695.42</b>	<b>9,888.69</b>
<b>Deferred tax assets on:</b>		
- Bonus, gratuity & leave salary U/s-43B	224.65	252.73
- Provision for doubtful debts U/s-36(1)(vii)	38.97	25.80
- Business loss / Un Absorbed Depreciation U/s-72	38.20	863.25
- Other Temporary Differences	661.09	656.26
- Other Comprehensive Income	1.37	5.96
	<b>964.28</b>	<b>1,804.01</b>
<b>MAT Credit Entitlement</b>	<b>1,356.71</b>	<b>739.34</b>
<b>Net deferred tax Liabilities</b>	<b>7,374.43</b>	<b>7,345.34</b>

### 20 Other Liabilities

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Advances from customers	-	-	66.54	305.58
Other Payables to Related Party	-	-	9.29	9.29
Interest on Sales tax Liability	-	-	51.44	128.28
Deferred Government Grants	42.64	57.27	14.63	14.63
Deferred Security Deposit (Rent)	22.13	1.03	9.13	6.76
<b>Statutory Liabilities</b>				
- Income Tax (TDS)	-	-	42.05	27.05
- Goods & Service Tax (GST)	-	-	126.79	167.91
- Others	-	-	22.37	18.68
<b>Total</b>	<b>64.77</b>	<b>58.30</b>	<b>342.24</b>	<b>678.18</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 21 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sale of products &amp; services</b>		
(I) Conductors & Cables	17,510.91	26,289.35
(II) Insulators	16,734.46	19,320.57
(III) Real Estate (Rental Income)	375.44	477.14
	<b>34,620.81</b>	<b>46,087.06</b>
<b>Other operating revenue</b>		
(I) Scrap Sales	99.29	101.21
(II) Export Incentives	22.06	47.53
(III) Subsidy Income	513.12	58.20
	<b>634.47</b>	<b>206.94</b>
<b>Revenue from Operations (Gross)</b>	<b>35,255.28</b>	<b>46,294.00</b>

(₹ in Lakhs)

### 22 Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(A) INTEREST INCOME</b>		
From FDR's	88.31	51.58
From Customers	16.81	32.38
From Related Parties	547.91	434.51
From Others	36.40	20.96
<b>(B) NET GAIN ON INVESTMENT</b>		
Gain on Sale of Investment measured at FVTPL	-	2.43
<b>(C) OTHER NON- OPERATING INCOME</b>		
Fluctuation in Exchange Rate	6.92	41.44
Claims Received (Net)	61.80	176.62
Profit on Sale of Property, Plant & Equipment	82.29	4.25
Liabilities No Longer Required & Sundry Credit Balance Written Back	162.77	90.97
Entry Tax Refund	-	97.55
<b>Total</b>	<b>1,003.21</b>	<b>952.70</b>
<b>Total Revenue</b>	<b>36,258.49</b>	<b>47,246.70</b>

### 23 Cost of Materials Consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Raw Material Consumed</b>	<b>22,982.93</b>	<b>31,498.19</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 24 Changes in inventories of finished goods, stock-in-trade & work-in-progress

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Inventories at the beginning of the year</b>		
Finished Goods	3,787.58	1,412.91
Work-In-Progress	2,360.72	2,328.59
Scrap	55.86	54.38
	<b>6,204.16</b>	<b>3,795.88</b>
<b>Inventories at the end of the year</b>		
Finished Goods	3,655.86	3,787.58
Work-In-Progress	4,160.55	2,360.72
Scrap	172.81	55.86
	<b>7,989.22</b>	<b>6,204.16</b>
<b>Total</b>	<b>(1,785.06)</b>	<b>(2,408.28)</b>

(₹ in Lakhs)

### 25 Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries & wages	1,705.41	2,043.33
Contribution to provident & other funds	113.37	133.55
Staff & Workmen welfare expenses	26.88	32.71
<b>Total</b>	<b>1,845.66</b>	<b>2,209.59</b>

### 26 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(I) INTEREST</b>		
On Term Loan	263.62	266.89
On Working Capital Borrowings	1,405.40	1,986.86
On Exchange difference to the extent considered as adjustment to borrowing cost	-	11.10
On Liability Component of Redeemable Preference Share Capital	184.79	172.82
On Lease Liability	2.31	3.92
On Others	169.63	26.65
	<b>2,025.75</b>	<b>2,468.25</b>
<b>(2) OTHER BORROWING COST</b>		
Bank Charges	302.20	285.66
<b>Total</b>	<b>2,327.95</b>	<b>2,753.91</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

### 27 Depreciation and amortization expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of Property, Plant & Equipment	1,305.36	1,373.49
Depreciation of Investment Properties	21.36	16.69
Amortization of Intangible assets	66.98	66.50
Depreciation of Right of Use Asset	16.82	16.82
<b>Total</b>	<b>1,410.52</b>	<b>1,473.50</b>

### 28 Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>MANUFACTURING EXPENSES</b>		
(i) Stores & Spares	997.23	1,154.44
(ii) Packing & Forwarding Expenses (Net)	1,014.00	1,200.75
(iii) Power & Fuel	3,663.89	4,605.35
(iv) Repairs to Building	28.24	34.92
(v) Repairs to Machinery	176.03	123.06
(vi) Jobs on Contract	2,535.85	2,731.25
<b>SELLING AND ADMINISTRATION</b>		
(i) Rent	9.10	9.08
(ii) Insurance	37.74	36.75
(iii) Rates & Taxes	41.03	42.56
(iv) Repairs - Others	38.55	69.81
(v) Directors Meeting Fees	4.23	5.20
(vi) Payment to Auditors	4.34	6.17
(vii) Brokerage & Commission	50.06	43.95
(viii) Bad Debts Written off	0.90	-
(ix) Allowance for Doubtful Debts	37.41	56.35
(x) Miscellaneous Expenses	453.72	651.65
<b>Total</b>	<b>9,092.32</b>	<b>10,771.29</b>

### 29 Other Comprehensive Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of the defined benefit plans	13.13	(23.96)
	<b>13.13</b>	<b>(23.96)</b>
<b>Items that will be reclassified to profit or loss</b>	-	-
<b>Total</b>	<b>13.13</b>	<b>(23.96)</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

### 30 Exceptional items

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Exceptional Items	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 31 Contingent Liabilities & Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(1) Contingent liabilities (to the extent not provided for)</b>		
<b>(A) Guarantee</b>		
(a) The Company has given following corporate guarantee on behalf of its subsidiaries or group companies to secure financial facilities:		
Hindusthan Speciality Chemicals Ltd (Partly Owned Subsidiary), for secured financial facilities	20,989.00	21,889.00
Hindusthan Engineering Industries Ltd (Group company), under sales tax, excise, custom etc	572.24	572.24
(b) Outstanding guarantees furnished by banks on behalf of the company	6,848.88	11,088.79
(c) Outstanding letters of credit furnished by banks on behalf of the company	8,404.87	5,001.32
<b>(B) Claims against Company, disputed by the Company, not acknowledged as debt:</b>		
(a) Income Tax demand under appeal*	23.51	-
(b) Excise Duty/GST show cause notices/demands under appeal	138.24	105.04
(c) Claims against the Company for Sales/Purchase Tax/VAT	977.44	1,082.96
(d) Claims against the Company for Labour Cases/MCF & Other under litigation	206.62	206.62
*These demand includes ₹ 4.28 Lacs pertaining to ITAT appeal order effect not given by the Income Tax Department. The company has filed rectification application for the same demand.		
<b>(2) Commitments as at year end: (to the extent not provided for)</b>		
<b>(A) Capital Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account (Net of advances)	-	48.60
<b>(B) Other Commitments:</b>		
(i) Sales order to be executed against Government and Private Contracts	20,386.20	25,285.97
(ii) Liability in respect of sales bills discounted with banks/NBFC's	1,844.59	376.42

### 32 Disclosure requirement under MSMED Act, 2006

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2021. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures pursuant to the said MSMED Act are as follows:

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due and remaining unpaid to any supplier at the end of the each accounting year	231.68	191.62
The amount of interest paid by the buyer in term of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 (27 of 2006), alongwith the amount of the payment made to the supplier beyond the appointed day during each accounting year.	—	—
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small & Medium Enterprises Development Act, 2006.	—	—
The amount of interest accrued and remaining unpaid at the end of the accounting year, and	—	—
The amount of further interest remaining due and payable in succeeding year, until such interest when the interest dues above are actually paid to the small enterprises, for the purpose of disallowances on account of deductible expenditure under section 23 of the Micro, Small & Medium Enterprises Development Act, 2006.	—	—

### 33 Employee Benefits

As per Ind-AS 19 on “Employee Benefits”, the disclosures of Employee Benefits are given below:

#### a) Defined Contribution Scheme

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Contribution to Defined Contribution Plan, recognized for the year are as under:</b>		
Employer's Contribution to Provident Fund	51.33	58.92
Employer's Contribution to Pension Fund	47.49	54.51
Employer's-ESI Contribution	14.55	20.12
<b>Total</b>	<b>113.37</b>	<b>133.55</b>

#### b) Defined Benefit Scheme

Disclosure as required by Ind AS 19 on Employee Benefits in respect of gratuity and leave encashment are as follows:

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2020-21	2019-20	2020-21	2019-20
<b>Net expenses recognised during the year 2020-21</b>				
Current Service Cost	10.92	11.97	25.81	23.59
Interest Cost	4.43	5.45	37.90	40.75
Expected return on plan assets	-	-	-	-
Actuarial Losses / (Gains)	(11.90)	0.11	(13.13)	23.96
Past Service Cost	-	-	-	-
<b>Net benefit expenses</b>	<b>3.45</b>	<b>17.53</b>	<b>50.57</b>	<b>88.30</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2020-21	2019-20	2020-21	2019-20
<b>Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2021</b>	-	-	-	-
Present Value of Defined Benefit Obligation	-	-	-	-
	44.62	83.35	561.70	613.25
Fair Value of plan assets	-	-	-	-
<b>Net Liabilities recognised in Balance Sheet</b>	<b>(44.62)</b>	<b>(83.35)</b>	<b>(561.70)</b>	<b>(613.25)</b>
<b>Change in the Present value of obligation over the year ended 31st March, 2021</b>				
Present Value of Defined Benefit Obligation as on 1st April, 2020	-	-	-	-
	83.35	76.54	613.25	583.18
Interest Cost	4.43	5.45	37.90	40.75
Past Service Cost	-	-	-	-
Current Service Cost	10.92	11.97	25.81	23.59
Benefits Paid	(42.18)	(10.72)	(102.12)	(58.23)
Actuarial (Gain) / loss on obligation	(11.90)	0.11	(13.13)	23.96
<b>Present Value of Defined Benefit Obligation as on 31st March, 2021</b>	<b>44.62</b>	<b>83.35</b>	<b>561.70</b>	<b>613.25</b>

Other Comprehensive Income	Gratuity (Non-Funded)	
	2020-21	2019-20
<b>Actuarial (gains) / losses</b>		
change in demographic assumptions	-	(0.02)
change in financial assumptions	(14.88)	17.49
experience variance (i.e. Actual experience vs assumptions)	1.75	6.49
others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(13.13)</b>	<b>23.96</b>

## Major Actuarial Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	Segment	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
		2020-21	2019-20	2020-21	2019-20
<b>Financial Assumptions</b>					
<b>Discount Rate</b> (based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities)	Conductor	6.53%	6.25%	6.53%	6.25%
	Insulators	5.60%	6.40%	5.60%	6.40%
<b>Salary increase</b> (based on account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis)	Conductor	5.00%	5.00%	5.00%	5.00%
	Insulators	5.00%	5.00%	5.00%	5.00%
<b>Demographic Assumptions</b>					
Mortality Rate (% of IALM 2012-14) (inclusive of provision for disability)	Conductor	100.00%	100.00%	100.00%	100.00%
	Insulators	100.00%	100.00%	100.00%	100.00%
Withdrawal rates, based on age:(per annum)					
Up to 30 years	Conductor	3.00%	3.00%	3.00%	3.00%
	Insulators	0.50%	0.50%	0.50%	0.50%
31 - 44 years	Conductor	2.00%	2.00%	2.00%	2.00%
	Insulators	0.20%	0.20%	0.20%	0.20%
Above 44 years	Conductor	1.00%	1.00%	1.00%	1.00%
	Insulators	0.10%	0.10%	0.10%	0.10%

## Sensitivity Analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Leave Encashment (Non-Funded)	Gratuity (Non-Funded)
	2020-21	2020-21
<b>Impact of the change in discount rate</b>		
Present Value of Obligation at the end of the period	44.62	561.70
Impact due to increase of 0.50 %/1.00%	(1.88)	(19.18)
Impact due to decrease of 0.50 %/1.00%	2.10	20.94
<b>Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period	44.62	561.70
Impact due to increase of 0.50 %/1.00%	2.11	20.89
Impact due to decrease of 0.50 %/1.00%	(1.91)	(19.47)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these are not calculated

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

**The defined benefit obligations shall mature after the end of reporting period is as follows:**

	Leave Encashment (Non-Funded)	Gratuity (Non-Funded)
	2020-21	2020-21
Expected cash flows over the next (valued on undiscounted basis):		
1 Year	16.90	102.04
1 to 6 years	8.51	225.56
More than 6 years	19.21	234.10

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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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(₹ in Lakhs)

### Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- A) Salary Increases : Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk : If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability : Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

### 34. Related Party Disclosures

#### A. List of Related Parties and relatives with whom transactions have taken place

##### Enterprise which have significant influence over the company

Hindusthan Consultancy and Services Ltd.

##### Enterprises over which company having significant influence:

Hindusthan Speciality Chemicals Ltd. (Partly Owned Subsidiary Company)

##### Director(s)/ Key Managerial Personnel :

Mr Raghavendra Anant Mody, Chairman & Whole-time Director

Mr Deepak Kejriwal, Managing Director (Resigned as Chief Financial Officer w.e.f. 31.08.2020 and re-designated as Managing Director w.e.f. 01.09.2020)

Mr Shyam Sunder Bhuwania, Director (Resigned as Vice Chairman & Managing Director with effect from 31.08.2020 and appointed as Director – Advisor w.e.f. 01.09.2020)

Mr Murari Lal Birmiwala, President - Finance & Secretary

Mr Sushil Kumar Mishra, Chief Finance Officer (w.e.f. 01.09.2020)

##### Relatives of Director(s)/Key Managerial Personnel :

Mrs Sanchita Mody

Ms Devhuti Mody

##### Others

Hindusthan Vidyut Products Ltd, Employee Provident Fund Trust

Hindusthan Engineering & Industries Ltd.

Promain Ltd.

Orient Bonds and Stock Limited

Pradyumna Steels Ltd

Paramount Enterprises Ltd

Intercontinental Trading and Investment Company Ltd.

Olympic General Trading Ltd.

Ratlam Industrial Ltd

Associated General Trading Society Ltd.

Mody Education Foundation

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## B. Transactions with related parties

The following transactions were carried out with the related parties in the ordinary course of business.

### i) With parties other than Directors / Key Managerial personnel

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>R &amp; D expenses paid</b>		
Mody Education Foundation	7.47	-
<b>Purchase of Capital goods/Materials</b>		
Hindusthan Speciality Chemicals Ltd	14.85	22.78
<b>Purchase of Stores &amp; Spares</b>		
Hindusthan Engineering & Industries Ltd	-	2.38
<b>Rent paid /payable</b>		
Promain Limited	22.66	23.19
Hindusthan Engineering & Industries Ltd	0.14	0.14
<b>Rent received/ receivable</b>		
Hindusthan Speciality Chemicals Ltd	2.90	16.93
<b>Reimbursement of Expenses Received /Receivable</b>		
Hindusthan Speciality Chemicals Ltd	5.92	18.81
Hindusthan Engineering & Industries Ltd.	3.07	-
Hindusthan Consultancy and Services Ltd.	4.41	-
<b>Reimbursement of Expenses Paid /Payable</b>		
Hindusthan Engineering & Industries Ltd.	0.46	3.19
Hindusthan Speciality Chemicals Ltd	4.82	-
<b>Brand Fee Paid</b>		
Hindusthan Consultancy and Services Ltd.	-	7.49
<b>Provident Fund Deposit (Paid/Payable)</b>		
Hindusthan Vidyut Products Ltd, Employee Provident Fund Trust	76.62	82.82
<b>Interest Received/Receivable</b>		
Hindusthan Speciality Chemicals Ltd	547.91	434.51
<b>Interest Paid / Payable</b>		
Hindusthan Consultancy and Services Ltd.	28.32	-
Hindusthan Engineering & Industries Ltd	7.80	2.23
Orient Bonds and Stock Limited	48.09	1.60
Pradyumna Steels Ltd	1.47	0.36
Paramount Enterprises Ltd	5.67	1.24
Intercontinental Trading and Investment Company Ltd.	1.79	0.36
Olympic General Trading Ltd.	9.42	-
Ratlam Industrial Ltd	28.75	-
Associated General Trading Society Ltd.	9.44	-
<b>Loan - Received</b>		
Hindusthan Consultancy and Services Ltd.	1,500.00	-
Hindusthan Engineering & Industries Ltd	-	1,000.00
Orient Bonds and Stock Limited	450.00	450.00
Pradyumna Steel Ltd	125.00	100.00
Paramount Enterprises Ltd	400.00	350.00



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Intercontinental Trading and Investment Company Ltd.	225.00	100.00
Olympic General Trading Ltd.	100.00	-
Ratlam Industrial Ltd	550.00	-
Associated General Trading Society Ltd.	100.00	-
<b>Loan - Repaid</b>		
Hindusthan Engineering & Industries Ltd	500.00	500.00
Hindusthan Consultancy and Services Ltd.	750.00	-
Orient Bonds and Stock Limited	500.00	-
Pradyumna Steels Ltd	100.00	-
Paramount Enterprises Ltd	350.00	-
Intercontinental Trading and Investment Company Ltd.	100.00	-
<b>Loan - Given</b>		
Hindusthan Speciality Chemicals Ltd	2,840.00	6,161.84
<b>Loan - Received back</b>		
Hindusthan Speciality Chemicals Ltd	2,850.00	3,477.17
<b>Security Amount Given for Appointment of Director</b>		
Hindusthan Speciality Chemicals Ltd	1.00	-
<b>Security Amount Refund received against Appointment of Director</b>		
Hindusthan Speciality Chemicals Ltd	1.00	-
<b>CSR Contribution</b>		
Mody Education Foundation	-	2.72

### ii) With Directors/Key Managerial Personnel

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Remuneration to Key Managerial Personnel:</b>		
Mr Raghavendra Anant Mody	77.97	79.04
Mr Shyam Sunder Bhuwania	14.04	24.31
Mr Deepak Kejriwal	52.62	67.40
Mr Murari Lal Birmiwala	28.18	35.98
Mr Sushil Kumar Mishra	17.09	-
<b>Salary paid to relative of Director(s)/ Key Managerial Personnel:</b>		
Mrs Sanchita Mody	36.97	53.32
Ms Devhuti Mody	16.39	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Outstanding - Receivable</b>		
Hindusthan Speciality Chemicals Ltd	34.83	32.24
Hindusthan Engineering & Industries Ltd	3.07	-
Hindusthan Consultancy and Services Ltd.	4.41	-
<b>Outstanding - Loan Given</b>		
Hindusthan Speciality Chemicals Ltd (Loan Given)	4,375.66	4,385.66
<b>Outstanding - Interest receivable on Loan Given</b>		
Hindusthan Speciality Chemicals Ltd	947.21	440.39
<b>Outstanding - Payable</b>		
Hindusthan Engineering & Industries Ltd	9.29	9.29
Hindusthan Speciality Chemicals Ltd	38.52	-
<b>Outstanding - Loan taken (including interest payable)</b>		
Hindusthan Engineering & Industries Ltd	9.22	502.01
Orient Bonds and Stock Limited	400.00	451.44
Pradyumna Steel Ltd	125.00	100.32
Paramount Enterprises Ltd	400.00	351.12
Intercontinental Trading and Investment Company Ltd.	225.00	100.32
Olympic General Trading Ltd.	100.00	-
Ratlam Industrial Ltd	550.00	-
Associated General Trading Society Ltd.	100.00	-
Hindusthan Consultancy and Services Ltd.	750.00	-
<b>Investment in Equity Share Capital in wholly owned subsidiary co.</b>		
Hindusthan Speciality Chemicals Ltd.	8,459.31	8,459.31
<b>Guarantees and collaterals by the Company</b>		
Hindusthan Engineering & Industries Ltd	572.24	572.24
Hindusthan Speciality Chemicals Ltd	20,989.00	21,889.00

### 35 Segment Reporting

- I) Based on the guiding principles given in Ind AS-108 "Operating Segment", The Vice-Chairman and Managing Director of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Company's business segments are organised around customers on industry and products lines as under:

- a. **Conductor:** Conductor includes electrical conductor and related items.
- b. **Insulator:** Insulator includes electrical insulator and related items.
- c. **Real-estate :** Real-estate includes Property at Faridabad given for rent purpose.
- d. **Others :** This segment is engaged in Investment activities

The Company prepares its operating segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

No operating segments have been aggregated to form the above reportable operating segments.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Finance costs are not allocated to individual segments as the underlying instruments are managed on a Company basis

Current taxes and Deferred taxes are not allocated to those segments as they are also managed on a Company basis

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## A Business Segment

### Segment information for the year ended 31st March, 2021

Particulars	Conductor	Insulator	Real-estate	Others	Un-allocated	Total
<b>Revenue from Operations (Gross)</b>	<b>18,051.66</b>	<b>16,828.18</b>	<b>375.44</b>	-	-	<b>35,255.28</b>
	(26,400.85)	(19,416.01)	(477.14)	-	-	(46,294.00)
<b>Results</b>						
Segment result	<b>16.45</b>	<b>2,280.17</b>	<b>292.13</b>	-	-	<b>2,588.75</b>
	(875.29)	(2,626.78)	(411.23)	-	-	(3,913.30)
Interest Income	-	-	-	-	<b>689.44</b>	<b>689.44</b>
	-	-	-	-	(539.43)	(539.43)
Finance cost	-	-	-	-	<b>2,327.95</b>	<b>2,327.95</b>
	-	-	-	-	(2,753.91)	(2,753.91)
Unallocable Corporate Expenditure	-	-	-	-	<b>566.07</b>	<b>566.07</b>
	-	-	-	-	(750.32)	(750.32)
Profit /(Loss) before taxation & exceptional items	-	-	-	-	-	<b>384.17</b>
	-	-	-	-	-	(948.50)
Exceptional Items	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Net Profit/ (Loss) before tax</b>	-	-	-	-	-	<b>384.17</b>
	-	-	-	-	-	(948.50)
Tax Expense	-	-	-	-	-	125.35
	-	-	-	-	-	(392.90)
<b>Net Profit/ (Loss) after tax</b>	-	-	-	-	-	<b>258.81</b>
	-	-	-	-	-	(555.60)

Particulars		Conductor	Insulator	Real-estate	Others	Un-allocated	Total
<b>Other Information</b>	<b>As at</b>						
Segment assets	<b>Mar 31, 2021</b>	<b>24,329.00</b>	<b>26,800.51</b>	<b>20,782.79</b>	<b>8,459.55</b>	<b>83.82</b>	<b>80,455.66</b>
	Mar 31, 2020	(22,646.21)	(24,526.92)	(20,645.59)	(8,459.55)	(63.69)	(76,341.96)
Segment liabilities	<b>Mar 31, 2021</b>	<b>15,222.60</b>	<b>11,820.64</b>	<b>140.57</b>	-	<b>7,374.43</b>	<b>34,558.24</b>
	Mar 31, 2020	(13,086.21)	(10,135.92)	(144.42)	-	(7,345.34)	(30,711.90)
Capital Employed	<b>Mar 31, 2021</b>	<b>9,106.39</b>	<b>14,979.86</b>	<b>20,642.22</b>	<b>8,459.55</b>	<b>(7,290.61)</b>	<b>45,897.42</b>
	Mar 31, 2020	(9,560.00)	(14,391.01)	(20,501.17)	(8,459.55)	7,281.66	(45,630.06)
Capital expenditure	<b>Mar 31, 2021</b>	<b>114.15</b>	<b>94.05</b>	<b>166.13</b>	-	-	<b>374.32</b>
	Mar 31, 2020	(22.24)	(352.05)	(93.02)	-	-	(467.31)
Depreciation	<b>Mar 31, 2021</b>	<b>755.31</b>	<b>633.85</b>	<b>21.36</b>	-	-	<b>1,410.52</b>
	Mar 31, 2020	(833.78)	(623.03)	(16.69)	-	-	(1,473.50)

Figures in brackets represents previous year.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

### B Additional Information by Geographies

For the year ended 31st March, 2021

Particulars	March 31, 2021	March 31, 2020
<b>a) Revenue from operations by geographical location of customers (Gross)</b>		
Within India	34,711.99	45,638.51
Outside India	543.29	655.49
<b>Total</b>	<b>35,255.28</b>	<b>46,294.00</b>
<b>b) Carrying amount of segment assets</b>		
Within India	80,235.02	76,103.00
Outside India	220.64	238.96
<b>Total</b>	<b>80,455.66</b>	<b>76,341.96</b>
<b>c) Capital expenditure</b>		
Within India	374.32	399.53
Outside India	-	67.78
<b>Total</b>	<b>374.32</b>	<b>467.31</b>

- 1) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organization structure and the internal financial reporting systems.
- 2) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- 3) All non-current assets of the company are located within India.
- 4) Information about major customers :  
Two customers contributed more than 10% (₹ 15984.28 Lakhs) to the Company's revenue in 2020-21 and two customers contributed more than 10% (₹ 22877.22 Lakhs) to the Company's revenue in 2019-20.

### 36 Tax Expense

#### (a) Tax charge/(credit) recognised in the Statement of Profit & Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current Tax :</b>		
Current tax for the Year	99.60	516.51
Tax adjustment of earlier year	(516.52)	(166.85)
MAT Credit entitlement	(99.60)	-
<b>Total Current Tax (i)</b>	<b>(516.52)</b>	<b>349.66</b>
<b>Deferred Tax :</b>		
Fixed Assets/Depreciation	(128.69)	38.11
Equity Component of Preference Share Capital	(64.57)	35.61
Provision for Gratuity / Leave Encashment	28.08	(22.44)
Provision for Doubtful Debts	(13.17)	(22.37)
Un Absorbed Depreciation/ Brought forward Losses	825.05	14.33
Others	(4.83)	-
<b>Total Deferred Tax (ii)</b>	<b>641.87</b>	<b>43.24</b>
<b>Total Tax (i)+(ii)</b>	<b>125.35</b>	<b>392.90</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## (b) Tax on Other Comprehensive Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Deferred Tax :</b>		
(Gain)/Loss on remeasurement of defined benefit plans	(4.59)	8.37
<b>Total Deferred Tax</b>	<b>(4.59)</b>	<b>8.37</b>

## (c) Reconciliation of tax expense and accounting profit multiplied by India's domestic rate

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Profit before tax</b>	<b>384.17</b>	<b>948.50</b>
Tax using the domestic tax rate	34.944%	34.944%
<b>Tax effect of :</b>		
Non-deductible tax expenses	641.87	43.24
Deductible tax expenses	(516.52)	349.66
<b>Total tax expenses in the statement of profit and loss</b>	<b>125.35</b>	<b>392.90</b>

## (d) Movement in Deferred tax assets/liabilities

Movement during the year ended 31st March, 2021	As at April 1, 2020	Charge/ (Credit) in stmt of profit & loss	Charge/ (Credit) in OCI	Charge/ (Credit) in Other Equity	As at March 31, 2021
Property, Plant & Equipment	4,445.17	-	-	-	4,445.17
Depreciation	2,978.20	(128.69)	-	-	2,849.51
Equity Component of Preference Share Capital	2,465.32	(64.57)	-	-	2,400.75
Provision for Gratuity & Leave Encashment	(252.73)	28.08	-	-	(224.65)
Provision for Doubtful Debts	(25.80)	(13.17)	-	-	(38.97)
Un-absorbed Depreciation/ Brought forward Losses	(863.25)	825.05	-	-	(38.20)
Other temporary differences	(662.23)	(4.83)	4.59	-	(662.47)
MAT Credit Entitlement	(739.34)	(617.37)	-	-	(1,356.71)
<b>Total</b>	<b>7,345.34</b>	<b>24.50</b>	<b>4.59</b>	<b>-</b>	<b>7,374.43</b>

## 37 Earnings Per Share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/ (Loss) after Tax and exceptional items	258.81	555.60
Basic/weighted average number of equity shares outstanding during the year	1,442,885	1,442,885
Nominal value of Equity Share	10	10
Basic/Diluted EPS		
<b>On Profit after Tax and exceptional items</b>	<b>17.94</b>	<b>38.51</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 38 Government Grants

Other Operating Income includes ₹ 488.41 lakhs receivable in respect of Guwahati Unit against Transport Subsidy Claims as per "Transport Subsidy Scheme, 1971" of the Central Government. The same has been approved at the 57th State Level Committee meeting held at Guwahati, Assam and hence, the income has been recognised in the books of accounts as on March 31, 2021. This relates to previous years.

## 39 Disclosure pursuant to Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013 :

In respect of unsecured loans given to subsidiary company :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>i) Hindusthan Speciality Chemicals Limited</b>		
Outstanding as at the beginning of year	4,385.66	1,701.00
Loan given during the year	2,840.00	6,161.84
Repayment received during the year	2,850.00	3,477.17
Outstanding as at the end of year	4,375.66	4,385.66
Purpose	Business	Business
Interest Rate per annum	11.65%	11.65%

## 40 Other Disclosures to Statement of Profit and Loss:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(a) NET GAIN/(LOSS) ON FOREIGN EXCHANGE</b>		
SUNDRY DEBTORS		
For Export/Deemed Export	(1.51)	43.31
SUNDRY CREDITORS		
For Import	(6.96)	(1.87)
For Foreign Currency Loan	3.67	(11.10)
	<b>(4.80)</b>	<b>30.34</b>
<b>(b) PAYMENT TO AUDITORS</b>		
- Audit fees	2.95	3.20
- Out of Pocket Expenses	0.19	0.45
- Tax Audit	0.50	0.50
- Other Services	0.70	2.01
	<b>4.34</b>	<b>6.17</b>
<b>(c) AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED</b>		
Sundry Debtors Credit Balance Written off	0.10	0.15
Sundry Credit Balance Written off	22.13	57.81
Jobs on Contract	6.35	-
Interest on Deferred Sales tax Liability	65.83	-
Provision for Bonus, Variable Pay etc.	56.61	18.51
Others	11.75	14.50
	<b>162.77</b>	<b>90.97</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(d) VALUE OF IMPORTS CALCULATED ON C.I.F BASIS</b>		
Raw Material	735.02	1,134.33
Components & Spare Parts	4.46	3.11
Capital Goods	-	67.78
	<b>739.48</b>	<b>1,205.22</b>
<b>(e) EXPENDITURE IN FOREIGN CURRENCY</b>		
Interest / Bank Charges	-	12.73
Commission	16.15	14.07
Others	5.49	21.51
	<b>21.65</b>	<b>48.31</b>

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
<b>(f) VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH %</b>				
<b>IMPORTED</b>				
Raw Materials	631.25	2.75%	1,136.06	3.61%
Stores and Spare Parts	17.18	1.72%	47.10	4.08%
<b>INDIGENOUS</b>				
Raw Materials	22,351.69	97.25%	30,362.13	96.39%
Stores and Spare Parts	980.05	98.28%	1,107.34	95.92%
	<b>23,980.16</b>		<b>32,652.63</b>	

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(g) EARNINGS IN FOREIGN EXCHANGE</b>		
Exports (F.O.B.)	543.29	655.49
Freight & Insurance on Export	10.68	-
	<b>553.98</b>	<b>655.49</b>

## 41. Financial Instruments : Fair Value Measurement

Financial Assets & Liabilities	Note	Level of hierarchy	31 March, 2021			31 March, 2020		
			Carrying Amount		Fair Value	Carrying Amount		Fair Value
			FVTPL	Amortised Cost		FVTPL	Amortised Cost	
<b>Financial assets</b>								
Investments in unquoted equity instruments	(b)		-	8,459.31	8,459.31	-	8,459.31	8,459.31
Trade receivables	(a)		-	13,989.41	13,989.41	-	11,195.46	11,195.46
Loans	(a, b)		-	4,380.11	4,380.11	-	4,398.21	4,398.21
Cash and cash equivalents	(a)		-	32.18	32.18	-	785.01	785.01
Other bank balances	(a, b)		-	1,495.35	1,495.35	-	352.93	352.93
Other financial assets	(a)		-	1,014.15	1,014.15	-	935.26	935.26
<b>Total financial assets</b>			-	<b>29,370.50</b>	<b>29,370.50</b>	-	<b>26,126.18</b>	<b>26,126.18</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Financial Assets & Liabilities	Note	Level of hierarchy	31 March, 2021			31 March, 2020		
			Carrying Amount		Fair Value	Carrying Amount		Fair Value
			FVTPL	Amortised Cost		FVTPL	Amortised Cost	
<b>Financial liabilities</b>								
Non-current borrowings (including other current maturities)	(b)		-	4,501.14	4,501.14	-	5,024.42	5,024.42
Current borrowings	(a)		-	9,198.59	9,198.59	-	9,627.31	9,627.31
Trade payables	(a)		-	11,960.06	11,960.06	-	6,701.39	6,701.39
Derivative financial liabilities	(d)	<b>Level 2</b>	-	-	-	11.10	-	11.10
Other financial liabilities	(a)		-	509.46	509.46	-	568.01	568.01
<b>Total financial liabilities</b>			-	<b>26,169.26</b>	<b>26,169.26</b>	<b>11.10</b>	<b>21,921.13</b>	<b>21,932.23</b>

### Note:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair value of non-current financial assets and liabilities has not been disclosed as there is no significant differences between carrying value and fair value.
- The fair value is determined by using the valuation model/techniques with observable/non-observable inputs and assumptions.
- Derivatives are carried at fair value at each reporting date. The fair values of the derivatives financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
- There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2021 and 31 March 2020.

### Fair Value hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows: -

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

## 42. Financial Risk management

### **Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The Company through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risk are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see(i));
- liquidity risk (see(ii)); and
- market risk (see(iii)).

### **i. Credit risk**

Credit risk is the risk of financial loss to 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, loans and investments.

The carrying amount of financial assets represents the maximum credit exposure.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

### Trade receivables and other financial assets

The Company has established a credit policy under which 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 business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

### Expected credit loss for Trade receivables:

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance) is ₹ 3775.69 Lakhs (31 March 2020: 4443.64 Lakhs )

Movement in the expected credit loss allowance of trade receivables are as follows:

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	73.84	10.28
Add: Provided during the year (net of reversal)	37.41	70.63
Less: Amount written off/back	0.28	(7.07)
<b>Balance at the end of the year</b>	<b>111.53</b>	<b>73.84</b>

### Expected credit loss on financial assets other than trade receivables:

With regard to all financial assets with contractual cash flows, other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on standalone Balance Sheet.

## ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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.

The Company's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short term liquidity situation is reviewed daily by the treasury department. Longer term liquidity position is reviewed on a regular basis by the Parent Company's Board of Directors and appropriate decisions are taken according to the situation.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at 31 March, 2021	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Financial liabilities</b>				
Borrowings	13,699.73	13,699.73	10,095.16	3,604.57
Trade payables	11,960.06	11,960.06	11,960.06	-
Other financial liabilities	509.46	509.46	483.94	25.52

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

As at 31 March, 2020	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Financial liabilities</b>				
Borrowings	14,651.73	14,651.73	10,829.03	3,822.69
Trade payables	6,701.38	6,701.38	6,701.38	-
Other financial liabilities	579.11	579.11	510.39	68.73

### iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Company. The functional currencies of the Company are primarily the INR, USD and EUR. The currencies in which these transactions are primarily denominated are USD and INR.

#### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31 March 2021			31 March 2020		
	USD	GBP	EURO	USD	GBP	EURO
Cash and cash equivalents	2,330	-	-	2,330	-	-
Trade receivable	481,885	-	101,855	460,930	-	113,747
Trade payables	(16,524)	(151,968)	-	-	(140,672)	-
Borrowings	(241,490)	-	-	(331,686)	-	-
<b>Net exposure</b>	<b>226,201</b>	<b>(151,968)</b>	<b>101,855</b>	<b>131,574</b>	<b>(140,672)</b>	<b>113,747</b>

#### Sensitivity analysis

A reasonable possible strengthening/ weakening of the EUR, USD or INR against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss (before tax)	
	Strengthening	Weakening
<b>31 March 2021</b>		
USD (1% movement)	2,262.01	(2,262.01)
GBP (1% movement)	(1,519.68)	1,519.68
EUR (1% movement)	1,018.55	(1,018.55)
<b>31 March 2020</b>		
USD (1% movement)	1,315.74	(1,315.74)
GBP (1% movement)	(1,406.72)	1,406.72
EUR (1% movement)	1,137.47	(1,137.47)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

### Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed-rate borrowings	-	-
Floating rate borrowings	13,699.73	14,651.73
<b>Total borrowings</b>	<b>13,699.73</b>	<b>14,651.73</b>

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basis points higher/ lower and all other variables were held constant, the Company's profit for the year ended 31 March 2021 would decrease / increase by 34.25 Lakhs (31 March 2020: 36.63 Lakhs ). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

## 43. Capital Management

### Risk management

The Company's objectives when managing capital are to:

- safeguarding their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

**'Net Debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total Equity' (as shown in the Standalone Balance sheet)**

Particulars	As at March 31, 2021	As at March 31, 2020
Net debt	12,172.21	13,513.78
Total equity	45,897.42	45,630.06
<b>Net debt to equity ratio</b>	<b>0.27</b>	<b>0.30</b>

### Dividends

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(i) Equity Shares</b>	1,442,885	1,442,885
Final dividend for the year ended 31 March 2020 of Nil per fully paid equity share (31 March 2019 : Nil)		
<b>(ii) Preference Shares</b>	95,189,700	95,189,700
The Board of Directors have recommended not to pay any Dividend on Preference Shares this year		

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(iii) Dividend not recognised at the end of the reporting year</b>		
In addition to the above dividends, since year end the directors have recommended not to pay any Dividend this year on equity shares as well as Preference Shares (31 March 2020: Nil)	-	-

- 44** The Company has taken into account potential impacts of COVID-19 in the preparation of the standalone audited financial statements. Based on the information currently available there is no material impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets though management continue to monitor changes in future economic conditions. The impact of COVID-19 on the standalone audited financial statements may differ from that estimated as at the date of approval of these statements.
- 45** Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current years classification disclosure.
- 46** The financials statements has been approved by the Board on 29th June, 2021.

As per our report of even date  
**For K. N. Gutgutia & Company**  
Chartered Accountants  
FRN: 304153E

**For and on behalf of the Board of directors of  
Hindusthan Urban Infrastructure Ltd**

**(B. R. Goyal)**  
Partner  
Membership No: 12172

**Raghavendra Anant Mody**  
(DIN : 03158072)  
Chairman and Whole Time Director

**Deepak Kejriwal**  
(DIN : 07442554)  
Managing Director

Place: New Delhi  
Date : 29<sup>th</sup> June, 2021

**Sushil Kumar Mishra**  
Chief Financial Officer

**M.L. Birmiwala**  
President- Finance &  
Company Secretary

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# INDEPENDENT AUDITOR'S REPORT

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## TO THE MEMBERS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

### I. Report on the Audit of Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

#### 1. Opinion

- A. We have audited the accompanying Consolidated Financial Statements of **HINDUSTHAN URBAN INFRASTRUCTURE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").
- B. 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of its consolidated Loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 Companies Act 2013, 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.

#### 3. 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 be communicated in our report.

#### 4. Information Other than the Consolidated Financial Statements and Auditor's Report thereon

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

#### 5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

- A. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, Consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the other accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the 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

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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

### 6. Auditor's Responsibilities for the Audit of the Consolidated Financial statements

- A. 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.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) 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.
  - ii) Obtain an understanding of internal financial controls 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - iv) 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - v) 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.
  - vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- C. 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.
- D. 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.



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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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

### II. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report to the extent applicable that:

- A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- B. In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books;
- C. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- D. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- E. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary incorporated in India, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- F. With respect to the adequacy of the internal financial controls over financial reporting of and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding and subsidiary incorporated in India;
- G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note 31 to the consolidated financial statements
  - Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the group incorporated in India.
- H. 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, its holding company and its subsidiary covered under the Act paid remuneration to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act.

For **K.N. Gutgutia & Co.**  
Chartered Accountants  
FRN: 304153E

**(B.R. GOYAL)**  
PARTNER  
M. NO.: 12172

**(UDIN : 21012172AAAAQC8044)**

Place: New Delhi  
Date: 29<sup>th</sup> June, 2021

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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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### ANNEXURE "A" TO THE INDEPENDEDNT AUDITOR'S REPORT

(Referred to in point F of paragraph II under "Report on Other Legal and Regulatory Requirements" section of our report to the members of HINDUSTHAN URBAN INFRASTRUCTURE LIMITED 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 Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **HINDUSTHAN URBAN INFRASTRUCTURE LIMITED** (hereinafter referred to as "Holding") and its subsidiary company, which are incorporated in India as of that date.

In our opinion to the best of our information and according to the explanations given to us, the Holding and its subsidiary company, which are companies incorporated in India, have, 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, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

##### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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) (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.

##### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, 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 judgement, 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 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

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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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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.

For **K.N. Gutgutia & Co.**  
Chartered Accountants  
FRN: 304153E

**(B.R. GOYAL)**  
PARTNER

M. NO.: 12172

**(UDIN : 21012172AAAAQC8044)**

Place: New Delhi

Date: 29<sup>th</sup> June, 2021

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
(1) <b>Non - current assets</b>			
(a) Property, Plant and Equipment	2	38,053.97	38,779.36
(b) Capital work - in - progress	3	147.71	106.80
(c) Investment Properties	4	20,748.60	20,603.84
(d) Other Intangible Assets	5(a)	1,531.79	1,585.61
(e) Intangible assets under development	5(b)	26.06	-
(f) Financial assets			
(i) Investment	6	30.00	30.00
(ii) Loans	10	1.35	3.15
(iii) Other Financial Assets	11	25.55	369.61
(g) Other non - current assets	13	1,199.13	1,231.21
<b>Total non - current assets</b>		<b>61,764.16</b>	<b>62,709.58</b>
(2) <b>Current assets</b>			
(a) Inventories	7	13,252.72	11,200.58
(b) Financial assets			
(i) Trade receivables	8	20,099.77	13,644.04
(ii) Cash and cash equivalents	9 (I)	586.72	1,021.95
(iii) Other bank balances	9 (II)	1,646.35	394.74
(iv) Loans	10	3.10	9.40
(v) Other Financial Assets	11	73.26	132.93
(c) Current Tax Assets (Net)	12	91.30	66.95
(d) Other Current Assets	13	2,204.56	3,959.25
<b>Total current assets</b>		<b>37,957.78</b>	<b>30,429.84</b>
<b>Total Assets</b>		<b>99,721.94</b>	<b>93,139.42</b>
<b>EQUITY AND LIABILITIES</b>			
(1) <b>EQUITY</b>			
(a) Equity share capital	14	144.29	144.29
(b) Other equity		42,271.19	42,346.77
(c) Non-controlling interests		4,140.89	4,384.23
<b>Total equity</b>		<b>46,556.37</b>	<b>46,875.29</b>
(2) <b>LIABILITIES</b>			
A <b>Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	16,735.61	15,090.35
(ii) Other financial liabilities	17	25.52	68.73
(b) Provisions	18	521.92	608.72
(c) Deferred tax liabilities (net)	19	5,776.31	5,968.35
(d) Other Non-current liabilities	20	64.77	58.30
<b>Total non - current liabilities</b>		<b>23,124.13</b>	<b>21,794.45</b>
B <b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	11,279.78	12,809.21
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	16	279.25	253.74
(b) total outstanding dues of creditors other than (ii) (a) above	16	14,571.09	7,850.97
(iii) Other financial liabilities	17	3,157.04	2,695.66
(b) Other current liabilities	20	632.48	741.90
(c) Provisions	18	121.80	118.20
<b>Total current liabilities</b>		<b>30,041.44</b>	<b>24,469.68</b>
<b>Total Equity &amp; Liabilities</b>		<b>99,721.94</b>	<b>93,139.42</b>
<b>Significant accounting policies</b>	1		
<b>Notes to the financial statements</b>	2-47		

The accompanying notes referred to above form an integral part of these consolidated financial statements.

As per our report of even date  
**For K. N. Gutgutia & Company**  
Chartered Accountants  
FRN: 304153E

**(B. R. Goyal)**  
Partner  
Membership No: 12172

Place: New Delhi  
Date : 29<sup>th</sup> June, 2021

**For and on behalf of the Board of directors of  
Hindusthan Urban Infrastructure Ltd**

**Raghavendra Anant Mody**  
(DIN : 03158072)  
Chairman and Whole Time Director

**Sushil Kumar Mishra**  
Chief Financial Officer

**Deepak Kejriwal**  
(DIN : 07442554)  
Managing Director

**M.L.Birmiwala**  
President- Finance &  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs except per share data)			
Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	21	54,096.11	55,032.85
II Other income	22	628.72	568.45
III <b>Total income (I + II)</b>		<b>54,724.83</b>	<b>55,601.30</b>
IV <b>Expenses</b>			
Cost of Materials Consumed	23	35,660.49	39,093.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(1,545.90)	(2,696.56)
Employee benefits expense	25	2,666.89	3,131.08
Finance costs	26	4,102.89	4,517.62
Depreciation and amortization expense	27	2,855.70	2,824.41
Other expenses	28	11,409.48	12,716.42
<b>Total expenses</b>		<b>55,149.55</b>	<b>59,586.35</b>
V <b>Profit/(Loss) before exceptional items and tax (III - IV)</b>		<b>(424.72)</b>	<b>(3,985.05)</b>
VI Exceptional items	30	-	-
VII <b>Profit/(Loss) before tax (V - VI)</b>		<b>(424.72)</b>	<b>(3,985.05)</b>
VIII <b>Tax expense/(benefit)</b>	36		
(1) Current tax		99.60	516.51
(2) Deferred tax		420.36	(1,239.01)
(3) Tax adjustment of earlier years		(516.51)	(166.85)
(4) Minimum Alternate Tax (credit) Entitlement		(99.60)	-
IX <b>Profit / (Loss) for the year (VII - VIII)</b>		<b>(328.57)</b>	<b>(3,095.70)</b>
X <b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss	29	14.63	(19.79)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(4.98)	7.29
<b>Total Other Comprehensive Income for the year</b>		<b>9.65</b>	<b>(12.50)</b>
XI <b>Total Comprehensive Income for the year (IX + X)</b>		<b>(318.92)</b>	<b>(3,108.20)</b>
XII <b>Profit attributable to:</b>			
Owners of the Company		<b>(84.77)</b>	(1,581.15)
Non-controlling interests		<b>(243.80)</b>	(1,514.55)
XIII <b>Other Comprehensive income attributable to:</b>			
Owners of the Company		<b>9.19</b>	(13.78)
Non-controlling interests		<b>0.46</b>	1.28
XIV <b>Total Comprehensive income attributable to:</b>			
Owners of the Company		<b>(75.58)</b>	(1,594.93)
Non-controlling interests		<b>(243.34)</b>	(1,513.27)
XV <b>Earnings per equity share:</b>	37		
(1) <b>Basic</b>		<b>(5.88)</b>	(109.58)
(2) <b>Diluted</b>		<b>(5.88)</b>	(109.58)
Significant accounting policies	1		
Notes to the financial statements	2-47		

The accompanying notes referred to above form an integral part of these consolidated financial statements.

As per our report of even date  
**For K. N. Gutgutia & Company**  
Chartered Accountants  
FRN: 304153E

**(B. R. Goyal)**  
Partner  
Membership No: 12172

Place: New Delhi  
Date : 29<sup>th</sup> June, 2021

**For and on behalf of the Board of directors of  
Hindusthan Urban Infrastructure Ltd**

**Raghavendra Anant Mody**  
(DIN : 03158072)  
Chairman and Whole Time Director

**Sushil Kumar Mishra**  
Chief Financial Officer

**Deepak Kejriwal**  
(DIN : 07442554)  
Managing Director

**M.L.Birmiwala**  
President- Finance &  
Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit /(Loss) Before Tax	(424.72)	(3,985.05)
Adjustments for :		
Depreciation & amortisation expense	2,855.70	2,824.41
Unrealised Foreign Exchange Fluctuation Loss/(Gain)	45.68	93.08
Finance Cost	4,102.89	4,517.62
Provision for Liquidated Damages/ Bad Debts W/off	38.31	56.35
Liability/Sundry Balance Written back	(163.61)	(95.82)
Provision for Employee Benefits	(90.28)	36.88
Re-measurement of defined benefit plans transferred to OCI	14.63	(19.79)
Rental Income	(372.55)	(460.20)
Interest Income	(156.79)	(126.00)
Profit on Sale of Property, Plant & Equipment	(82.83)	(4.25)
Profit on Sale of Investment	-	(2.43)
Deferred Government Grant transferred	(14.63)	(14.63)
<b>Operating Profit Before Working Capital Changes</b>	<b>5,751.80</b>	<b>2,820.17</b>
Adjustments for:		
(Increase)/Decrease in Trade Receivables	(6,460.16)	8,452.93
(Increase)/Decrease in Loans and Other Assets	1,877.43	(279.54)
(Increase)/Decrease in Inventories	(2,052.13)	(2,579.48)
Increase/(Decrease) in Trade Payable, Provisions & Other liabilities	8,047.18	(7,094.27)
<b>Cash Generated from Operations</b>	<b>7,164.13</b>	<b>1,319.81</b>
Direct Tax Paid (net of refund)	(123.94)	(76.59)
<b>Net Cash Inflow /(Outflow) from Operating Activities</b>	<b>7,040.18</b>	<b>1,243.22</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition / Purchase of PPE & Other Intangible Assets	(2,192.49)	(946.01)
Sale Proceeds of Property, Plant & Equipment (PPE)	145.86	56.10
Purchase of Investment Property	(190.48)	(93.02)
Purchase of Investment	-	(1,825.00)
Sale of Investments in shares / mutual funds	-	1,827.43
Interest Income Received	(356.92)	(276.63)
(Investment)/Redemption in Term Deposit with bank as margin money (including unclaimed dividend)	(907.56)	(491.84)
Rental Income	375.44	477.14
<b>Net Cash Inflow /(Outflow) from Investing Activities</b>	<b>(3,126.14)</b>	<b>(1,271.83)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From / (Repayment) of Short Term Borrowings (net)	(2,940.06)	2,690.62
Loan taken from /(repaid to) Related parties	1,955.86	3,361.84
Proceeds from /(Repayment) of Long term Borrowings	1,155.31	(688.47)
Finance Cost Paid	(4,500.64)	(4,749.61)
Repayment of Lease Liability	(19.20)	(19.65)
Dividend Paid (including DDT)	(0.54)	(2.17)
<b>Net Cash Inflow /(Outflow) from Financing Activities</b>	<b>(4,349.26)</b>	<b>592.56</b>
<b>Net Increase/ (Decrease) in cash &amp; cash equivalents</b>	<b>(435.22)</b>	<b>563.95</b>
Cash & cash equivalents at Beginning of the Year	1,021.94	458.00
<b>Cash &amp; cash equivalents at End of the Year</b>	<b>586.72</b>	<b>1,021.95</b>
<b>Components of cash &amp; cash equivalents:</b>		
- Balance with Banks : On current accounts	32.75	119.31
- Cash on hand	4.11	5.81
- Term Deposits with Banks ( with maturity of less than 3 months)	549.86	896.83
	<b>586.72</b>	<b>1,021.95</b>

- The above cash flow has been prepared under the "Indirect Method" as set out in Ind AS-7 : Statement of Cash Flows
- Acquisition/Purchase of Property, Plant & Equipment includes movement of capital work in progress, Intangible assets under development and capital advances & capital payable, paid during the year.

## Significant accounting policies

1

## Notes to the financial statements

2-47

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date  
**For K. N. Gutgutia & Company**  
Chartered Accountants  
FRN: 304153E

**For and on behalf of the Board of directors of  
Hindusthan Urban Infrastructure Ltd**

**(B. R. Goyal)**  
Partner  
Membership No: 12172

**Raghavendra Anant Mody**  
(DIN : 03158072)  
Chairman and Whole Time Director

**Deepak Kejriwal**  
(DIN : 07442554)  
Managing Director

Place: New Delhi  
Date : 29<sup>th</sup> June, 2021

**Sushil Kumar Mishra**  
Chief Financial Officer

**M.L.Birmiwala**  
President- Finance &  
Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## A Equity Share Capital

Particulars	Issued		Subscribed & fully paid up	
	No of Shares	Amount	No of Shares	Amount
Equity shares of ₹ 10 each				
As at March 31, 2020	1443000	144.30	1442885	144.29
As at March 31, 2021	1443000	144.30	1442885	144.29

## B Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Equity Component of	Grand Total		
	Capital Redemption Reserve	General Reserve	Surplus/ (Deficit)			Total Attributable to Owners of the Company	Non-Controlling Interests	Total
Balance as at 01.04.2019 (A)	26.44	39,545.72	(574.29)	(6.68)	4,848.37	43,941.89	5,897.50	49,839.39
Non-Controlling Interest in Subsidiary	-	-	-	-	-	-	-	-
Profit for the year	-	-	(3,095.70)	-	-	(1,581.15)	(1,514.55)	(3,095.70)
Items of OCI for the year ended, net of tax	-	-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	(12.50)	-	(13.78)	1.28	(12.50)
Total Comprehensive Income for the year 2019-20 (B)	-	-	(3,095.70)	(12.50)	-	(1,594.93)	(1,513.27)	(3,108.20)
Increase / Reductions during the year	-	-	-	-	-	-	-	-
Proposed Dividend on Equity	-	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-
Leases: Ind-AS 116 transition effect	-	-	(0.18)	-	-	(0.18)	-	(0.18)
Non-Controlling Interest in Subsidiary	-	-	-	-	-	-	-	-
Transferred to / (from) - Surplus / (Deficit)	-	-	-	-	-	-	-	-
Total (C)	-	-	(0.18)	-	-	(0.18)	-	(0.18)
Balance as at 31.03.2020 (A)+(B)+(C) (D)	26.44	39,545.72	(3,670.17)	(19.18)	4,848.37	42,346.77	4,384.23	46,731.00
Non-Controlling Interest in Subsidiary	-	-	-	-	-	-	-	-
Profit for the year	-	-	(328.57)	-	-	(84.77)	(243.80)	(328.57)
Items of OCI for the year ended, net of tax	-	-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	9.65	-	9.19	0.46	9.65
Total Comprehensive Income for the year 2020-21 (E)	-	-	(328.57)	9.65	-	(75.58)	(243.34)	(318.92)
Leases: Ind-AS 116 transition effect	-	-	-	-	-	-	-	-
Total (F)	-	-	-	-	-	-	-	-
Balance as at 31.03.2021 (D)+(E)+(F) (G)	26.44	39,545.72	(3,998.74)	(9.53)	4,848.37	42,271.19	4,140.89	46,412.08

## Significant accounting policies Notes to the financial statements

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2-47

The accompanying notes referred to above form an integral part of these consolidated financial statements.

As per our report of even date  
**For K. N. Gutgutia & Company**  
Chartered Accountants  
FRN: 304153E

**For and on behalf of the Board of directors of  
Hindusthan Urban Infrastructure Ltd**

**(B. R. Goyal)**  
Partner  
Membership No: 12172

**Raghavendra Anant Mody**  
(DIN : 03158072)  
Chairman and Whole Time Director

**Deepak Kejriwal**  
(DIN : 07442554)  
Managing Director

Place: New Delhi  
Date : 29<sup>th</sup> June, 2021

**Sushil Kumar Mishra**  
Chief Financial Officer

**M.L.Birmiwala**  
President- Finance &  
Company Secretary



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## GROUP INFORMATION

Hindusthan Urban Infrastructure Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is located at 'Kanchenjunga' (7th Floor), 18, Barakhamba Road, New Delhi, India. The Company is listed on the Bombay Stock Exchange (BSE).

The Group is engaged mainly in the business of manufacturing & selling electrical conductors, insulator products & chemical products and also engaged in real-estate activity of renting out property.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on 29<sup>th</sup> June, 2021.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of preparation of financial statements

#### (a) Statement of compliance

These financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

#### (b) Historical cost convention

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

#### (c) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

### 1.2 The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits.
- ii. The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind-AS 110), "Consolidated Financial Statements" and using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The subsidiary companies considered in the consolidated financial statements are as under:

Name	Country of Incorporation	Percentage of Ownership
Hindusthan Speciality Chemicals Ltd.	India	58.50%

- iii. The parent company's portion of equity in the subsidiary is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiary on the date of investment.
- iv. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

### 1.3 Current & non-current classification:

The assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it 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.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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Current assets include the portion of non current financial assets. All other assets are classified as non-current.

### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after reporting date; or
- d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

### **1.4 Property, Plant and Equipment and Intangible Assets**

#### **(i) Property, Plant and Equipment**

Property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, and any directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenditure incurred on start-up and commissioning of the project and/or substantial expansion, including the expenditure up to the date of commencement of commercial production are capitalised. Subsequent expenditures related to an item of fixed asset are capitalised to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

#### **(ii) Capital work in progress and Capital advances:**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances paid towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

#### **(iii) Intangible Assets**

##### **• Acquired Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

##### **• Internally generated intangible assets**

Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Consolidated Statement of Profit and Loss in the period in which the expenditure is incurred.

#### **(iv) Derecognition**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

#### **(v) Depreciation and Amortisation**

##### **• Depreciation**

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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Method as per the useful lives and in the manner prescribed under Part C of Schedule II of the Companies Act, 2013.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

On increase in value due to revaluation on the basis of remaining useful life as estimated by the valuer, the corresponding amount is directly transferred to General Reserve from Revaluation Reserve.

- **Amortisation**

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Consolidated Statement of Profit and Loss.

The estimated useful life of intangible assets like Product development, Software systems etc. has been estimated as five years.

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

### 1.5 Impairment

The Group assesses at each Balance Sheet date whether there is any indication that an asset/cash generating unit may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset/cash generating unit. If such recoverable amount of the asset or the recoverable amount of the cash generating unit is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in Consolidated the Statement of Profit and Loss.

An assessment is also done at each balance sheet date whether there is any indication that an impairment loss recognized for an asset/cash generating unit in prior accounting periods may no longer exist or may have decreased. If any such indications exists, the assets/ cash generating unit's recoverable amount is estimated. The carrying amount of the fixed asset/ cash generating unit is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous periods. A reversal of impairment loss is recognized in the Consolidated Statement of Profit and Loss.

### 1.6 Revenue Recognition

Revenue from sale of products & services is recognized when the significant risks and rewards of ownership of the products are transferred to the buyer, recovery of the consideration is reasonably assured and the amount of revenue can be measured reliably. Revenues are shown net of Goods & Service Tax (GST) and discounts, if any.

Income from subsidy, disbursed/disbursable by the Governments is included in other operating income. The subsidy amount is recognized only to the extent that the realization is reasonably assured.

Dividend income is recognized when the right to receive the income is established.

Income from interest on deposits and loans is recognized on time proportionate basis.

Export incentives/ benefits are accounted for on accrual basis in the year in which exports are made and are included in other operating income.

### 1.7 Government grants and subsidies

The Group is entitled to subsidies from government in respect of manufacturing unit located in specified regions.

Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognized as income when there is a reasonable assurance that the Group will comply with all necessary conditions attached to them.

Government subsidy relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Consolidated Statement of Profit and Loss on a straight line basis over the expected life of the related assets and presented within other operating revenue.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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### 1.8 Inventory

Inventories are stated at lower of cost or net realisable value except scrap which is valued at net estimated realizable value.

The cost for the purpose of valuation is computed on the basis of weighted average price in case of Conductors and Chemical business, whereas in case of Insulators Division on the basis of First-in-First out (FIFO).

Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

The cost of work-in-progress and finished goods comprises of raw materials, packing materials, direct labour, other direct costs, and appropriate portion of variable and fixed production overheads and such other costs incurred as to bring the inventory to its present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the estimated costs of completion/ reprocessing and the estimated cost necessary to make the sale.

### 1.9 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.

#### A) Financial Assets

The Group recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### a) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in the statement of profit and loss and is included in the "Other income" line item.

##### b) Investment in Equity Instruments at fair value through profit & loss

These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in profit & loss.

##### c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

#### B) Financial Liabilities

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### 1.10 Derivative financial instrument

The Group uses derivative financial instruments, such as forward & Options currency contracts to hedge its foreign currency risks. Derivative financial instruments are measured at their fair value at the end of each reporting period.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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### 1.11 Measurement of Fair Values

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

**Level 1** — quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3** — inputs that are unobservable for the asset or liability

### 1.12 Investment in Subsidiary Companies

The Group has elected to recognize its investments in subsidiary companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 6.

### 1.13 Foreign Currency Translation

#### Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Consolidated Statement of Profit and Loss.

#### Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Other Comprehensive Income.

### 1.14 Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

#### Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

#### Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

### 1.15 Provisions and Contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

### 1.16 Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

### 1.17 Employee Benefits

#### Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### Post-Employment Benefits:

##### I. Defined Contribution plans:

Recognition and measurement of defined contribution plans:

The Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Group during the reporting period.

##### II. Defined Benefit plans:

Recognition and measurement of Defined Benefit plans:

The cost of providing defined benefits is determined using the actuarial valuation techniques with actuarial valuations being carried out at each reporting date. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses, are recognized in Other Comprehensive Income. The Group presents the above liability/ (asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Group determines the liability for such accumulated leaves using the actuarial valuation techniques.

### 1.18 Research & Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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### 1.19 Borrowing Cost

Borrowing cost includes interest, ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

### 1.20 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

### 1.21 Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### 1.22 Earnings Per Share

#### a) *Basic earnings per share*

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

#### b) *Diluted earnings per share*

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders after taking income tax effect of interest and other finance cost associated with dilutive potential equity shares and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 1.23 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided over its useful life using the Straight-Line Method

### 1.24 Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items

### 1.25 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

#### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

### **Lease Liability**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## **1.26 Key Accounting estimates and judgements**

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### **a. Property, Plant and Equipment**

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

#### **b. Defined benefit obligation**

The costs of providing post-employment benefits are charged to the Consolidated Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 33, 'Employee benefits'.

#### **c. Fair value measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using prudent valuation techniques, which involve various judgements and assumptions.

#### **d. Income taxes**

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions/deferred tax liability/assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 2 Property, Plant & Equipment

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & equipment	QC Laboratory Instruments	R&D Laboratory Instruments	Computers & IT equipment	Office equipment	Furniture & fixtures	Motor Vehicle	ROU Asset	Total
<b>Gross Block</b>												
<b>As at 01.04.2019</b>	1,745.60	856.57	15,865.93	32,874.05	141.24	148.71	111.93	202.66	559.99	498.88	-	53,005.56
Additions	-	-	224.11	497.29	-	-	9.49	10.30	32.31	9.61	46.26	829.36
Disposals	-	-	-	(64.41)	-	-	(0.66)	(0.38)	(0.97)	(79.46)	-	(145.88)
Other adjustments	-	56.54	-	-	-	-	-	-	-	-	-	56.54
<b>As at 31.03.2020</b>	1,745.60	913.12	16,090.04	33,306.93	141.24	148.71	120.76	212.58	591.33	429.02	46.26	53,745.58
<b>As at 01.04.2020</b>	1,745.60	913.12	16,090.04	33,306.93	141.24	148.71	120.76	212.58	591.33	429.02	46.26	53,745.58
Additions	-	-	44.48	1,775.48	19.39	23.92	6.61	3.70	52.54	0.19	-	1,926.32
Disposals	-	-	-	(649.81)	-	-	-	-	-	(15.92)	-	(665.74)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2021</b>	1,745.60	913.12	16,134.52	34,432.60	160.63	172.64	127.37	216.28	643.87	413.29	46.26	55,006.17
<b>Depreciation</b>												
<b>As at 01.04.2019</b>	-	52.32	2,404.54	9,391.84	0.62	0.66	73.51	148.12	153.79	264.45	-	12,489.87
Charge for the year	-	9.75	540.88	1,831.70	13.42	14.13	14.04	24.10	53.99	52.14	16.82	2,570.96
Disposals	-	-	-	(21.65)	-	-	(0.20)	(0.16)	(0.85)	(71.75)	-	(94.61)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2020</b>	-	62.07	2,945.42	11,201.88	14.04	14.79	87.35	172.06	206.94	244.85	16.82	14,966.22
<b>As at 01.04.2020</b>	-	62.07	2,945.42	11,201.88	14.04	14.79	87.35	172.06	206.94	244.85	16.82	14,966.22
Charge for the year	-	8.92	518.97	1,882.38	14.51	15.46	13.48	13.35	56.15	46.35	16.82	2,586.39
Disposals	-	-	-	(585.56)	-	-	-	-	-	(14.85)	-	(600.41)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2021</b>	-	70.98	3,464.39	12,498.70	28.55	30.25	100.83	185.41	263.09	276.35	33.64	16,952.20
<b>Net Block</b>												
<b>As at 31.03.2020</b>	1,745.60	851.05	13,144.62	22,105.05	127.20	133.93	33.41	40.51	384.39	184.18	29.44	38,779.36
<b>As at 31.03.2021</b>	1,745.60	842.13	12,670.14	21,933.90	132.08	142.39	26.54	30.87	380.78	136.94	12.62	38,053.97

During the year, subsidiary Company has capitalized a sum of Rs 1986 lakhs related to GST Input Tax Credit taken till 14.03.2019 on the Plant & Machinery, Office Equipment, Intangible Assets and Furniture & Fixture and depreciation is charged on such modification on the remaining period of life of such underlying assets.

## 3 Capital Work in Progress

Particulars	Capital Work In Progress
<b>As at 31.03.2020</b>	106.80
<b>As at 31.03.2021</b>	147.71

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 4 Investment Properties

Particulars	Land at Banera	Land at Bangalore (including Site development)	Land at Khurda	Land at Faridabad	Building at Faridabad	Total
<b>Gross Block</b>						
As at 01.04.2019	0.91	1,123.21	56.54	19,046.00	669.98	20,896.64
Additions	-	-	-	-	93.02	93.02
Other adjustments	-	-	(56.54)	-	-	(56.54)
<b>As at 31.03.2020</b>	<b>0.91</b>	<b>1,123.21</b>	<b>-</b>	<b>19,046.00</b>	<b>763.00</b>	<b>20,933.12</b>
As at 01.04.2020	0.91	1,123.21	-	19,046.00	763.00	20,933.12
Additions	-	-	-	-	190.48	190.48
Other adjustments	-	(24.35)	-	-	-	(24.35)
<b>As at 31.03.2021</b>	<b>0.91</b>	<b>1,123.21</b>	<b>-</b>	<b>19,046.00</b>	<b>953.48</b>	<b>21,099.25</b>
<b>Depreciation</b>						
As at 01.04.2019	-	-	-	-	312.59	312.59
Charge for the year	-	-	-	-	16.69	16.69
Other adjustments	-	-	-	-	-	-
<b>As at 31.03.2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>329.28</b>	<b>329.28</b>
As at 01.04.2020	-	-	-	-	329.28	329.28
Charge for the year	-	-	-	-	21.37	21.37
Other adjustments	-	-	-	-	-	-
<b>As at 31.03.2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350.65</b>	<b>350.65</b>
<b>Net Block</b>						
As at 31.03.2020	0.91	1,123.21	-	19,046.00	433.72	20,603.84
<b>As at 31.03.2021</b>	<b>0.91</b>	<b>1,123.21</b>	<b>-</b>	<b>19,046.00</b>	<b>602.83</b>	<b>20,748.60</b>
<b>Fair Value #</b>						
As at 31.03.2020	0.91	1,123.21	-	19,046.00	433.72	20,603.84
<b>As at 31.03.2021</b>	<b>0.91</b>	<b>7,507.50</b>	<b>-</b>	<b>19,768.93</b>	<b>1,242.91</b>	<b>28,520.25</b>

### # Estimation of Fair Value

The company obtained independent valuations of its investment properties. The best evidence of fair value is the current prices in an active market for similar properties. The fair values of investment properties have been determined by K. Thammaiah & Associates, Chartered Engineers & Registered Valuers for our property at Bangalore & by Jayant Consultants, Chartered Engineers & Govt. approved valuers for our property at Faridabad.

	Year ended March 31, 2021	Year ended March 31, 2020
Rental income derived from investment properties	375.44	477.14
Direct operating expenses (including repairs and maintenance) generating rental income	61.95	49.21
<b>Income arising from investment properties before depreciation</b>	<b>313.49</b>	<b>427.92</b>
Depreciation	21.36	16.69
<b>Income arising from investment properties (Net)</b>	<b>292.13</b>	<b>411.23</b>

### Premises given on operating lease:

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between 2 and 5 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

The total future minimum lease rentals receivable at the Balance Sheet date are as under:

	As at March 31, 2021	As at March 31, 2020
For a period not later than one year	587.35	384.04
For a period later than one year and not later than five years	1,362.54	357.82
For a period later than five years	-	-
<b>Total</b>	<b>1,949.89</b>	<b>741.86</b>

### 5(a) Other Intangible Assets

Particulars	Computer softwares	Product Development	Intangible Assets	Total
<b>Gross Block</b>				
As at 01.04.2019	240.80	135.00	1,642.91	2,018.72
Additions	3.48	-	-	3.48
Disposals	(1.38)	-	-	(1.38)
<b>As at 31.03.2020</b>	<b>242.90</b>	<b>135.00</b>	<b>1,642.91</b>	<b>2,020.82</b>
As at 01.04.2020	242.90	135.00	1,642.91	2,020.82
Additions	21.35	-	172.78	194.12
Disposals	-	-	-	-
Other adjustments	-	-	-	-
<b>As at 31.03.2021</b>	<b>264.24</b>	<b>135.00</b>	<b>1,815.69</b>	<b>2,214.94</b>
<b>Amortization</b>				
As at 01.04.2019	132.18	59.42	7.65	199.25
Charge for the year	45.01	27.45	164.29	236.75
Disposals	(0.80)	-	-	(0.80)
Adjustments	-	-	-	-
<b>As at 31.03.2020</b>	<b>176.39</b>	<b>86.87</b>	<b>171.94</b>	<b>435.21</b>
As at 01.04.2020	176.39	86.87	171.94	435.21
Charge for the year	45.92	27.49	174.54	247.94
Disposals	-	-	-	-
Adjustments	-	-	-	-
<b>As at 31.03.2021</b>	<b>222.31</b>	<b>114.37</b>	<b>346.48</b>	<b>683.15</b>
<b>Net Block</b>				
As at 31.03.2020	66.52	48.13	1,470.97	1,585.61
<b>As at 31.03.2021</b>	<b>41.94</b>	<b>20.64</b>	<b>1,469.21</b>	<b>1,531.79</b>

During the year, subsidiary Company has capitalized a sum of ₹ 1986 lakhs related to GST Input Tax Credit taken till 14.03.2019 on the Plant & Machinery, Office Equipment, Intangible Assets and Furniture & Fixture and depreciation is charged on such modification on the remaining period of life of such underlying assets.

### 5(b) Intangible Assets under development

Particulars	Total
As at 31.03.2020	-
<b>As at 31.03.2021</b>	<b>26.06</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 6 Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
<b>Investments in Equity Shares</b>				
<b>b) Unquoted Equity Shares (Measured at Cost)</b>				
Narmada Clean Tech Limited (NCTL)	-	30.00	-	30.00
<b>Total</b>	-	<b>30.00</b>	-	<b>30.00</b>

Aggregate amount of unquoted investments	As at March 31, 2021		As at March 31, 2020	
	No. of Units	Amount	No. of Units	Amount
<b>Investments in Equity Shares</b>				
Narmada Clean Tech Limited (NCTL)(₹ 10 each)	<b>300,000</b>	<b>30.00</b>	<b>300,000</b>	<b>30.00</b>

## 7 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(I) Raw materials - In hand	2,830.08	2,385.23
(II) Work-in-Progress	4,296.13	2,790.19
(III) Finished Goods	4,221.74	4,298.61
(IV) Stores & Spares and Packing	1,729.76	1,668.38
(V) Stock in Trade	2.21	2.31
(VI) Scrap	172.81	55.86
<b>Total</b>	<b>13,252.72</b>	<b>11,200.58</b>

(i) For method of valuation of inventories, refer note 1.8

(ii) The provision in respect of excess, slow-moving, damaged or obsolete inventories lying in books is ₹ 1713.80 Lakhs (Prev year-₹ 1713.80 Lakhs) for Work in Progress & ₹ 58.53 Lakhs (Prev year - ₹ 58.53 Lakhs) for Stores & Spares.

## 8 Trade Receivables

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Trade receivables considered good - Secured	-	-	462.88	431.56
Trade receivables considered good - Unsecured	-	-	19,748.42	13,286.32
Trade receivables which have significant increase in credit risk	-	-	-	-
Trade receivables - credit impaired	-	-	-	-
<b>Total</b>	-	-	<b>20,211.30</b>	<b>13,717.88</b>
Less: Loss allowance	-	-	(111.53)	(73.84)
<b>Total</b>	-	-	<b>20,099.77</b>	<b>13,644.04</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 9 Cash & cash equivalents and Other Bank Balances

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
<b>Cash and Bank Balances</b>				
<b>(I) Cash &amp; cash equivalents</b>				
(i) Balance with Banks				
Current Accounts	-	-	32.75	119.31
(ii) Cash on Hand	-	-	4.11	5.81
(iii) Deposits with Banks held as Margin money/Security (Maturity of less than three months)	-	-	549.86	896.83
	-	-	<b>586.72</b>	<b>1,021.95</b>
<b>(II) Other Bank Balances</b>				
Earmarked Balances with Banks - Unclaimed Dividend	-	-	1.25	1.80
Deposits with Banks held as Margin money/ Security (Maturity of more than 3 months and upto 12 months)	-	-	1,645.10	392.94
	-	-	<b>1,646.35</b>	<b>394.74</b>
<b>Total</b>	-	-	<b>2,233.07</b>	<b>1,416.69</b>

## 10 Loans

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
<b>Unsecured, considered good</b>				
Loans to employees	1.35	3.15	3.10	9.40
<b>Total</b>	<b>1.35</b>	<b>3.15</b>	<b>3.10</b>	<b>9.40</b>

### Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - Secured	-	-
Loans considered good - Unsecured	4.45	12.54
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>4.45</b>	<b>12.54</b>

## 11 Financial Assets: Others

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
<b>Unsecured, considered good</b>				
Interest accrued but not due	-	-	53.17	42.16
Insurance Claim Receivable	-	-	-	90.77
Mark to Market Balance against outstanding forward contract	-	-	20.09	-
Deposits with Banks held as Margin money/ Security (Maturity of more than twelve months)	25.55	369.61	-	-
	-	-	-	-
<b>Total</b>	<b>25.55</b>	<b>369.61</b>	<b>73.26</b>	<b>132.93</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 12 Current Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Payment of Tax / TDS / TCS (Net of Provision for Income Tax)	91.30	66.95
<b>Total</b>	<b>91.30</b>	<b>66.95</b>

## 13 Other Assets

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
<b>(I) Capital Advances</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	50.81	-	103.10	80.84
<b>(II) Security Deposits</b>				
Secured, considered good				
Unsecured, considered good				
(A) (i) Sales Tax (Under Litigation)	202.92	202.92	-	-
(ii) Municipal Corporation (Under Litigation)	5.15	5.15	-	-
(iii) Central Excise & Custom (Under Litigation)	6.29	5.14	-	-
(iv) Electricity Board (Under Litigation)	27.91	27.91	-	-
(B) Others -				
I) Tender	96.66	106.60	-	-
II) Electricity	287.25	330.78	-	-
III) Others	409.20	432.19	-	-
Less: Provision for doubtful deposits	-	-	-	-
<b>(III) Earnest Money Deposit - Lien Fixed Deposit</b>	-	-	-	-
- Others	91.81	88.01	-	-
<b>(IV) Deposit/ Credit with Government Authorities</b>				
Custom, Excise & Service Tax, GST	-	-	867.40	3,329.60
Sales tax	0.49	1.86	26.07	26.07
Electricity Duty	-	-	-	60.19
<b>(V) Subsidies/ incentives receivable from Central/ State government</b>	-	-	488.41	-
<b>(V) Advances to Suppliers</b>	-	8.12	351.57	225.37
Less: Provision for doubtful advances	-	-	(3.90)	(3.90)
<b>(VI) Employees</b>	-	-	39.68	42.91
Less: Provision for doubtful advances	-	-	-	-
<b>VII) Others</b>				
Related Parties	-	-	13.97	6.33
Others	20.63	22.53	318.24	191.82
<b>Total</b>	<b>1,199.13</b>	<b>1,231.21</b>	<b>2,204.56</b>	<b>3,959.25</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 14 Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
25,00,000 (31 March 2020 : 25,00,000) Equity Shares of ₹ 10/-each.	250.00	250.00
<b>Issued</b>		
14,43,000 (31 March 2020 : 14,43,000) Equity Shares of ₹ 10/-each.	144.30	144.30
<b>Subscribed &amp; Fully Paid up</b>		
14,42,885 (31 March 2020 : 14,42,885) Equity Shares of ₹ 10/-each.	144.29	144.29
<b>Total</b>	<b>144.29</b>	<b>144.29</b>

### (a) Reconciliation of shares outstanding at the beginning and at end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	1,442,885	144.29	1,442,885	144.29
Add:- Addition during the Year	-	-	-	-
Less:- Deletion during the Year	-	-	-	-
<b>Closing Balance</b>	<b>1,442,885</b>	<b>144.29</b>	<b>1,442,885</b>	<b>144.29</b>

### (b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

Shares in respect of each class in the company held by its holding company rights ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate : NIL

Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts : NIL

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company has not Issued equity share capital including shares allotted for consideration other than cash during the last five years.

### (c) Details of Shareholders holding more than 5% equity shares in the company

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Equity Shares	Percentage Holding	No. of Equity Shares	Percentage Holding
Hindusthan Consultancy & Services Ltd.	708,825	49.12%	708,825	49.12%
Carbo Industrial Holdings Ltd	132,820	9.21%	132,820	9.21%
Promain Ltd	117,900	8.17%	117,900	8.17%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 15 Borrowings

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
<b>Secured Loans from Banks:</b>				
a) - Term Loan (Rupee Loan)	8,694.26	8,829.13	-	-
Less:- Current Maturities	(1,528.48)	(1,072.20)	-	-
	<b>7,165.77</b>	<b>7,756.93</b>	-	-
b) - Term Loan (FCLR Loan)	4,897.11	5,107.57	-	-
Less:- Current Maturities	(475.59)	(238.05)	-	-
	<b>4,421.52</b>	<b>4,869.52</b>	-	-
c) Term Loan (GECL)	2,646.71	-	-	-
Less:- Current Maturities	(147.08)	-	-	-
	<b>2,499.63</b>	-	-	-
d) <b>Unsecured Loans</b>				
From Related parties (Unsecured)	-	-	3,907.95	2,500.00
	-	-	<b>3,907.95</b>	<b>2,500.00</b>
e) <b>Liability Component of Redeemable Preference Shares</b>	2,648.69	2,463.90	-	-
	<b>2,648.69</b>	<b>2,463.90</b>	-	-
f) <b>Working Capital Facilities from Banks-Secured (Repayable on Demand)</b>				
Foreign Currency Loan				
PCFC Loan	-	-	175.08	-
	-	-	<b>175.08</b>	-
Rupee loan				
Cash Credit	-	-	5,896.75	9,308.61
Working Capital Demand Loan	-	-	1,300.00	1,000.61
	-	-	<b>7,196.75</b>	<b>10,309.21</b>
<b>Total</b>	<b>16,735.61</b>	<b>15,090.35</b>	<b>11,279.78</b>	<b>12,809.21</b>

### a) **Term Loan (Rupee Loan)**

- (i) **Type of Loan :** 10.75% p.a. Term loan Canara Bank, New Delhi of ₹ 4500 Lakhs is sanctioned on 14.08.2015 by Canara Bank, New Delhi for our Khurda Projects against which ₹ 4064.34 Lakhs availed.

**Nature of Security:** The loan is secured by exclusive charge on land & building and other fixed/movable/immovable assets situated at Village-Champajhara, Distt- Khurda, Bhubaneswer.

**Terms of Repayment :** The said loan is repayable in 32 quarterly structured instalments starting from quarter ending December' 2015 and ending on November'2023.

- (ii) **Type of Loan :** 7.95% p.a. GECL 2.0 Term loan of ₹ 1010 Lakhs from Canara Bank is sanctioned on 03.03.2021 against which ₹ 1 lakh availed till 31.03.2021.

**Nature of Security :** Secured by second charge on primary security/collateral security.

**Terms of Repayment:** The loan is repayable in 47 equated monthly instalments of ₹ 21 lakhs & last instalment of ₹ 23 lakhs after moratorium period of 12 months from the date of disbursement.

- (iii) **Type of Loan :** 13.50% p.a. Term loan of ₹ 1150 Lakhs from State Bank of India.

**Nature of Security :** Secured by 1st Charge over fixed assets situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

**Terms of Repayment:** The loan is repayable in 19 quarterly instalment of ₹ 60.93 Lakhs starting from Sep'2016 & ending on Sep'2021.

- (iv) **Type of Loan :** 7.75% p.a. Term loan of ₹ 400 Lakhs from State Bank of India as per Common COVID-19 Emergency Credit Line Scheme.

**Nature of Security :** Secured by extension of charges on primary security/collateral security.

**Terms of Repayment:** The loan is repayable in 18 equated monthly instalments of ₹ 23 lakhs starting from Sep'2020 and ending on Feb'2022.

- (v) **Term Loan** sanctioned by State Bank of Bikaner & Jaipur (now merged with State Bank of India) @ 11.50% p.a. ₹ 5000 Lakhs (Outstanding amount of ₹ 3253.65 Lakhs including interest amount of ₹ 5.65 Lakhs (Previous Year ₹ 3274.74 Lakhs including Interest Amount of ₹ 26.74 Lakhs)), State Bank of Hyderabad (now merged with State Bank of India) @ 11.50 % p.a. ₹ 2500 Lakhs (Outstanding amount of ₹ 1564.85 Lakhs including interest amount of ₹ 2.86 Lakhs (Previous Year ₹ 1574.85 Lakhs including Interest Amount of ₹ 12.86 Lakhs)), by Andhra Bank (now merged with Union Bank of India) @ 12.25% p.a. ₹ 3280 Lakhs (Outstanding amount of ₹ 2280.37 Lakhs including interest amount of ₹ 21.49 Lakhs (Previous Year ₹ 2150.58 Lakhs including Interest Amount of ₹ 22.13 Lakhs)) and by Corporation Bank (now merged with Union Bank of India) @ 11.55% p.a. ₹ 6500 Lakhs (Outstanding amount of ₹ 4552.94 Lakhs including interest amount of ₹ 37.61 Lakhs (Previous Year ₹ 4309.85 Lakhs including Interest Amount of ₹ 40.15 Lakhs)) is secured by first pari-passu charge by way of mortgage of all the immovable properties and assets including project land (including leasehold right), first pari-passu charge by way of hypothecation on all of tangible movable fixed assets both present & future, interest, title, benefits, claims and demands in the material project documents, project clearances, letter of credit, guarantees, liquidated damages, performance bond and under insurance contracts, first pari-passu charge by overall bank account & profit after tax of the company & second pari-passu charge on the entire current assets of the company and Corporate Guarantee of holding company namely, Hindusthan Urban Infrastructure Ltd. The same is repayable in 25 quarterly instalments commencing from September 2021.

- b) **Type of Loan :** 12.65% p.a. FCLR Term loan of USD 3.30 Lakhs from State Bank of India disbursed on 26.04.2019

**Nature of Security :** Secured by 1st Charge over fixed assets situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.

**Terms of Repayment:** The loan is repayable after 1 year as per forward contract arrangement made & hence re-paid during the year.

\*\* Out of above Term Loan mentioned in point no.a (iv), sanctioned by State Bank of India @ 11.50 p.a. ₹ 7500 Lakhs which was outstanding as on 26.03.2021 amounting to ₹ 4810.00 Lakhs converted into FCNR Loan Amount of USD 66,57,080.10 @ ₹ 72.2539 per USD equivalent to ₹ 4810.00 Lakhs. Terms & conditions are same which are given in above paragraph.

- c) **GECL (Guaranteed Emergency Credit Line) Loan** sanctioned by State Bank of India @ 7.95% p.a. ₹ 1100 Lakhs (Outstanding amount of ₹ 1107.43 Lakhs including interest amount of ₹ 7.43 Lakhs (Previous Year ₹ NIL)), and by Union Bank of India @ 7.80% p.a. ₹ 1535.00 Lakhs (Outstanding amount of ₹ 1539.28 Lakhs including interest amount of ₹ 6.94 Lakhs (Previous Year ₹ NIL)). The same is repayable in 48 monthly instalments commencing from January / February 2022 respectively.

- d) **Loans repayable on demand** - Inter-corporate loans taken during the year from related parties repayable on demand.

- e) **Liability Component of Redeemable Preference Shares :** Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 9518.97 Lakhs issued on 12.12.2018. Present Value of Principal amount of such shares at the end of 20 years considered as Liability Component as per Ind-AS 32 using discount rate @ 7.50% is ₹ 2648.69 Lakhs. Interest expense recognised during the year as per Ind-AS 32 is ₹ 184.79 lakhs (Previous year - ₹ 172.82 Lakhs)

- f) **Working Capital Facilities for Banks :**

- (i) **Type of Loan:** Working Capital Facilities from Canara Bank for the Conductor Division against which drawing is ₹ 1123.52 Lakhs. (Previous year - ₹ 3701.11 Lakhs)

**Nature of Security :** Secured against hypothecation of stocks, book debts and plant & machinery both present & future at Village-Champajhara, Distt- Khurda, Bhubaneswar & 12/1, Milestone, Delhi Mathura Road, Faridabad. & Plot No 1C, Industrial park, Sila Mouza, Kamrup, Guwahati, Assam and equitable mortgage of land and building at 12/1, Milestone, Delhi Mathura Road, Faridabad.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

- (ii) **Type of Loan:** Working capital facilities from State Bank of India, Bhopal Branch & IDBI Bank, Bhopal Branch for the Insulator division against which drawing is ₹ 5249.99 Lakhs (Previous year - ₹ 4426.20 Lakhs)

**Nature of Security:** Secured against hypothecation of all types of stocks and book debts and other receivable situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P. or such other place as approved by bank and secured collaterally by way of second charge on fixed assets of insulators division situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.

- (iii) **Type of Loan:** PCFC Working Capital Loan from State Bank of India, Bhopal Branch & IDBI Bank, Bhopal Branch for the Insulator division against which drawing is 241490 USD @ 72.50 as on 31.03.2021 (Previous year - ₹ Nil)

- (iv) **Type of Loan:** Working Capital Facilities from Andhra Bank & Corporation Bank (both banks now merged with Union Bank of India) as well as State Bank of India for Chemical Division against which drawing is ₹ 823.24 Lakhs/- (Previous year - ₹ 2181.91 Lakhs).

**Nature of Security :** Secured against hypothecation of first charge on stocks, book debts and second charge on plant & machinery and land & building.

Interest rate varies from 1% p.a. to 6% p.a. per annum on foreign currency denominated working capital facilities and it varies from 8% p.a. to 13% p.a. on rupee denominated working capital facilities.

### 16 Trade payables (including Acceptances)\*

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro and small enterprises	279.25	253.74
Total outstanding dues of creditors other than micro and small enterprises	14,571.09	7,850.97
<b>Total</b>	<b>14,850.34</b>	<b>8,104.72</b>

\*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

### 17 Other financial liabilities

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Current Maturities of Long term Debt (Refer note 15)				
Term Loan from Canara Bank - Rupee Loan	-	-	1,179.12	608.13
Term Loan from SBI - Rupee Loan	-	-	496.44	464.07
Term Loan from SBI - FCNR Loan	-	-	475.59	238.05
Interest accrued but not due on borrowings	-	-	19.97	60.52
Interest payable	-	-	110.23	41.47
Unclaimed dividend	-	-	1.25	1.80
Other Payables	-	-	490.14	403.60
Due to Micro and Small Enterprises (Capital Goods)	-	-	-	168.94
Creditors For Capital Goods	-	-	189.55	452.53
Other Deposits : Trade/Service deposits	25.52	54.91	180.91	199.84
Mark to Market Balance against outstanding forward contract	-	-	-	39.84
Lease Liabilities	-	13.82	13.82	16.89
<b>Total</b>	<b>25.52</b>	<b>68.73</b>	<b>3,157.04</b>	<b>2,695.66</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 18 Provisions

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Provision for employee benefits	520.68	607.48	121.80	118.20
Contract Loss provision	1.24	1.24	-	-
<b>Total</b>	<b>521.92</b>	<b>608.72</b>	<b>121.80</b>	<b>118.20</b>

## 19 Deferred tax liabilities (net)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax liabilities on:</b>		
- Fixed assets U/s-32	9,231.62	9,076.39
- Equity Component of Preference Share Capital	2,400.75	2,465.32
	<b>11,632.36</b>	<b>11,541.71</b>
<b>Deferred tax assets on:</b>		
- Bonus, gratuity & leave salary U/s-43B	234.05	260.40
- Provision for doubtful debts U/s-36(1)(vii)	38.97	25.80
- Business loss / Un Absorbed Depreciation U/s-72	3,563.85	3,885.60
- Other Temporary Differences	661.09	656.26
- Other Comprehensive Income	1.37	5.96
	<b>4,499.34</b>	<b>4,834.02</b>
<b>MAT Credit Entitlement</b>	<b>1,356.71</b>	<b>739.34</b>
<b>Net Deferred Tax Liabilities</b>	<b>5,776.31</b>	<b>5,968.35</b>

## 20 Other Liabilities

Particulars	Non-current		Current	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Advances from customers	-	-	66.54	305.58
Other Payables to Related Party	-	-	9.29	9.29
Interest on Sales tax Liability	-	-	51.44	128.28
Deferred Government Grants	42.64	57.27	14.63	14.63
Deferred Security Deposit (Rent)	22.13	1.03	9.13	6.77
<b>Statutory Liabilities</b>				
- Income Tax (TDS)	-	-	97.54	82.66
- Goods & Service Tax (GST)	-	-	348.19	168.54
- Others	-	-	35.72	26.15
<b>Total</b>	<b>64.77</b>	<b>58.30</b>	<b>632.48</b>	<b>741.90</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

### 21 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sale of products &amp; services</b>		
(I) Conductors & Cables	17,510.90	26,289.36
(II) Insulators	16,734.46	19,320.57
(III) Real Estate (Rental Income)	372.55	460.20
(IV) Epoxy Resin & Allied Products	18,818.17	8,726.42
	<b>53,436.08</b>	<b>54,796.55</b>
<b>Other operating revenue</b>		
(I) Scrap Sales	124.85	130.57
(II) Export Incentives	22.06	47.53
(III) Subsidy Income	513.12	58.20
	<b>660.03</b>	<b>236.30</b>
<b>Revenue from Operations (Gross)</b>	<b>54,096.11</b>	<b>55,032.85</b>

### 22 Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(A) INTEREST INCOME</b>		
From FDR's	103.58	72.67
From Customers	16.81	32.38
From Related Parties	-	-
From Others	43.81	33.02
<b>(B) NET GAIN ON INVESTMENT</b>		
Gain on Sale Of Investment measured at FVTPL	-	2.43
<b>(D) OTHER NON- OPERATING INCOME</b>		
Fluctuation in Exchange Rate (Net)	139.65	41.44
Claims Received (Net)	61.80	176.80
Profit on Sale of Fixed Assets	82.83	4.25
Liabilities No Longer Required & Sundry Credit Balance Written Back	162.77	95.82
Entry Tax Refund	-	97.55
Miscellaneous Income	17.48	12.10
<b>Total</b>	<b>628.72</b>	<b>568.45</b>
<b>Total Revenue</b>	<b>54,724.83</b>	<b>55,601.30</b>

### 23 Cost of Materials Consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw Material	35,660.49	39,093.38

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

### 24 Changes in inventories of finished goods, stock-in-trade & work-in-progress

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Inventories at the beginning of the year</b>		
Finished Goods	4,298.61	1,721.93
Work-In-Progress	2,790.19	2,668.15
Stock-in-trade	2.31	5.96
Scrap	55.86	54.38
	<b>7,146.98</b>	<b>4,450.42</b>
<b>Inventories at the end of the year</b>		
Finished Goods	4,221.74	4,298.61
Work-In-Progress	4,296.13	2,790.19
Stock-in-trade	2.21	2.31
Scrap	172.81	55.86
	<b>8,692.88</b>	<b>7,146.98</b>
<b>Total</b>	<b>(1,545.90)</b>	<b>(2,696.56)</b>

### 25 Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries & wages	2,450.45	2,882.86
Contribution to provident & other funds	144.04	165.76
Staff & Workmen welfare expenses	72.40	82.46
<b>Total</b>	<b>2,666.89</b>	<b>3,131.08</b>

### 26 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(1) INTEREST</b>		
On Term Loan	1,536.90	1,599.23
On Working Capital Borrowings	1,588.14	2,233.24
On Exchange difference to the extent considered as adjustment to borrowing cost	-	11.10
On Liability Component of Redeemable Preference Share Capital	184.79	172.82
On Lease Liability	2.31	3.92
On Others	382.85	92.87
	<b>3,694.99</b>	<b>4,113.18</b>
<b>(2) OTHER BORROWING COST</b>		
Bank Charges	407.90	404.44
<b>Total</b>	<b>4,102.89</b>	<b>4,517.62</b>

### 27 Depreciation and amortization expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of Property, plant & equipment	2,569.57	2,554.14
Depreciation on Investment Properties	21.37	16.69
Amortization of Intangible assets	247.94	236.75
Depreciation of Right of Use Asset	16.82	16.82
<b>Total</b>	<b>2,855.70</b>	<b>2,824.41</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

### 28 Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>MANUFACTURING EXPENSES</b>		
(i) Stores & Spares	1,113.27	1,273.75
(ii) Packing & Forwarding Expenses (Net)	1,403.51	1,424.30
(iii) Power & Fuel	4,801.84	5,492.25
(iv) Repairs to Building	28.24	34.92
(v) Repairs to Machinery	223.90	145.30
(vi) Jobs on Contract	2,683.28	2,846.18
<b>SELLING AND ADMINISTRATION</b>		
(i) Rent	27.31	27.18
(ii) Insurance	92.97	59.43
(iii) Rates & Taxes	77.80	92.36
(iv) Repairs - Others	54.01	83.31
(v) Directors Meeting Fees	6.38	7.45
(vi) Payment to Auditors	5.39	7.48
(vii) Brokerage & Commission	50.06	43.95
(viii) Bad Debts Written off	0.90	-
(ix) Allowance for Doubtful Debts	37.41	56.35
(x) Miscellaneous Expenses	803.21	1,122.21
<b>Total</b>	<b>11,409.48</b>	<b>12,716.42</b>

### 29 Other Comprehensive Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of the defined benefit plans	14.63	(19.79)
	<b>14.63</b>	<b>(19.79)</b>
<b>Items that will be reclassified to profit or loss</b>		
	-	-
	-	-
<b>Total</b>	<b>14.63</b>	<b>(19.79)</b>

### 30 Exceptional items

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Exceptional items	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## 31 Contingent Liabilities & Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(1) Contingent liabilities (to the extent not provided for)</b>		
<b>(A) Guarantee</b>		
(a) The Parent Company has given following corporate guarantees on behalf of group companies under sales tax, excise, custom etc.: Hindusthan Engineering Industries Ltd (Group company), under sales tax, excise, custom etc	572.24	572.24
(b) Outstanding guarantees furnished by banks on behalf of the group	6,873.66	11,088.79
(c) Outstanding letters of credit furnished by banks on behalf of the group	9,943.39	6,920.31
<b>(B) Claims against group, disputed by the group, not acknowledged as debt:</b>		
(a) Income Tax demand under appeal *	23.51	-
(b) Excise Duty show cause notices/demands under appeal	138.24	105.04
(c) Claims against the group for Sales/Purchase Tax/VAT	977.44	1,082.96
(d) Claims against the group for Labour Cases/MCF & Other under litigation	206.62	206.62
* These demand includes ₹ 4.28 Lacs pertaining to ITAT Appeal order effect not given by the Income Tax department. The parent company has filed rectification application for the same demand.		
<b>(2) Commitments as at year end: (to the extent not provided for)</b>		
<b>(A) Capital Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account (Net of advances)	2.00	51.86
<b>(B) Other Commitments:</b>		
(i) Sales order to be executed against Government and Private Contracts	23,358.17	25,285.97
(ii) Liability in respect of sales bills discounted with banks/NBFC's	1,844.59	376.42

## 32 Disclosure requirement under MSMED Act, 2006

The Group has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

There are no micro and small enterprises, to whom the group owes dues, which are outstanding for more than 45 days as at 31 March, 2021. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Group. The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due and remaining unpaid to any supplier at the end of the each accounting year	279.25	422.69
The amount of interest paid by the buyer in term of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 (27 of 2006), alongwith the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small & Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year, and	-	-
The amount of further interest remaining due and payable in succeeding year, until such interest when the interest dues above are actually paid to the small enterprises, for the purpose of disallowances on account of deductible expenditure under section 23 of the Micro, Small & Medium Enterprises Development Act, 2006.	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

### 33 Employee Benefits

As per Ind-AS 19 on "Employee Benefits," the disclosures of Employee Benefits are given below:

#### a) Defined Contribution Scheme

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Contribution to Defined Contribution Plan, recognized for the year are as under:</b>		
Employer's Contribution to Provident Fund	65.31	75.86
Employer's Contribution to Pension Fund	64.19	69.78
Employer's-ESI Contribution	14.55	20.12
<b>Total</b>	<b>144.04</b>	<b>165.76</b>

#### b) Defined Benefit Scheme

Disclosure as required by Ind AS 19 on Employee Benefits in respect of gratuity and leave encashment are as follows:

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2020-21	2019-20	2020-21	2019-20
<b>Net expenses recognised during the year 2020-21</b>				
Current Service Cost	15.37	18.70	33.76	30.08
Interest Cost	5.38	6.55	38.79	41.71
Expected return on plan assets	-	-	-	-
Actuarial Losses / (Gains)	(12.75)	2.88	(14.63)	19.79
Past Service Cost	-	-	-	-
<b>Net benefit expenses</b>	<b>8.00</b>	<b>28.12</b>	<b>57.92</b>	<b>91.58</b>
<b>Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2021</b>				
Present Value of Defined Benefit Obligation	59.15	98.56	583.33	627.53
Fair Value of plan assets	-	-	-	-
<b>Net Liabilities recognised in Balance Sheet</b>	<b>(59.15)</b>	<b>(98.56)</b>	<b>(583.33)</b>	<b>(627.53)</b>
<b>Change in the Present value of obligation over the year ended 31st March, 2021</b>				
Present Value of Defined Benefit Obligation as on 1st April, 2020	98.56	91.05	627.53	595.91
Interest Cost	5.38	6.55	38.79	41.71
Past Service Cost	-	-	-	-
Current Service Cost	15.37	18.70	33.76	30.08
Benefits Paid	(47.41)	(20.60)	(102.12)	(59.96)
Actuarial (Gain) / loss on obligation	(12.75)	2.88	(14.63)	19.79
<b>Present Value of Defined Benefit Obligation as on 31st March, 2021</b>	<b>59.15</b>	<b>98.56</b>	<b>583.33</b>	<b>627.53</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Other Comprehensive Income	Gratuity (Non-Funded)	
	2020-21	2019-20
<b>Actuarial (gains) / losses</b>		
change in demographic assumptions	-	(0.03)
change in financial assumptions	(16.18)	19.17
experience variance (i.e. Actual experience vs assumptions)	1.56	0.65
others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(14.63)</b>	<b>19.79</b>

## Major Actuarial Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	Segment	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
		2020-21	2019-20	2020-21	2019-20
<b>Financial Assumptions</b>					
<b>Discount Rate</b>					
(based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities)	Conductor	6.53%	6.25%	6.53%	6.25%
	Insulators	5.60%	6.40%	5.60%	6.40%
	Chemical	6.80%	6.25%	6.80%	6.25%
<b>Salary increase</b>					
(based on account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis)	Conductor	5.00%	5.00%	5.00%	5.00%
	Insulators	5.00%	5.00%	5.00%	5.00%
	Chemical	5.00%	5.00%	5.00%	5.00%
<b>Demographic Assumptions</b>	Conductor	100.00%	100.00%	100.00%	100.00%
Mortality Rate (% of IALM 2012-14)	Insulators	100.00%	100.00%	100.00%	100.00%
(inclusive of provision for disability)	Chemical	100.00%	100.00%	100.00%	100.00%
Withdrawal rates, based on age:(per annum)	Conductor	3.00%	3.00%	3.00%	3.00%
Up to 30 years	Insulators	0.50%	0.50%	0.50%	0.50%
	Chemical	3.00%	3.00%	3.00%	3.00%
31 - 44 years	Conductor	2.00%	2.00%	2.00%	2.00%
	Insulators	0.20%	0.20%	0.20%	0.20%
	Chemical	2.00%	2.00%	2.00%	2.00%
Above 44 years	Conductor	1.00%	1.00%	1.00%	1.00%
	Insulators	0.10%	0.10%	0.10%	0.10%
	Chemical	1.00%	1.00%	1.00%	1.00%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## Sensitivity Analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Leave Encashment (Non-Funded)	Gratuity (Non-Funded)
	2020-21	2020-21
<b>Impact of the change in discount rate</b>		
Present Value of Obligation at the end of the period	59.15	583.33
Impact due to increase of 0.50 %/1.00%	(2.51)	(20.25)
Impact due to decrease of 0.50 %/1.00%	2.79	22.11
<b>Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period	59.15	583.33
Impact due to increase of 0.50 %/1.00%	2.81	22.08
Impact due to decrease of 0.50 %/1.00%	(2.55)	(20.57)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

**The defined benefit obligations shall mature after the end of reporting period is as follows:**

	Leave Encashment (Non-Funded)	Gratuity (Non-Funded)
	2020-21	2020-21
Expected cash flows over the next (valued on undiscounted basis):		
1 Year	21.33	102.14
1 to 6 years	10.52	233.24
More than 6 years	27.30	247.95

## Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows -

- Salary Increases : Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment Risk : If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability : Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

## 34. Related Party Disclosures

### A. List of Related Parties and relatives with whom transactions have taken place

#### Enterprise which have significant influence over the group

Hindusthan Consultancy and Services Ltd.

#### Director(s)/ Key Managerial Personnel :

Mr Raghavendra Anant Mody, Chairman & Whole-time Director

Mr Deepak Kejriwal, Managing Director (Resigned as Chief Financial Officer w.e.f. 31.08.2020 and re-designated as Managing Director w.e.f. 01.09.2020)

Mr Shyam Sunder Bhuwania, Director (Resigned as Vice Chairman & Managing Director with effect from 31.08.2020 and appointed as Director – Advisor w.e.f. 01.09.2020)

Mr Murari Lal Birmiwala, President - Finance & Secretary

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Mr. Sushil Kumar Mishra, Chief Finance Officer (w.e.f. 01.09.2020)

Mr. Rahul Sahni, Chief Financial Officer (CFO) at Hindusthan Speciality Chemicals Ltd.

Mr. Neeraj Jain, Company Secretary at Hindusthan Speciality Chemicals Ltd.

Mr. Dilip Chandrakant Anjekar, Manager at Hindusthan Speciality Chemicals Ltd.(upto 31.03.2021)

### Relatives of Director(s)/Key Managerial Personnel :

Mrs. Sanchita Mody

Ms. Devhuti Mody

### Others

Hindusthan Vidyut Products Ltd, Employee Provident Fund Trust

Hindusthan Engineering & Industries Ltd.

Promain Ltd.

Orient Bonds and Stock Limited

Pradyumna Steel Ltd.

Paramount Enterprises Ltd.

Intercontinental Trading and Investment Company Ltd.

Olympic General Trading Ltd.

Ratlam Industrial Ltd

Associated General Trading Society Ltd.

Hindusthan M-I Swaco Limited

Mody Education Foundation

### B. Transactions with related parties

The following transactions were carried out with the related parties in the ordinary course of business.

#### i) With parties other than Directors / Key Managerial personnel

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>R &amp; D expenses paid</b>		
Mody Education Foundation	7.47	-
<b>Purchase of Stores &amp; Spares/PPE</b>		
Hindusthan Engineering & Industries Ltd.	-	2.38
Hindusthan M-I Swaco Limited	2.09	-
<b>Sale of PPE</b>		
Hindusthan M-I Swaco Limited	10.36	-
<b>Rent paid /payable</b>		
Promain Limited	24.78	24.78
Hindusthan Engineering & Industries Ltd.	0.14	0.14
Hindusthan Consultancy and Services Ltd.	3.83	-
<b>Reimbursement of Expenses Received /Receivable</b>		
Hindusthan Engineering & Industries Ltd.	3.07	-
Hindusthan Consultancy and Services Ltd.	4.41	-
<b>Reimbursement of Expenses Paid /Payable</b>		
Hindusthan Engineering & Industries Ltd.	0.46	3.19
<b>Brand Fee Paid</b>		
Hindusthan Consultancy and Services Ltd.	-	9.99
<b>Provident Fund Deposit (Paid/Payable)</b>		
Hindusthan Vidyut Products Ltd Employee Provident Fund Trust	76.62	105.14

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Interest Paid / Payable</b>		
Hindusthan Engineering & Industries Ltd.	77.80	42.52
Orient Bonds and Stock Limited	57.81	1.60
Pradyumna Steel Ltd.	28.12	0.36
Paramount Enterprises Ltd.	43.69	1.24
Intercontinental Trading and Investment Company Ltd.	23.23	0.36
Hindusthan Consultancy and Services Ltd.	28.32	24.01
Olympic General Trading Ltd.	9.42	-
Ratlam Industrial Ltd	28.75	-
Associated General Trading Society Ltd.	9.44	-
<b>Loan - Received</b>		
Hindusthan Engineering & Industries Ltd.	-	2,000.00
Orient Bonds and Stock Limited	550.00	450.00
Pradyumna Steel Ltd.	400.00	100.00
Paramount Enterprises Ltd.	800.00	350.00
Intercontinental Trading and Investment Company Ltd.	450.00	100.00
Hindusthan Consultancy and Services Ltd.	1,500.00	1,000.00
Olympic General Trading Ltd.	100.00	-
Ratlam Industrial Ltd.	550.00	-
Associated General Trading Society Ltd.	100.00	-
<b>Loan - Repaid</b>		
Hindusthan Engineering & Industries Ltd.	500.00	500.00
Hindusthan Consultancy and Services Ltd.	750.00	1,000.00
Orient Bonds and Stock Limited	500.00	-
Pradyumna Steel Ltd.	225.00	-
Paramount Enterprises Ltd.	750.00	-
Intercontinental Trading and Investment Company Ltd.	325.00	-
<b>CSR Contribution</b>		
Mody Education Foundation	-	2.72

### ii) With Directors/Key Managerial Personnel

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Remuneration to Key Managerial Personnel:</b>		
Mr Raghavendra Anant Mody	77.97	79.04
Mr Shyam Sunder Bhuwania	14.04	24.31
Mr Deepak Kejriwal	52.62	67.40
Mr Murari Lal Birmiwala	28.18	35.98
Mr Sushil Kumar Mishra	17.09	-
Mr Parag Dadeech	-	59.49
Mr Rahul Sahni	19.85	21.09
Mr Neeraj Jain	8.94	7.95
Mr Dilip Chandrakant Anjekar	53.54	7.80



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

### ii) With Directors/Key Managerial Personnel (Contd.)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sitting Fees :</b>		
Mr Raghavendra Anant Mody	-	0.15
Mr Shyam Sunder Bhuwania	-	0.50
<b>Salary paid to relative of Director(s)/ Key Managerial Personnel:</b>		
Mrs Sanchita Mody	36.97	53.32
Ms Devhuti Mody	16.39	-
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Outstanding - Receivable</b>		
Hindusthan Engineering & Industries Ltd.	3.07	-
Hindusthan Consultancy and Services Ltd.	4.41	-
<b>Outstanding - Payable</b>		
Hindusthan Engineering & Industries Ltd.	9.29	9.29
<b>Outstanding - Loan taken (including interest payable)</b>		
Hindusthan Engineering & Industries Ltd.	1,118.18	1,538.27
Orient Bonds and Stock Limited	500.00	451.44
Pradyumna Steel Ltd.	275.00	100.32
Paramount Enterprises Ltd.	400.00	351.12
Intercontinental Trading and Investment Company Ltd.	225.00	100.32
Olympic General Trading Ltd.	100.00	-
Ratlam Industrial Ltd.	550.00	-
Associated General Trading Society Ltd.	100.00	-
Hindusthan Consultancy and Services Ltd.	750.00	-
<b>Guarantees and collaterals by the Group</b>		
Hindusthan Engineering & Industries Ltd.	572.24	572.24

### 35 Segment Reporting

- l) Based on the guiding principles given in Ind AS-108 "Operating Segment", The Vice-Chairman and Managing Director of the Group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Group's business segments are organised around customers on industry and products lines as under:
- Conductor:** Conductor includes electrical conductor and related items.
  - Insulator:** Insulator includes electrical insulator and related items.
  - Real-estate :** Real-estate includes Property at Faridabad given for rent purpose.
  - Speciality Chemicals:** Speciality Chemicals includes business of Subsidiary Company "Hindusthan Speciality Chemicals Ltd."
  - Others :** This segment is engaged in investment activities.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

No operating segments have been aggregated to form the above reportable operating segments.

Revenue, expenses, assets and liabilities which relate to Group and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Finance costs are not allocated to individual segments as the underlying instruments are managed on a Group basis

Current taxes and deferred taxes are not allocated to those segments as they are also managed on a Group basis

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## A Business Segment

### Segment information for the year ended 31st March, 2021

Particulars	Conductor	Insulators	Real-estate	Speciality Chemicals	Others	Un-Allocated	Total
<b>Revenue from Operations (Gross)</b>	<b>18,051.66</b>	<b>16,828.18</b>	<b>371.70</b>	<b>18,844.57</b>	-	-	<b>54,096.11</b>
	(26,400.85)	(19,416.01)	(460.20)	(8,755.78)	-	-	(55,032.85)
<b>Results</b>							
Segment result	<b>16.45</b>	<b>2,280.17</b>	<b>292.13</b>	<b>1,491.30</b>	-	-	<b>4,080.04</b>
	(875.29)	(2,626.78)	(411.23)	2,732.72	-	-	(1,180.58)
Interest Income						<b>164.20</b>	<b>164.20</b>
						(102.32)	(102.32)
Finance cost						<b>4,102.89</b>	<b>4,102.89</b>
						(4,517.62)	(4,517.62)
Unallocable Corporate Expenditure						<b>566.07</b>	<b>566.07</b>
						(750.32)	(750.32)
Profit /(Loss) before taxation & exceptional items							<b>(424.72)</b>
							3,985.05
Exceptional Items	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Net Profit/ (Loss) before tax</b>							<b>(424.72)</b>
							3,985.05
Tax Expense							<b>(96.15)</b>
							889.35
<b>Net Profit/ (Loss) after tax</b>							<b>(328.57)</b>
							3,095.70

Particulars		Conductor	Insulators	Real-estate	Speciality Chemicals	Others	Un-Allocated	Total
<b>Other Information</b>	<b>As at</b>							
Segment assets	<b>Mar 31, 2021</b>	<b>18,925.34</b>	<b>26,800.51</b>	<b>20,782.79</b>	<b>33,122.00</b>	-	<b>91.30</b>	<b>99,721.94</b>
	Mar 31, 2020	(17,788.15)	(24,526.92)	(20,645.59)	(30,111.80)	-	(66.95)	(93,139.42)
Segment liabilities	<b>Mar 31, 2021</b>	<b>15,222.60</b>	<b>11,820.64</b>	<b>140.57</b>	<b>20,205.44</b>	-	<b>5,776.31</b>	<b>53,165.57</b>
	Mar 31, 2020	(13,086.21)	(10,135.92)	(144.42)	(16,929.23)	-	(5,968.35)	(46,264.13)
Capital Employed	<b>Mar 31, 2021</b>	<b>3,702.74</b>	<b>14,979.86</b>	<b>20,642.22</b>	<b>12,916.56</b>	-	<b>(5,685.01)</b>	<b>46,556.37</b>
	Mar 31, 2020	(4,701.94)	(14,391.01)	(20,501.17)	(13,182.57)	-	5,901.39	(46,875.29)
Capital expenditure	<b>Mar 31, 2021</b>	<b>114.15</b>	<b>94.05</b>	<b>166.13</b>	<b>1,979.21</b>	#	-	<b>2,353.53</b>
	Mar 31, 2020	(22.24)	(352.05)	(93.02)	(506.88)	-	-	(974.20)
Depreciation	<b>Mar 31, 2021</b>	<b>755.31</b>	<b>633.85</b>	<b>21.36</b>	<b>1,445.18</b>	-	-	<b>2,855.70</b>
	Mar 31, 2020	(833.78)	(623.03)	(16.69)	(1,350.91)	-	-	(2,824.41)

Figures in brackets represents previous year(s).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## B Additional Information by Geographies

For the year ended 31st March, 2021

Particulars	March 31, 2021	March 31, 2020
<b>a) Revenue from operations by geographical location of customers (Gross)</b>		
Within India	53,552.82	54,373.11
Outside India	543.29	659.74
<b>Total</b>	<b>54,096.11</b>	<b>55,032.85</b>
<b>b) Carrying amount of segment assets</b>		
Within India	99,501.30	92,900.46
Outside India	220.64	238.96
<b>Total</b>	<b>99,721.94</b>	<b>93,139.42</b>
<b>c) Capital expenditure</b>		
Within India	2,353.53#	906.42
Outside India	-	67.78
<b>Total</b>	<b>2,353.53</b>	<b>974.20</b>

# Capital Expenditure at Speciality Chemicals segment, mainly relates to GST Input Tax Credit taken till 14.03.2019 on the PPE & Intangible Assets, now capitalized during the year and depreciation is charged on such modification on the remaining period of life of such underlying assets.

- 1) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organization structure and the internal financial reporting systems.
- 2) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- 3) All non-current assets of the group are located within India.
- 4) Information about major customers :

Two customers contributed more than 10% (₹ 15984.28 Lakhs) to the Group's revenue in 2020-21 and three customers contributed more than 10% (₹ 22877.22 Lakhs) to the Group's revenue in 2019-20.

## 36 Tax Expense

### (a) Tax charge/(credit) recognised in the Statement of Profit & Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current Tax :</b>		
Current tax for the Year	99.60	516.51
Tax adjustment of earlier year	(516.51)	(166.85)
MAT Credit entitlement	(99.60)	-
<b>Total Current Tax (i)</b>	<b>(516.52)</b>	<b>349.66</b>
<b>Deferred Tax :</b>		
Fixed Assets/Depreciation	155.23	760.88
Equity Component of Preference Share Capital	(64.57)	35.61
Provision for Gratuity / Leave Encashment	25.96	(24.08)
Provision for Doubtful Debts	(13.17)	(22.37)
Un Absorbed Depreciation/ Brought forward Losses	321.75	(1,989.05)
Others	(4.83)	-
<b>Total Deferred Tax (ii)</b>	<b>420.36</b>	<b>(1,239.01)</b>
<b>Total Tax (i)+(ii)</b>	<b>(96.15)</b>	<b>(889.35)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

## (b) Tax on Other Comprehensive Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Deferred Tax :</b>		
(Gain)/Loss on remeasurement of defined benefit plans	(4.98)	7.29
<b>Total Deferred Tax</b>	<b>(4.98)</b>	<b>7.29</b>

## (c) Reconciliation of tax expense and accounting profit multiplied by India's domestic rate

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Profit before tax</b>	(424.72)	(3,985.05)
Tax using the domestic tax rate	-	-
<b>Tax effect of :</b>	-	-
Non-deductible tax expenses	420.36	(1,239.01)
Deductible tax expenses	(516.52)	349.66
<b>Total tax expenses/(benefit) in the statement of profit and loss</b>	<b>(96.15)</b>	<b>(889.35)</b>

## (d) Movement in Deferred tax assets/liabilities

Movement during the year ended 31st March, 2021	As at April 1, 2020	Charge/ (Credit) in stmt of profit & loss	Charge/ (Credit) in OCI	Charge/ (Credit) in Other Equity	As at March 31, 2021
Property, Plant & Equipment	4,445.17	-	-	-	4,445.17
Depreciation	4,631.22	155.23	-	-	4,786.45
Equity Component of Preference Share Capital	2,465.32	(64.57)	-	-	2,400.75
Provision for Gratuity & Leave Encashment	(260.40)	25.96	0.39	-	(234.05)
Provision for Doubtful Debts	(25.80)	(13.17)	-	-	(38.97)
Un-absorbed Depreciation/ Brought forward Losses	(3,885.60)	321.75	-	-	(3,563.85)
Other temporary differences	(662.23)	(4.83)	4.59	-	(662.47)
MAT Credit Entitlement	(739.34)	(617.37)	-	-	(1,356.71)
<b>Total</b>	<b>5,968.35</b>	<b>(197.01)</b>	<b>4.98</b>	<b>-</b>	<b>5,776.31</b>

## 37 Earnings Per Share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/ (Loss) after Tax and exceptional items	(328.57)	(3,095.70)
<b>Profit attributable to:</b>		
Owners of the Company	(84.77)	(1,581.15)
Non-controlling interests	(243.80)	(1,514.55)
Basic/weighted average number of equity shares outstanding during the year	1,442,885	1,442,885
Nominal value of Equity Share	10	10
<b>Basic/Diluted EPS</b>		
<b>On Profit after Tax and exceptional items</b>	<b>(5.88)</b>	<b>(109.58)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

**38** The Subsidiary Company of the Group i.e. "Hindusthan Speciality Chemicals Ltd." had applied for registration under 'Gujarat industrial Policy, 2015 Scheme for Incentive to Industries (General)' which was introduced vide resolution No. INC-102015-645918-I dated 25.07.2016 and further amended vide Resolution No. INC-102018-522243-I dated 15.11.2018, issued "Modalities for reimbursement of SGST Incentives in place of VAT under various Incentive scheme" but till date i.e. 31.03.2021, provisional registration is under process at respective authority. However, for the period January'21 to March'21 Company is entitled to get a refund of ₹ 130.34 Lakhs under the above mentioned scheme for which company has decided to recognize it in books of accounts, whenever provisional certificate is received from the authority/department. In future after receiving of certificate, company will make the entry in books of account on accrual basis for GST refund.

### 39 Other Disclosures to Statement of Profit and Loss:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(a) NET GAIN/(LOSS) ON FOREIGN EXCHANGE</b>		
SUNDRY DEBTORS		
For Export	(1.51)	43.31
SUNDRY CREDITORS		
For Import	71.71	(50.60)
For Foreign Currency Loan	57.73	(97.45)
Others	-	0.00
	<b>127.93</b>	<b>(104.75)</b>
<b>(b) PAYMENT TO AUDITORS (including branch auditor)</b>		
- Audit fees	3.75	4.00
- Out of Pocket Expenses	0.19	0.72
- Tax Audit	0.75	0.75
- For Certification	0.70	2.01
	<b>5.39</b>	<b>7.48</b>
<b>(c) AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED</b>		
Sundry Debtors Credit Balance Written off	0.10	0.15
Sundry Credit Balance Written off	22.13	62.66
Jobs on Contract	6.35	-
Interest on Deferred Sales tax Liability	65.83	-
Provision for Bonus, Variable Pay etc.	56.61	18.51
Others	11.75	14.50
	<b>162.77</b>	<b>95.82</b>
<b>(d) VALUE OF IMPORTS CALCULATED ON C.I.F BASIS</b>		
Raw Material	8,262.40	5,852.83
Components & Spare Parts	4.46	3.11
Capital Goods	-	67.78
	<b>8,266.86</b>	<b>5,923.72</b>
<b>(e) EXPENDITURE IN FOREIGN CURRENCY</b>		
Interest / Bank Charges	-	12.73
Commission	16.15	14.07
Others	7.49	22.45
	<b>23.64</b>	<b>49.25</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
(f) VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH %				
IMPORTED				
Raw Materials	7,611.04	21.34%	6,042.96	15.46%
Stores and Spare Parts	17.18	1.54%	47.10	3.70%
INDIGENOUS				
Raw Materials	28,049.45	78.66%	33,050.43	84.54%
Stores and Spare Parts	1,096.09	98.46%	1,226.65	96.30%
	36,773.76		40,367.14	

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(g) EARNINGS IN FOREIGN EXCHANGE</b>		
Exports (F.O.B.)	543.29	655.49
Freight & Insurance on Export	10.68	-
	<b>553.98</b>	<b>655.49</b>

## 40. Financial Instruments : Fair Value Measurement

Financial Assets & Liabilities	Note	Level of hierarchy	31 March, 2021			31 March, 2020		
			Carrying Amount		Fair Value	Carrying Amount		Fair Value
			FVTPL	Amortised Cost		FVTPL	Amortised Cost	
<b>Financial assets</b>								
Investments in unquoted equity instruments	(b)		-	30.00	30.00	-	30.00	30.00
Trade receivables	(a)		-	20,099.77	20,099.77	-	13,644.04	13,644.04
Loans	(a, b)		-	4.45	4.45	-	12.54	12.54
Cash and cash equivalents	(a)		-	586.72	586.72	-	1,021.94	1,021.94
Other bank balances	(a, b)		-	1,646.36	1,646.36	-	394.74	394.74
Derivative financial assets	(d)	<b>Level 2</b>	20.09	-	20.09	-	-	-
Other financial assets	(a)		-	78.73	78.73	-	502.53	502.53
<b>Total financial assets</b>			<b>20.09</b>	<b>22,446.02</b>	<b>22,466.11</b>	<b>-</b>	<b>15,605.80</b>	<b>15,605.80</b>
<b>Financial liabilities</b>								
Non-current borrowings (including other current maturities)	(b)		-	18,886.77	18,886.77	-	16,400.60	16,400.60
Current borrowings	(a)		-	11,279.78	11,279.78	-	12,809.21	12,809.21
Trade payables	(a)		-	14,850.34	14,850.34	-	8,104.72	8,104.72
Derivative financial liabilities	(d)	<b>Level 2</b>	-	-	-	39.84	-	39.84
Other financial liabilities	(a)		-	1,031.40	1,031.40	-	1,414.30	1,414.30
<b>Total financial liabilities</b>			<b>-</b>	<b>46,048.29</b>	<b>46,048.29</b>	<b>39.84</b>	<b>38,728.83</b>	<b>38,768.67</b>

### Note:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- (b) Fair value of non-current financial assets and liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

- (c) The fair value is determined by using the valuation model/techniques with observable/non-observable inputs and assumptions.
- (d) Derivatives are carried at fair value at each reporting date. The fair values of the derivatives financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
- (e) There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March, 2021 and 31 March, 2020.

### **Fair Value hierarchy**

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows: -

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

## **41. Financial Risk management**

### **Risk management framework**

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risks are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see(i);
- liquidity risk (see(ii); and
- market risk (see(iii)).

### **i. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit exposure.

### **Trade receivables and other financial assets**

The Group has established a credit policy under which 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 business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

### **Expected credit loss for Trade receivables:**

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance) is ₹ 3811.04 Lakhs (31 March 2020: ₹ 4446.19 Lakhs).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March, 2021	31 March, 2020
Balance at the beginning of the year	73.84	10.28
Add: Provided during the year (net of reversal)	37.41	70.63
Less: Amount written off/back	0.28	(7.07)
<b>Balance at the end of the year</b>	<b>111.53</b>	<b>73.84</b>

### Expected credit loss on financial assets other than trade receivables:

With regard to all financial assets with contractual cash flows, other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on Consolidated Balance Sheet.

### ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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.

The Group's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short term liquidity situation is reviewed daily by the treasury department. Longer term liquidity position is reviewed on a regular basis by the Parent Group's Board of Directors and appropriate decisions are taken according to the situation.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at 31 March, 2021	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Financial liabilities</b>				
Borrowings	30,166.55	30,166.55	13,430.94	16,735.61
Trade payables	14,850.34	14,850.34	14,850.34	-
Other financial liabilities	1,031.40	1,031.40	1,005.88	25.52

As at 31 March, 2020	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Financial liabilities</b>				
Borrowings	29,209.82	29,209.82	14,119.46	15,090.35
Trade payables	8,104.72	8,104.72	8,104.72	-
Other financial liabilities	1,454.13	1,454.13	1,385.41	68.73

### iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group companies. The functional currencies of the Group companies are primarily the INR, USD and EUR. The currencies in which these transactions are primarily denominated are USD and INR.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

### Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	31 March, 2021			31 March, 2020		
	USD	GBP	EURO	USD	GBP	EURO
Cash and cash equivalents	2,330	-	-	2,330	-	-
Trade receivable	481,885	-	101,855	460,930	-	113,747
Loans	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Trade payables	(2,187,595)	(151,968)	-	(962,936)	(140,672)	(9,700)
Borrowings	(6,898,490)	-	-	(6,767,317)	-	-
Other financial liabilities	-	-	-	-	-	-
<b>Net exposure</b>	<b>(8,601,870)</b>	<b>(151,968)</b>	<b>101,855</b>	<b>(7,266,994)</b>	<b>(140,672)</b>	<b>104,047</b>

### Sensitivity analysis

A reasonable possible strengthening/ weakening of the EUR, USD or INR against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss (before tax)	
	Strengthening	Weakening
<b>31 March, 2021</b>		
USD (1% movement)	(86,018.70)	86,018.70
GBP (1% movement)	(1,519.68)	1,519.68
EUR (1% movement)	1,018.55	(1,018.55)
<b>31 March, 2020</b>		
USD (1% movement)	(72,669.94)	72,669.94
GBP (1% movement)	(1,406.72)	1,406.72
EUR (1% movement)	1,040.47	(1,040.47)

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

### Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows:

The following table provides a break-up of the Group's fixed and floating rate borrowings:

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed-rate borrowings	-	-
Floating rate borrowings	30,166.55	29,209.82
<b>Total borrowings</b>	<b>30,166.55</b>	<b>29,209.82</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year end was outstanding for the whole year.

If interest rates had been 25 basis points higher/ lower and all other variables were held constant, the Group's profit for the year ended 31 March, 2021 would decrease / increase by 75.42 lakhs (31 March, 2020: 73.12 lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

### 42. Capital Management

#### Risk management

The Group's objectives when managing capital are to:

- safeguarding their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

'Net Debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total Equity' (as shown in the Consolidated Balance sheet, including non-controlling interest).

The gearing ratios were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Net debt	27,933.48	27,793.13
Total equity	46,556.37	46,875.29
<b>Net debt to equity ratio</b>	<b>0.60</b>	<b>0.59</b>

#### Dividends

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(i) Equity Shares</b>	1,442,885	1,442,885
The Board of Directors have recommended not to pay any Dividend on Equity Shares this year	-	-
<b>(ii) Preference Shares</b>	95,189,700	95,189,700
The Board of Directors have recommended not to pay any Dividend on Preference Shares this year	-	-
<b>(iii) Dividend not recognised at the end of the year.</b>		
In addition to the above dividends, since year end the directors have recommended not to pay any Dividend this year on equity shares as well as Preference Shares (31 March, 2020: Nil)	-	-

### 43 Government Grants

Other Operating Income includes ₹ 488.41 lakhs receivable in respect of Guwahati Unit against Transport Subsidy Claims as per "Transport Subsidy Scheme, 1971" of the Central Government. The same has been approved at the 57th State Level Committee meeting held at Guwahati, Assam and hence, the income has been recognised in the books of accounts as on March 31, 2021. This relates to previous years.

- 44** The Group has taken into account potential impacts of COVID-19 in the preparation of the consolidated audited financial statements. Based on the information currently available there is no material impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets though management continue to monitor changes in future economic conditions. The impact of COVID-19 on the consolidated audited financial statements may differ from that estimated as at the date of approval of these statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

45 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification disclosure.

46 The financials statements has been approved by the Board on 29th June, 2021.

## 47 Financial Information of Subsidiary Company

Additional Information as required under Schedule III to the Companies Act, 2013 of the enterprises consolidated as Subsidiary Company.

Name of entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive Income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Hindusthan Urban Infrastructure Limited *	80.23%	37,350.34	-78.79%	258.90	88.50%	8.54	-83.86%	267.44
<b>Subsidiary</b>								
Hindusthan Speciality Chemicals Limited	10.88%	5,065.14	104.60%	(343.67)	6.74%	0.65	107.56%	(343.02)
Minority Interest in subsidiary	8.89%	4,140.89	74.20%	(243.80)	4.77%	0.46	76.30%	(243.34)
<b>Total :</b>	<b>100.0%</b>	<b>46,556.37</b>	<b>100.0%</b>	<b>(328.57)</b>	<b>100.0%</b>	<b>9.65</b>	<b>100.0%</b>	<b>(318.92)</b>

\* Inter unit transaction profit elimination done for ₹ 0.09 lakhs (previous year ₹ 1.78 lakhs) between holding and subsidiary companies.

As per our report of even date  
**For K. N. Gutgutia & Company**  
Chartered Accountants  
FRN: 304153E

**For and on behalf of the Board of directors of  
Hindusthan Urban Infrastructure Ltd**

**(B. R. Goyal)**  
Partner  
Membership No: 12172

**Raghavendra Anant Mody**  
(DIN : 03158072)  
Chairman and Whole Time Director

**Deepak Kejriwal**  
(DIN : 07442554)  
Managing Director

Place: New Delhi  
Date : 29<sup>th</sup> June, 2021

**Sushil Kumar Mishra**  
Chief Financial Officer

**M.L. Birmiwala**  
President- Finance &  
Company Secretary

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES:**

**Form AOC-1**

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

**Part "A" : Subsidiaries**

**(₹ in Lakhs)**

<b>SI No.</b>	<b>1</b>
<b>Name of subsidiary</b>	<b>Hindusthan Speciality Chemicals Limited</b>
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N/A
Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N/A
Share Capital	14,459.14
Reserves & Surplus	(5,253.11)
Total Assets	34,815.36
Total Liabilities	34,815.36
Investment	30.00
Turnover	18,844.57
Profit before taxation	(808.98)
Provision for taxation	(221.50)
Profit after taxation	(587.47)
Proposed Dividend	-
% of Shareholding	58.50%

[illegible]

[illegible]



[illegible]

