



## HINDUSTAN COMPOSITES LTD.

Peninsula Business Park, Tower "A", 8th Floor,  
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.  
Tel.: (91) (22) 6688 0100 • Fax : (91) (22) 6688 0105  
E-mail : hcl@hindcompo.com  
Website : www.hindcompo.com  
CIN No. L29120MH1964PLC012955

4<sup>th</sup> September, 2020

To,  
The Manager - DCS  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001  
Scrip Code - 509635

The Manager - Listing  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051  
Scrip Symbol: HINDCOMPOS

Dear Sir/Madam,

**Sub: Submission of copy of the Annual Report 2019-20 along with the Notice of 56<sup>th</sup> Annual General Meeting of Hindustan Composites Limited, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the notice of 56<sup>th</sup> Annual General Meeting of the Company along with the copy of Annual Report for the financial year 2019-20.

The 56<sup>th</sup> Annual General Meeting of the Company will be held on **Tuesday, 29<sup>th</sup> September, 2020 at 11:45 am IST** through Video Conferencing (VC) / Other AudioVisual Means (OAVM), without physical presence of the Members at a common venue in terms of various circulars issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 issued by the Securities and Exchange Board of India.

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

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

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Hindustan Composites Limited

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



Encl.: As above

### Regional Sales Offices

East : 29, Ganesh Chandra Avenue, Bando House, Room No. 207, 2nd Floor, Kolkata - 700 013. • Tel.: 91-33-2236078 • Fax : 91-33-22360788
West : B-11, Paragon Condominium, 1st Floor, P. B. Marg, Worli, Mumbai - 400 013. • Tel.: 91-22-2495 1355 • Fax : 91-22-2495 1365
North : 401, Rohit House, 3 - Tolstoy Marg, New Delhi - 110 001 • Tel.: 91-11-2331 3845 • Fax : 91-11-23313846
South : New No. 931, Old No. 478, Ramaniyam Citadel Apartment, 2nd Floor, Poonamallee High Road, Arumbakkam, Chennai - 600 106. • Tel : 91-44-2363 3722



ANNUAL REPORT 2019-2020



# 15<sup>th</sup> AUTO EXPO 2020 COMPONENTS



HCL participated in 15<sup>th</sup> Auto Expo 2020, the largest Auto Fair of Asia held at Pragati Maidan, New Delhi.

### **BOARD OF DIRECTORS**

Mr. Raghu Mody	Executive Chairman
Mr. P. K. Choudhary	Managing Director
Mr. A. B. Vaidya	Independent Director
Mr. Chakrapani Brajesh Misra	Independent Director (Ceased w.e.f. 28 <sup>th</sup> February, 2020)
Mr. Deepak Sethi	Independent Director
Lt. Gen. (Retd.) K. S. Brar	Independent Director
Mr. Lalit Kumar Bararia	Additional Independent Director (Appointed w.e.f. 13 <sup>th</sup> February, 2020)
Mrs. Preeti Agrawal	Additional Independent Director (Appointed w.e.f. 13 <sup>th</sup> February, 2020)
Mrs. Sakshi Mody	Non - Executive Director (Ceased w.e.f. 14 <sup>th</sup> February, 2020)
Mr. Vikram Soni	Company Secretary & Compliance Officer
Mr. Sunil Jindal	Chief Financial Officer

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<b>56<sup>th</sup> Annual General Meeting</b>	
Day : Tuesday	
Date : 29 <sup>th</sup> September, 2020	
Time : 11.45 a.m.	
Mode: Video Conferencing ( VC ) / Other Audio Visual Means (OAVM)	

#### **STATUTORY AUDITORS**

M/s. Bagaria & Co. LLP Chartered Accountants

#### **BANKERS**

Bank of Baroda  
ICICI Bank

#### **REGISTERED OFFICE**

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

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

Link Intime India Private Limited  
C-101, 247 Park,  
LBS Marg, Vikhroli (West), Mumbai – 400-083  
Phone : (022) 49186270  
Fax : (022) 49186060  
Email : rnt.helpdesk@linkintime.co.in

#### **PLANTS LOCATIONS**

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

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

## Hindustan Composites Limited

CIN: L29120MH1964PLC012955

Peninsula Business Park, 'A' Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400013  
 Tel.:(022) 6688 0100, Fax: (022) 6688 0105, E-mail: hcl@hindcompo.com, Website: www.hindcompo.com

### NOTICE

Notice is hereby given that the Fifty Sixth Annual General Meeting (**56<sup>th</sup> AGM**) of the Members of Hindustan Composites Limited will be held on Tuesday, 29<sup>th</sup> September, 2020 at 11.45 a.m. (**IST**) through Video Conferencing ("**VC**")/Other Audio Visual Means ("**OAVM**") without physical presence of the Members at a common venue, in accordance with the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with 14/2020 dated 8<sup>th</sup> April, 2020, 17/2020 dated 13<sup>th</sup> April, 2020 issued by Ministry of Corporate Affairs ("**MCA Circulars**"), to transact the following businesses. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company situated at Peninsula Business Park, 'A' Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, which shall be the deemed Venue of the AGM.

#### ORDINARY BUSINESS:

- To receive, consider and adopt (a) the Standalone Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the reports of the Directors' and Auditors' thereon; and (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the report of Auditors' thereon and in this regard, if thought fit, pass the following resolutions as an **ORDINARY RESOLUTIONS**:

- "RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the reports of the Board of Directors' and Auditors' thereon be and are hereby received, considered and adopted."
- "RESOLVED THAT** the Consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the Auditors' Report thereon be and are hereby received, considered and adopted."

- To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2020 and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the recommendation of the Board of Directors of the Company, dividend @ 40 % i.e. ₹ 2 (Rupees Two only) per share on Equity shares of face value of ₹ 5 each fully paid up for the financial year 2019-20, be and is hereby declared out of the profits of the

financial year 2019-20 and that the same be paid, to those shareholders whose names appeared on the Company's Register of Members / List of Beneficiaries as on 22<sup>nd</sup> September, 2020 and that the dividend be given only to those shareholders who are entitled to receive the payment of dividend."

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

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

#### SPECIAL BUSINESS:

- To approve the re-appointment of Mr. Raghu Mody (DIN:00053329) as Executive Chairman and Whole Time Director of the Company for a further period of 3 years and in this regard, if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the re-appointment of Mr. Raghu Mody (DIN: 00053329) as Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f 1<sup>st</sup> October, 2020 till 30<sup>th</sup> September, 2023 be and is approved upon the terms and conditions as detailed in Explanatory Statement annexed to this notice, with the authority to the Board of Directors of the Company to revise the terms on recommendation of Nomination and Remuneration Committee and approval of Audit

Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force without further reference to the Members, the terms and conditions of the said re-appointment and/or remuneration, as it may deem fit.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Raghu Mody as Executive Chairman and Whole Time Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration in the respective financial year(s) to him.

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

5. To approve the appointment of Mr. Lalit Kumar Bararia (DIN: 00204670) as an Independent, Non- Executive Director of the Company and in this regard, if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force), Mr. Lalit Kumar Bararia (DIN: 00204670 and ID Registration No.: IDDB-DI-202002-008744), who was appointed as an Additional Independent, Non- Executive Director of the Company with effect from 13<sup>th</sup> February, 2020 pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member as required under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent, Non –Executive Director of the Company for a period of five years w.e.f. 13<sup>th</sup> February, 2020 to 12<sup>th</sup> February, 2025, who shall not be liable to retire by rotation.

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

6. To approve the appointment of Mrs. Preeti Vimal Agrawal (DIN: 08693668) as an Independent, Non- Executive Director of the Company and in this regard, if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1)(a) and 25 of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force), Mrs. Preeti Vimal Agrawal (DIN: 08693668 and ID Registration No.: IDDB-NR-202002-008632), who was appointed as an Additional Independent, Non- Executive Director of the Company with effect from 13<sup>th</sup> February, 2020 pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member as required under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, and who has submitted the declaration that she meets the criteria for Independence as provided under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent, Non –Executive Director of the Company for a period of five years w.e.f. 13<sup>th</sup> February, 2020 to 12<sup>th</sup> February, 2025, who shall not be liable to retire by rotation.

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

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

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

Directors of the Company and Committees thereof, the consent of the members of the Company be and is hereby accorded for the payment of ₹ 2,00,000 (Rupees Two Lakhs only) as Commission to Mr. A. B. Vaidya, Mr. Deepak Sethi and Lt. Gen (Retd.) K. S. Brar, Independent Directors of the Company for the financial year 2019-20.

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

8. To approve the waiver of excess remuneration paid to Mr. Raghu Mody (DIN:00053329), Executive Chairman and Whole Time Director of the Company and in this regard, if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 197(10) of the Companies Act, 2013 (the “Act”) read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the Rules framed thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), the Articles of Association of the Company, the approval of the Members be and is hereby accorded for the waiver from recovery of ₹ 44,76,347 (Rupees Forty Four Lakhs Seventy Six Thousand Three Hundred Forty Seven only) being excess managerial remuneration paid to Mr. Raghu Mody (DIN:00053329), designated as Executive Chairman and Whole Time Director, of the Company for the Financial Year 2019-20, which is in excess of the limits prescribed under provisions of Section 197(1) read with Schedule V of the Companies Act, 2013.

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

**By Order of the Board of Directors**

**Vikram Soni**  
**Company Secretary & Compliance Officer**

**Place: Mumbai**  
**Date: 29<sup>th</sup> June, 2020**

**Regd. Office:**  
 Peninsula Business Park, ‘A’ Tower,  
 8<sup>th</sup> Floor, Senapati Bapat Marg,  
 Lower Parel, Mumbai 400013

**NOTES:**

1. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this notice. The Board of Directors have considered and decided to include the Item Nos. 4 to 8 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
2. In view of continuing lockdown situation due to COVID-19 global pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, Circular No.17/2020 dated 13<sup>th</sup> April, 2020 (collectively referred to as “MCA Circulars”) and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020 have permitted holding of Annual General Meetings through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), without physical presence of the Members at a common venue. In compliance with applicable provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 56<sup>th</sup> AGM of the Company will be conducted through VC / OAVM, without physical presence of the members at a common venue. The Company has engaged services of Central Depository Services (India) Limited (CDSL) for facilitating conducting of AGM and voting through electronic means i.e., remote e-voting and voting during the AGM.
3. In accordance with the Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated 15<sup>th</sup> April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the registered office of the Company situated at Peninsula Business Park, ‘A’ Tower, 8<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Keeping in view the guidelines to fight COVID-19 pandemic, the Members are requested to attend the AGM from their respective locations by VC and do not visit the registered office to attend the AGM.
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this 56<sup>th</sup> AGM is being conducted pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form and Attendance Slip including the Route Map are not annexed to this Notice.

5. Pursuant to MCA Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this 56<sup>th</sup> AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. Institutional/ Corporate members intending to represent through their authorised representatives in the AGM through VC/OAVM and to vote through remote e-voting or vote at the AGM are requested to send to the Company a certified copy of the board resolution authorising their representative to the designated e-mail address of the Company i.e. investor@hindcompo.com and to CDSL i.e. helpdesk.evoting@cdslindia.com.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and all documents referred to in the notice of 56<sup>th</sup> AGM, will be available for inspection by the Members on request by sending an e-mail to investor@hindcompo.com.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI Listing Regulations, the Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 23<sup>rd</sup> September, 2020 to Tuesday, 29<sup>th</sup> September, 2020 (both days inclusive) for determining the name of members eligible for dividend on Equity Shares, if approved by the members at the ensuing 56<sup>th</sup> Annual General Meeting.
10. The dividend on Equity shares as recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2020, if approved by the members at the ensuing 56<sup>th</sup> Annual General Meeting, will be paid to those members whose names stand registered in the Register of Members as on Tuesday, 22<sup>nd</sup> September, 2020 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited / Central Depository Services (India) Limited as beneficial owners as on that date. In case the Company is unable to pay the dividend to any member by the electronic mode due to non-availability of the details of the bank account the Company shall dispatch the dividend warrant/demand draft upon restoration of normalcy of postal services.

11. Members may note that the Income Tax Act, 1961, the ("IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after 1<sup>st</sup> April, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following in accordance with the provisions of the IT Act.

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

Members having valid PAN	7.5% or as notified by the Government of India
Members not having PAN / Invalid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by him during Financial Year 2020-21 does not exceed ₹ 5,000 and also in cases where members have provided Form 15G / Form 15H (applicable to individuals aged 60 years or more), subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- Copy of Tax Residency Certificate (TRC) for the FY 2020-21 obtained from the revenue authorities of the country of tax residence, duly attested by member
- Self-declaration in Form 10F
- Self-declaration by the shareholder of having no



permanent establishment in India in accordance with the applicable tax treaty

- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforementioned documents are required to be submitted by sending email at investor@hindcompo.com during the period commencing before 23:59 hrs IST on 22<sup>nd</sup> September, 2020.

12. In terms of SEBI Circular No. SEBI/ HO/ MIRSD/ DOP1/ CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 read with SEBI press release PR No.: 51/2018 dated 3<sup>rd</sup> December, 2018, effective from 1<sup>st</sup> April, 2019, Companys' shares can be transferred in dematerialized form only, except in cases of transmission and transposition. Hence members, who hold shares in physical form, are requested to dematerialize their shares, so they can transfer their shares in future, if so desire. However members can continue to hold shares in physical form.
13. SEBI Listing Regulations in terms of Schedule I mandates to all listed companies to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders. Accordingly, members who have not updated their bank account details and wish to avail such facility in future are requested to update their bank account details by furnishing requisite documents with the RTA of the Company.
14. The cut off date for the purpose of final dividend and the cut-off date for the purpose of determining eligibility of members for voting in connection with the 56<sup>th</sup> AGM has been fixed as Tuesday 22<sup>nd</sup> September, 2020.
15. Members holding shares in physical form are requested to notify immediately any change in their address or bank details to the Company / RTA quoting their Folio Number. Members holding shares in the Demat form may update such details with their respective Depository Participants.
16. The Company has transferred the unpaid or unclaimed dividend declared upto financial years 2011-12, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The

unclaimed dividend in respect of the financial year ended 31<sup>st</sup> March, 2013 is due for transfer to the IEPF in month of October, 2020. The shareholders whose dividend remained unclaimed for the financial year 2012-13 and for subsequent financial years are requested to claim it immediately from the Company. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 31<sup>st</sup> March, 2020 under "Investor Relations" section on the website of the Company www.hindcompo.com. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: www.mca.gov.in and on the website of IEPF viz. www.iepf.gov.in. Attention of the members is drawn to the provisions of Section 124(6) of the Act, which requires a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

In accordance with the aforesaid provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred 20,347 shares in respect of which dividend declared for the financial year 2011-12 or earlier financial years remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more to the Investor Education and Protection fund via corporate action through Central Depository Services Limited.

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

Further, the Company has initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2012-13 has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.

17. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration

Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

18. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN details to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
20. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating some additional details of its members.

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

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

21. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the 56<sup>th</sup> AGM along with the Annual Report 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020 will also be available on the Companys' website [www.hindcompo.com](http://www.hindcompo.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
22. Non Resident Indian members are requested to inform to the Companys' Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.
23. Members holding shares in identical order of names in more than one folio are requested to write to the Company

/ Registrar and Share Transfer Agents (RTA) enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio for better services.

24. Members are requested to forward all Share Transfers and other communications to the RTA of the Company and are further requested to always quote their Folio Number / DPID-Client ID in all correspondences with the Company.
25. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
26. Brief resume of directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting in terms of Regulations 26(4) & 36(3) of SEBI Listing Regulations and SS-2 Secretarial Standard on "General Meetings" is annexed to the Notice.
27. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. Listing fees for the financial year 2020-21 has been paid to both the stock exchanges.
28. Members may also note that 56<sup>th</sup> Annual Report for the year 2019-20 is also available on the website of the company at [www.hindcompo.com](http://www.hindcompo.com).
29. To support the Green Initiative, members who have not registered their email addresses are requested to register the same with the Companys' Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively.
30. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide e-voting facility to its members to exercise their right to vote electronically on the resolutions mentioned in the notice of 56<sup>th</sup> Annual General Meeting (AGM) dated 29<sup>th</sup> June, 2020. The members may cast their votes using electronic voting system from a place other than the venue of the meeting ("remote e-voting").
  - (a) The facility of casting the votes by the members/ shareholders using an electronic voting system from a place other than venue of the AGM ("remote e-voting") and for poll during the meeting will be provided by Central Depository Services (India) Limited (CDSL e-Voting System).
  - (b) 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 e-voting during the AGM.

- (c) The “remote e-voting” period commences on Saturday 26<sup>th</sup> September, 2020 (9:00 hrs) and ends on Monday 28<sup>th</sup> September, 2020 (17:00 hrs). During this period, members/shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday 22<sup>nd</sup> September, 2020, may cast their vote by “remote e-voting”. The “remote e-voting” module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (d) The voting rights of members/shareholders 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., Tuesday, 22<sup>nd</sup> September, 2020.

Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Tuesday, 22<sup>nd</sup> September, 2020 may obtain the User ID and password by sending a request at viz; helpdesk.evoting@cdslindia.com or viz; rnt.helpdesk@linkintime.co.in. However, if the member is already registered with CDSL for remote e-voting then he can use his existing user ID and password for casting the vote through e-voting. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evotingindia.com.

- (e) The Board of Directors of the Company has appointed CS Manish Baldeva, Proprietor of M/s. M Baldeva Associates, Company Secretaries, Thane (FCS No.: 6180/CP No.: 11062) as Scrutinizer to scrutinize the voting through remote e-voting process and e-voting during the AGM in a fair and transparent manner. The Scrutinizer shall within a period of not exceeding 48 hours from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizers’ report of the votes cast in favour or against, if any, forthwith to the Chairman or a person authorized by him who shall countersign the same and declare the result of the voting.
- (f) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company viz; www.hindcompo.com and on the website of CDSL viz; www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing.

The results shall simultaneously be communicated to the stock exchanges.

- (g) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. Tuesday, 29<sup>th</sup> September, 2020.

**(h) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@hindcompo.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**THE PROCEDURE/ INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**

- (i) The voting period begins on Saturday, 26<sup>th</sup> September, 2020 (9.00 hrs.) and ends on Monday, 28<sup>th</sup> September, 2020 (17.00 hrs.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Tuesday, 22<sup>nd</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details Date of Birth (DOB)	<ul style="list-style-type: none"> <li>• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</li> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for HINDUSTAN COMPOSITES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSLs' mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com.

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

1. In case of Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Companys’ email Id investor@hindcompo.com or to RTAs’ email id rnt.helpdesk@linkintime.co.in.
2. In case of Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Companys’ email Id investor@hindcompo.com or to RTAs’ email id rnt.helpdesk@linkintime.co.in
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / members login where the EVSN of Company will be displayed.

2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before and after the scheduled time of the commencement of the Meeting and will be available for Shareholders on a first come first served basis.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. 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.
6. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request in advance atleast 2 (two) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@hindcompo.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (Seven) days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at investor@hindcompo.com. These queries will be replied to by the company during the Annual General Meeting.
7. Those shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM on first come first serve basis.

**THE INSTRUCTIONS FOR SHAREHOLDERS 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 shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### Other Instructions

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 4:

Mr. Raghu Mody, Executive Chairman and Whole Time Director of the Company is promoter of the Company and is associated with the Company since 1987. He is a leading industrialist with several decades of extensive and varied experience in setting up businesses in different kinds of industrial products.

The current tenure of Mr. Raghu Mody as Executive Chairman and Whole Time Director is expiring on 30<sup>th</sup> September, 2020. Considering his experience, knowledge and contribution made in the growth of the Company and as recommended by Nomination and Remuneration Committee and approved by Audit Committee, the Board of Directors of the Company had at its meeting held on 29<sup>th</sup> June, 2020 has re-appointed him as Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f. 1<sup>st</sup> October, 2020 to 30<sup>th</sup> September, 2023 on the terms and conditions as follows:

Sr. No.	Particulars	Details of proposed remuneration
1.	Salary	₹ 6,41,667 per month and special allowance of ₹ 6,20,833 per month with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule V to the Companies Act, 2013.
2.	Commission	As may be decided by the Board from time to time, subject to limit prescribed under the Companies Act.
3.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas, telephone and maintenance in the premises etc.
4.	Conveyance/ Motor Car	Provision of motor car with driver.
5.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding ₹ 1,50,000 per annum.

Sr. No.	Particulars	Details of proposed remuneration
6.	Servant Allowance	Provision for Servant Allowance ₹ 25,000 p.m.
7.	Gratuity	As per rules of the Companys' Scheme.
8.	Personal accident insurance	As per rules of the Companys' Scheme.
9.	Club subscription	Reimbursement of club subscription fees of two clubs.
10.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.

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

Your Directors recommend the Special Resolution as set out at item no. 4 of the notice for approval of the Members.

Relevant details relating to appointment of Mr. Raghu Mody as required by the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings issued by the ICSI are provided in Annexure - 1 to this Notice.

Except Mr. Raghu Mody, Executive Chairman and Whole Time Director, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the said resolution.

#### Item No. 5.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Lalit Kumar Bararia (DIN: 00204670) as an Additional Director (Independent, Non-Executive Director) of the Company, with effect from 13<sup>th</sup> February, 2020 under Section 149, 150 and 152 of the Companies Act, 2013 and holds office as such upto the date of forthcoming Annual General Meeting.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his candidature

as an Independent Director of the Company. The Company has also received a declaration of independence from him.

In the opinion of the Board, he fulfils the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for being eligible for his appointment. Mr. Lalit Kumar Bararia is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Company has received from him all statutory disclosures /declarations including his consent to act as a Director. The letter of appointment is available for inspection by members at the registered office of the Company between 11 a.m. to 1 p.m. on any working day of the Company.

A brief resume of Mr. Lalit Kumar Bararia and other relevant details relating to his appointment, as required by the Act, the SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings issued by the ICSI is provided in Annexure - 1 to this Notice.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Lalit Kumar Bararia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of him as an Independent Director for period upto 5 (five) consecutive years with effect from 13<sup>th</sup> February, 2020 for the approval by the Members of the Company.

The Board of Directors accordingly recommends the Ordinary Resolution as set out at item no. 5 of the Notice for your approval.

Mr. Lalit Kumar Bararia is not holding any shares in the Company. Except Mr. Lalit Kumar Bararia, being an appointee, none of the Directors and / or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item no. 5.

#### **Item No. 6.**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mrs. Preeti Vimal Agrawal (DIN.:08693668) as an Additional Director (Independent, Non- Executive Director) of the Company, with effect from 13<sup>th</sup> February, 2020 under Section 149, 150 and 152 of the Companies Act, 2013 and she holds as such office upto the date of forthcoming Annual General Meeting.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying her candidature as an Independent Director of the Company. The Company has also received a declaration of independence from her.

In the opinion of the Board, she fulfils the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for being eligible

for his appointment. Mrs. Preeti Vimal Agrawal is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Company has received from her all statutory disclosures /declarations including her consent to act as a Director. The letter of appointment is available for inspection by members at the registered office of the Company between 11 a.m. to 1 p.m. on any working day of the Company.

A brief resume of Mrs. Preeti Vimal Agrawal and other relevant details relating to her appointment as required by the Act, the SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings issued by the ICSI is provided in Annexure - 1 to this Notice.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Preeti Vimal Agrawal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of her as an Independent Director for period upto 5 (five) consecutive years with effect from 13<sup>th</sup> February, 2020 for the approval by the Members of the Company.

The Board of Directors accordingly recommends the Ordinary Resolution as set out at item no. 6 of the Notice for your approval.

Mrs. Preeti Vimal Agrawal is not holding any shares in the Company. Except Mrs. Preeti Vimal Agrawal, being an appointee, none of the Directors and / or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item no. 6.

#### **Item No. 7.**

Considering the rich experience and expertise brought to the Board by Mr. A. B. Vaidya, Mr. Deepak Sethi and Lt. Gen (Retd.) K. S. Brar, Independent Directors of the Company, it is proposed to pay a commission of ₹ 2,00,000 (Rupees Two Lakhs only) to each of the aforesaid Independent Directors for the financial year 2019-20. Such payment will be in addition to the sitting fees for attending Board/Committee meetings.

The Board of Directors accordingly recommends the Ordinary Resolution as set out at item no. 7 of the Notice for your approval.

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

#### **Item No. 8:**

Mr. Raghu Mody was reappointed as Whole Time Director of the Company, designated as Executive Chairman and Whole Time Director, for a period of 3 years w.e.f. 1<sup>st</sup> October, 2017 to 30<sup>th</sup> September, 2020. As per his performance, the Company has been paying remuneration to him, as approved by the members of the Company from time to time.

As per provisions of Section 197(1) of the Companies Act, 2013, a managerial personal can be paid remuneration upto 5% of net profits of the Company in any financial year, as computed in accordance with the provisions of Section 198 of the Companies Act, 2013. If in any financial year, the company has inadequate profits or does not have profits, it can pay remuneration to its managerial personals in accordance with the provisions of Schedule V to the Companies Act, 2013.

As per provisions of Section 197(9) of the Act, if any managerial personal draws or receives, directly or indirectly, by way of remuneration any such sum in excess of the limit prescribed under Section 197 or without shareholders' approval, he shall refund such sums to the company, within two years or such lesser period as may be allowed by the company and until such sum if refunded, hold it in trust for the company. However, as per provisions of Section 197(10) of the Act, with the approval of Members of the Company recovery of excess amount of remuneration so paid to a managerial personal can be waived off.

During the FY 2019-20 due to the low performance of the overall Auto sector and global automotive industry facing a tough time with several large OEMs posting losses and occurrence of

COVID – 19 pandemic and consequent lockdowns from early March, 2020 the Company could not generate the profits as anticipated during the Financial Year. Thus the remuneration paid to Mr. Raghu Mody to the extent of ₹ 44,76,347 become excess in terms of limits prescribed under Section 197(1) read with Schedule V of the Companies Act, 2013. However, the remuneration so paid was within limits as approved by the members of the Company.

Hence it is proposed to seek waiver from recovery of ₹ 44,76,347, being excess remuneration in terms of limits prescribed under Section 197(1) read with Schedule V of the Companies Act, 2013, paid to Mr. Raghu Mody, Executive Chairman and Whole Time Director of the Company for the Financial Year 2019-20.

Your Directors recommend the Special Resolution as set out at item no. 8 of the notice for approval of the Members.

Except Mr. Raghu Mody, Executive Chairman and Whole Time Director, none of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution.



**Annexure - 1**

**INFORMATION OF DIRECTORS BEING PROPOSED TO BE APPOINTED / RE-APPOINTED AS PER REGULATION 26(4) AND 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD – 2 ON ‘GENERAL MEETINGS’ IS GIVEN BELOW:**

Particulars	Name of Directors			
	Mr. Raghu Mody (DIN.: 00053329)	Mr. P. K. Choudhary (DIN.:00535670)	Mr. Lalit Kumar Bararia (DIN.: 00204670)	Mrs. Preeti Vimal Agrawal (DIN.: 08693668)
Age	81 years	65 years	65 years	40 Years
Qualifications	Graduate from Cambridge University	Chartered Accountant and Company Secretary	Chartered Accountant	Chartered Accountant
Experience (including expertise in specific functional area) / Brief Resume	He has over 57 years of experience as a leading industrialist with several decades of extensive and varied experience in setting up businesses in different kinds of industrial products.	He possesses rich experience in the field of finance, manufacturing and administration.	He has over 40 years of experience in the field of Management, Consultancy, Accounts, Taxation and Finance.	She is a member of Institute of Chartered Accountants of India and an Insolvency Resolution Professional registered with the IBBI. She has attained Diploma in Information System Audit and possesses Certificate in the course of concurrent audit of banks. She has over 15 years of experience in diversified areas.
Terms and Conditions of Reappointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Raghu Mody is liable to retire by rotation.	In terms of Section 152(6) of the Companies Act, 2013, Mr. P. K. Choudhary is liable to retire by rotation.	Mr. Lalit Kumar Bararia is proposed to be appointed as an Independent Director for a term of 5 consecutive years and shall not be liable to retire by rotation.	Mrs. Preeti Vimal Agrawal is proposed to be appointed as an Independent Director for a term of 5 consecutive years and shall not be liable to retire by rotation.
Remuneration last drawn (including Sitting fees, Commission if any)	₹ 156.29 Lakhs	₹ 90.78 Lakhs	Not Applicable	Not Applicable
Remuneration proposed to be paid	₹ 156.00 Lakhs and Commission as decided by the Board	₹ 88.00 Lakhs	Sitting fees as approved and Commission as may be decided by the Board	Sitting fees as approved and Commission as may be decided by the Board
Date of first Appointment on the Board	29 <sup>th</sup> December, 1987	18 <sup>th</sup> March, 2005	13 <sup>th</sup> February, 2020	13 <sup>th</sup> February, 2020
Shareholding in the Company as on 31st March, 2020	Nil	Nil	Nil	Nil
Relationship with other Directors / Key Managerial Personnel	He is not related inter-se to any Director(s) /Key Managerial Personnel(s) of the Company within the meaning of Section 2(77) of the Companies Act, 2013	He is not related inter-se to any Director(s) /Key Managerial Personnel(s) of the Company within the meaning of Section 2(77) of the Companies Act, 2013	He is not related inter-se to any Director(s) /Key Managerial Personnel(s) of the Company within the meaning of Section 2(77) of the Companies Act, 2013	She is not related inter-se to any Director(s) /Key Managerial Personnel(s) of the Company within the meaning of Section 2(77) of the Companies Act, 2013
Number of meetings of the Board attended during the financial year (2019-20)	5 (Five)	5 (Five)	Not Applicable	Not Applicable
Directorships of other Boards as on March 31, 2020	1) J. L. Morison (India) Ltd. 2) Rasoi Ltd. 3) Prabhukripa Overseas Limited	1) Prabhukripa Overseas Limited 2) Automotive Component Manufacturers Association of India	1) Takahashi Agencies Pvt. Ltd. 2) J.L. Morison (India) Ltd	Nil
Membership / Chairmanship of Committees of other Boards as on 31st March, 2020	1) Rasoi Ltd. – Member of Audit Committee 2) J. L. Morison (India) Ltd. – Member of Nomination and Remuneration Committee	1) Prabhukripa Overseas Limited. – Member of Nomination and Remuneration Committee	1) J. L. Morison (India) Limited- Member of Audit Committee & Member of Corporate Social Responsibility	Nil
Summary of Performance Evaluation/Justification for choosing the appointees for appointment as Independent Directors	Not Applicable	Not applicable	Due to his expertise and experience as mentioned above.	Due to his expertise and experience as mentioned above.

**Annexure - 2**
**THE STATEMENT CONTAINING ADDITIONAL INFORMATION PURSUANT TO PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013:**

<b>I</b>	<b>General Information:</b>	
1.	Nature of Industry	The Company is engaged in the business of development, manufacture & marketing of Friction Materials in India comprising of Brake Lining, Clutch Facing, Disc Brake Pad, Roll Lining, Brake Block etc.
2.	Date or expected date of commencement of commercial production	The Company is an existing Company and is in operation since 1964.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NotApplicable
4.	Financial performance based on given indicators	EPS: ₹ 8.15 (On Standalone basis) Return on Net worth: 1.56%
5.	Foreign Investment or Collaborations, if any	The Company has a long term Technical Assistance Agreement with TBK Co. Ltd., headquartered in Tokyo, Japan and having a largest shareholding of ISUZU Motors Ltd., to obtain Technical Assistance for manufacture of Commercial Vehicle Brake Friction Materials in India.
<b>II</b>	<b>Information about the appointee:</b>	
1.	Background details	Mr. Raghu Mody is a leading industrialist with several decades of extensive and varied experience in setting up businesses in different kinds of industrial products.
2.	Past Remuneration	₹ 156.29 Lakhs
3.	Recognition or awards	Mr. Raghu Mody is having good experience in the industry in which the company operates and some of the notable awards won by him are :  1) US AMBASSADOR'S AWARD FOR DISTINGUISHED SERVICE, in recognition of his contribution to U.S. India partnership and in his role as an outstanding President of Indo-American Chamber of Commerce and his stalwart support for Indo-American Educational Exchange through the Fulbright Program. 2) CAVALIERE UFFICIALE OMRI (Knighthed by the Italian Government). 3) The Golden Peacock Award from the Institute of Directors. 4) GLOBOIL INDIA LEGEND 2004.
4.	Job profile and his suitability	Mr. Raghu Mody is an Executive Chairman & Whole Time Director of the Company. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors
5.	Remuneration proposed	₹ 156.00 Lakhs (approx.) p.a.
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 with respect to the country of his origin)	The remuneration as proposed of Mr. Raghu Mody is as per industry standards.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration proposed Mr. Raghu Mody does not have any pecuniary relationship directly or indirectly with Company and other managerial personnel. He forms part of the Promoter Group of the Company.

III	Other Information:	
1	Reasons of loss or inadequate profits	The Company is passing a Special Resolution pursuant to the sub-section (1) of Section 197 of the Companies Act, 2013 as a matter of abundant precaution as the profitability of the Company may be adversely impacted in future due to business environment during the period for which remuneration is payable to Mr. Raghu Mody.
2	Steps taken or proposed to be taken for improvement	The Company has taken cost rationalization measures to improve operational efficiency and profitability by increase in business.
3	Expected increase in productivity and profits in measurable terms	Though company plans to increase its revenues and profits, but in view of Corona disruption, prediction is difficult.
IV	Disclosure	
1	Remuneration package of the managerial person	As detailed in the explanatory statement which forms part of the Notice of AGM.
2	Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2019-20	The requisite details of remuneration of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2019-20 of the Company.

**By order of the Board of Directors**

**Place: Mumbai**

**Date: 29<sup>th</sup> June, 2020**

**Vikram Soni**

**Company Secretary & Compliance Officer**

**Registered Office:**

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

## BOARD OF DIRECTORS' REPORT

To the Members,  
**Hindustan Composites Limited**

Your Directors are pleased to present the Fifty Sixth Annual Report together with the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020.

### 1. FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended 31<sup>st</sup> March, 2020 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
<b>Revenue from Operations</b>	<b>17,805.19</b>	<b>19,661.31</b>	<b>17,805.19</b>	<b>19,661.31</b>
Other Income	49.49	217.21	49.49	217.21
Profit before Interest, Depreciation and Taxes	2,004.09	2,720.39	1,848.00	2,575.17
Less: Interest	22.31	22.27	22.31	22.27
Less: Depreciation (Net)	950.30	874.70	950.30	874.70
<b>Profit Before Tax</b>	<b>1,031.48</b>	<b>1,823.42</b>	<b>875.39</b>	<b>1,678.20</b>
<b>Less: Provision for Tax</b>	<b>-172.02</b>	<b>-76.68</b>	<b>-172.02</b>	<b>-76.68</b>
<b>Profit After Tax</b>	<b>1,203.50</b>	<b>1,900.10</b>	<b>1,047.41</b>	<b>1,754.88</b>
<b>Other Comprehensive Income / Loss (Net of Tax)</b>	<b>32.41</b>	<b>456.05</b>	<b>32.41</b>	<b>456.05</b>
<b>Total Comprehensive Income</b>	<b>1,235.91</b>	<b>2,356.15</b>	<b>1,079.82</b>	<b>2,210.93</b>

### 2. IMPACT OF THE COVID-19 PANDEMIC

The COVID-19 pandemic has intensified into a global crisis, driving the nation to enforce lock-down of all economic activity for the last few months. We remain committed to the health and safety of our employees and their families, as well as, business continuity to safeguard the interests of our employees, customers and other stakeholders. The impact of the pandemic on our business performance is outlined in the Operational Performance and under the Management and Discussion Analysis Report forming a part of this Report.

### 3. OPERATIONAL PERFORMANCE

During the financial year 2019-20, the Company has achieved total revenue of ₹ 17,805.19 Lakhs as against ₹ 19,661.31 Lakhs in the previous year. The net manufacturing revenue was lower by 9 % from ₹ 15,842.05 Lakhs to ₹ 14,489.55 Lakhs. This decline was mainly due to severe slowdown in the automotive segment and the closure of plants in the later part of March, 2020 on account of COVID-19 countrywide lockdown.

The Investment Income during the year was also lower at ₹ 3315.64 Lakhs as against ₹ 3819.26 Lakhs in the previous year. It was achieved despite challenging investment scenario with economic uncertainties, volatile market condition, fear of NPA, banking frauds and falling interest rates.

The gross profit of the company was lower at ₹ 2,004.09 Lakhs against ₹ 2,720.39 Lakhs in the previous year. After considering interest of ₹ 22.31 Lakhs and depreciation of ₹ 950.30 Lakhs, the Profit before tax was ₹ 1,031.48 Lakhs; with a net reversal of tax of ₹ 172.02 Lakhs, the profit after tax was ₹ 1203.50 Lakhs. The Other comprehensive income (OCI) net of tax was ₹ 32.41 Lakhs and the total comprehensive income was ₹ 1,235.91 Lakhs.

During the year under review, the overall economy remained subdued with a sharp reduction in demand in automotive segment. The industry was impacted by several factors including the slowdown in the economy, challenges of credit availability and rising cost of vehicle ownership. This resulted in a low order book from OEM customers, particularly in the Commercial vehicle segment which constitutes our major business. This shortfall was, however, partly compensated with higher business in the railway segment through tenders at competitive prices. The business environment was further aggravated with the sudden lockdown imposed on the entire country in the later part of March, 2020 due to the COVID-19 pandemic. As a result, all our establishments, including both the plants, remained closed from 23<sup>rd</sup> March, 2020 onwards. This also impacted the sales and profitability of the Company.

The world today is going through an extraordinary situation. We are experiencing a pandemic which has severely

impacted all aspects of our lives and disrupted business in unprecedented ways. The challenges are unique as COVID-19 induced lockdowns have disrupted the economic activity in many ways. Partial relaxations are of not much use as hindrances to the supply chain, logistics and transportation of goods continue. As a Company, we have complied with all safety regulations notified by the government from time to time. Whilst we took the initiative of 'Work from home' at our offices, our production facilities, however, remained closed for a majority of times in the months of April and May 2020, which have impact on both production and sales. The automotive sector is one of the worst hit sectors and has created a major demand crisis for our products. Despite these challenges, the Company continues to find ways and means to improve its business in the coming months and work towards implementing various cost control measures.

The Investment segment is also facing similar challenges due to the liquidity crisis, banking / NBFC frauds, fear of higher NPA's, falling interest rates and volatile stock market conditions. Although the Government has announced certain stimulus packages to ease liquidity and boost the economy, uncertainty remains. Under such circumstances, the Company shall remain extremely cautious and continue to maintain its conservative approach towards safer investment opportunities.

The Company participated at the Auto Expo 2020 exhibition at Pragati Maidan, New Delhi in February 2020, the largest automotive show in Asia. The response from both domestic and international customers was encouraging.

The working of the Companys' Joint Venture 'Compo Advics (India) Pvt. Ltd.' though marginally improved but remained under pressure due to depressed market conditions followed by COVID-19 stress. Several measures are however being taken to improve the working.

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

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

There have been no material changes and commitments affecting the financial position of the Company between the end of the Companys' financial year to which the financial statements relate and upto the date of this report, except impact of COVID 19 generated situation, quantification of which cannot be done at this point of time.

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

During the financial year under review, there was no change in paid up share capital of the Company. The paid up equity share capital of your Company as on 31<sup>st</sup> March, 2020 was ₹ 7,38,45,000 (Rupees Seven Crore Thirty Eight Lakhs Forty Five Thousand only) divided into 1,47,69,000 equity shares of the face value of ₹ 5 (Rupees Five only) each fully paid up.

#### **6. DIVIDEND**

Your Directors have recommended a dividend of ₹ 2/- per share (previous year ₹ 2/- per share), of ₹ 5 each, being 40 % (previous year 40%) on equity share capital for the year ended 31<sup>st</sup> March, 2020. This will absorb total cash outflow of ₹ 295.38 Lakhs. The dividend, if approved, will be paid to those members whose names shall appear on the Register of Members / List of Beneficiaries as on Tuesday, 22<sup>nd</sup> September, 2020

#### **7. RESERVES**

During the year under review ₹ 1,000 Lakhs (previous year 1,500 Lakhs) were transferred to the General Reserve.

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

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

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

#### **9. CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to the provisions of Sections 129 and 133 of the Act read with the Companies (Accounts) Rules, 2014 and as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared Consolidated Financial Statements consolidating financial statements of its Joint Venture Company namely "Compo Advics (India) Private Limited" with its financial statements in accordance with the applicable provisions of Indian Accounting Standards ("IndAS").

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

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

## 10. RISKS AND AREAS OF CONCERN

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

The most significant emerging risk is the ongoing outbreak of the novel coronavirus (COVID-19). These are challenging times for the world at large. The outbreak of COVID-19 and its rapid acceleration across the globe are concerning. While the human impact of the virus takes precedence for all of us, we continue to monitor the developments closely and are wary of the adverse impact on our business.

## 11. EXTRACT OF ANNUAL RETURN

An extract of Annual Return of the Company as on 31<sup>st</sup> March, 2020 in Form MGT 9 in accordance with Section 92 (3) of the Act read with the Companies (Management and Administration) Rules, 2014 is annexed to this report as “Annexure A” and forms a part of this Report and put up on the website of the Company at the link <https://www.hindcompo.com/investor-relations/annual-reports.htm>.

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

As on 31<sup>st</sup> March, 2020, the Board comprised of seven directors including one independent women director. The Board has an appropriate mix of Executive Directors, Non-Executive Directors and Independent Directors, which is in compliance with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is also aligned with the best practices of Corporate Governance.

### a) Retirement by rotation

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

### b) Appointment and reappointment

The Members, in its 55<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> August, 2019 had approved the re-appointment of Mr. Deepak Sethi (DIN 07165462) as Independent Non-Executive Director of the Company for another five consecutive years to hold office from 23<sup>rd</sup> April, 2020 to 22<sup>nd</sup> April, 2025 by passing of a Special resolution pursuant to the provisions of Section 149(10) read with Schedule IV of the Act. Mr. P. K. Choudhary was re-appointed as Managing Director of the Company for further period of five years to hold office from 1<sup>st</sup> July, 2019 to 30<sup>th</sup> June, 2024.

During the year 2019-20, Mr. Lalit Kumar Bararia (DIN 00204670) and Mrs. Preeti Vimal Agrawal (DIN 08693668) were appointed as Additional Independent Non - Executive Directors upon recommendations of Nomination and Remuneration Committee, subject to approval of shareholders, for a period of five consecutive years w.e.f. 13<sup>th</sup> February, 2020 to 12<sup>th</sup> February, 2025 in the Board meeting held on 13<sup>th</sup> February, 2020. This shall be placed for members' approval at the ensuing AGM.

Further, in the opinion of the Board, Mr. Lalit Kumar Bararia and Mrs. Preeti Vimal Agrawal are persons of high integrity, expertise and experience and thus qualify to be appointed as Independent Directors of the Company. Further, as required under Section 150(1) of the Companies Act, 2013 they have registered themselves as Independent Directors in the independent director data bank. They have also passed the proficiency self-assessment test in terms of Companies (Appointment and Qualifications of Directors), Rules 2014.

The Board based on the recommendation of Nomination and Remuneration Committee at its meeting held on 29<sup>th</sup> June, 2020, approved the re-appointment Mr. Raghu Mody (DIN: 00053329) as an Executive Chairman and Whole Time Director of the Company for a further period of three years commencing from 1<sup>st</sup> October, 2020 to 30<sup>th</sup> September, 2023. This shall be placed for members' approval at the ensuing AGM.

The resolutions seeking approval of members for appointment of Mr. Lalit Kumar Bararia and Mrs. Preeti Vimal Agrawal as Independent Directors of the Company and re-appointment of Mr. Raghu Mody as Executive Chairman and Whole Time Director, of the Company along with their brief resume as stipulated under Regulations 26(4) and 36(3) of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings is given in the Notice convening the 56<sup>th</sup> Annual General Meeting of the Company. The Board recommends their appointment and re-appointment respectively.

**c) Cessation**

Mrs. Sakshi Mody, Non - Executive Director of the Company had resigned from the directorship of the Company w.e.f. closing hours of 13<sup>th</sup> February, 2020 due to her personal reasons.

Mr. Chakrapani Brajesh Misra, Independent Non-Executive Director of the Company has resigned w.e.f. 28<sup>th</sup> February, 2020 because of his increased professional workload and oncoming professional commitments, due to which he was not able to devote time to the Company. He had also confirmed that there was no other material reason other than those provided in his resignation letter for his resignation.

The Board places on record its sincere appreciation for the valuable contribution made by them during their tenure as directors of the Company.

**d) Declaration from Independent Directors**

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Regulation 25 of the said Regulations that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Companies' 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.

None of the directors of your Company are disqualified under the provisions of Section 164(2) of the Companies Act, 2013. Your directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**e) Annual Performance and Board Evaluation**

The Board has devised a policy pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for performance evaluation of the chairman, board, individual directors (including independent directors) and committees which includes criteria for performance evaluation of non-executive directors and executive directors.

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

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

- i. Attendance at Board Meetings and Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
- iv. Providing perspectives and feedback going beyond information provided by the management.

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

#### f) Key managerial Personnel (KMP)

The Key Managerial Personnel of the Company are as follows:

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

### 13. MANAGERIAL REMUNERATION AND OTHER DETAILS

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

The statement containing particulars of employees as required under section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this Report. Further in terms of Section 136 of the Act, the report and accounts are being sent to the members excluding the aforesaid annexure. The said annexure is available for inspection at the registered office of the Company during the working hours and any member interested in obtaining a copy of the same may write to the Company Secretary and Compliance Officer of the Company and the same will be furnished on request.

### 14. REMUNERATION POLICY

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination and Remuneration

Committee, the Board of Directors have adopted a policy for selection and appointment of Directors, Key Managerial Personnel (‘KMPs’), Senior Management Personnel (‘SMPs’) and their remuneration including criteria for determining qualifications, positive attributes, independence of a director and other related matters.

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

### 15. MEETINGS OF THE BOARD

The Board met five times during the financial year under review, the details of which are given in the Corporate Governance Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 16. COMMITTEES OF THE BOARD

Details of the Committees constituted by the Board under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with their composition and changes, if any, during the year, and the number and dates of meetings held during the financial year under review are provided in the Corporate Governance Report, which forms part of this Report.

### 17. AUDIT COMMITTEE AND ITS COMPOSITION

During the year 2019-20, the Audit Committee was reconstituted and Mr. Lalit Kumar Bararia, Additional Non –Executive, Independent Director was appointed as Chairman effective from 12<sup>th</sup> March, 2020 in place of Mr. Chakrapani Brajesh Misra who ceased to be the member of the Audit Committee upon his resignation as a director of the Company w.e.f. 28<sup>th</sup> February, 2020. As on 31<sup>st</sup> March, 2020, the Audit Committee comprised of Mr. Lalit Kumar Bararia, Mr. A. B. Vaidya, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody. The Company Secretary and Compliance officer of the Company acts as the Secretary of the Audit Committee. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company. Other details with respect to Audit Committee are given in Corporate Governance Report.

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



## 18. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 19. PUBLIC DEPOSITS

During the financial year under review, the Company has not accepted any public deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

## 20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT 2013

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

Pursuant to the provisions of Section 188(2) of the Act, the details of material related party transactions are given in the prescribed Form AOC-2 under Companies (Accounts) Rules, 2014 is annexed to this report as "Annexure C" and forms a part of this report.

In accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the policy on related party transactions and the same is available on the Company's website at <https://www.hindcompo.com/investor-relations/documents/related-party-transaction-policy.pdf>.

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

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

## 22. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

Pursuant to the provisions of Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has formed Corporate Social Responsibility Committee and a Policy on Corporate Social Responsibility ('CSR'). As part of its initiatives under CSR, the Company has undertaken project for promoting education in accordance with Schedule VII of the Act. The policy on Corporate Social Responsibility has been placed on the website of the Company i.e. [www.hindcompo.com](http://www.hindcompo.com).

The details as per the provisions of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 are annexed to this report as "Annexure - D" and forms a part of this Report.

## 23. WHISTLE BLOWER/ VIGIL MECHANISM POLICY

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

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

We affirm that during the financial year 2019-20, no employee or director was denied access to the Audit Committee.

#### **24. STATUTORY AUDITORS**

As per provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in their 53<sup>rd</sup> Annual General Meeting held on 12<sup>th</sup> September, 2017 appointed M/s. Bagaria & Co. LLP, Chartered Accountants, Mumbai, (Firm Registration No. 113447W), as the Statutory Auditors of the Company for a term of consecutive 5 years i.e. to hold office from the conclusion of 53<sup>rd</sup> Annual General Meeting till the conclusion of 58<sup>th</sup> Annual General Meeting of the Company to be held for the financial year ending 31<sup>st</sup> March, 2022, subject to the ratification by members of the Company every year.

However, after the amendment in Section 139 of the Act, effective 7<sup>th</sup> May, 2018, ratification by shareholders every year for the appointment of the Statutory Auditors is no longer required; accordingly they will hold office upto the conclusion of 58<sup>th</sup> Annual General Meeting of the Company to be held for the financial year ending on 31<sup>st</sup> March, 2022.

M/s. Bagaria & Co. LLP, has furnished written confirmation to the effect that they are not disqualified from acting as the Statutory Auditors of the Company in terms of the provisions of Sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014.

#### **25. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. M Baldeva Associates, Company Secretaries, Thane to undertake Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report is annexed to this report as “**Annexure – E**” and forms a part of this Report.

#### **26. INTERNAL AUDITORS**

Pursuant to the provisions of Section 138 of the Act, read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee, re-appointed M/s. S M M P & Associates, Chartered Accountants, Mumbai, as Companies' Internal Auditors. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliances with operating

systems, accounting procedures and policies at all locations of the Company and report the same to the Audit Committee on quarterly basis.

#### **27. COST AUDITORS AND COST RECORDS**

The Company is required to maintain cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act, and accordingly such accounts and records are made and maintained in the prescribed manner. However, the Company is not required to appoint the Cost Auditors under the provisions of Section 148 of the Act.

#### **28. REMARKS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS**

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

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

- 1) Delay in filing of some e-forms with the Registrar of Companies was due to oversight; and
- 2) Delay in processing of one request for transfer/transmission of share and issue of duplicate share certificates, we would like to state that the Company has delivered all equity share certificates within 30 days of receipt thereof lodged for transfer, sub-division, consolidation, renewal, exchange as specified under Regulation 40 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, except delay in one request for transfer of shares which was processed subsequently in accordance with the procedure and timelines provided under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated 6<sup>th</sup> November, 2018.

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

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

Pursuant to Regulations 34(2) & (3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following have been made part of the Annual Report and are attached to this Report:

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

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

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

**31. INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS**

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

**32. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the provisions of Section 125 of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India after the completion of seven years. Further, according to the said Rules, the shares on which dividend remained unpaid or unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, during the financial year 2019-20, the Company transferred 20,347 equity shares to the demat account of the IEPF Authority as per the requirements of the IEPF Rules for the dividend remained unclaimed / unpaid upto financial years 2011-12.

In terms of the provisions of Section 125 of the Act and said Rules, during the financial year 2019-20, an amount of ₹ 3,40,152/- being remained unpaid / unclaimed dividend for the Financial Year 2011-12 was transferred to the IEPF.

Further the unpaid and unclaimed dividend amount lying with the Company for Financial Year 2012 - 13 is due to transfer to the IEPF in the month of October, 2020. The details of the same are available on the Company's website viz. www.hindcompo.com.

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

**33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 details regarding Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo is annexed to this report as "Annexure - F" and forms a part of this Report.

**34. CREDIT RATINGS:**

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

Scale	Amount (₹ Cr)	Rating
Long Term Instruments (fund based)	7.00	ACUITE A-/Stable
Short Term Instruments (fund based + non fund based)	18.00	ACUITE A2+
<b>Total</b>	<b>25.00</b>	

**35. COMPLIANCE WITH SECRETARIAL STANDARDS:**

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

**36. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee and has constituted an internal complaint committee under Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,

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

### 37. APPRECIATIONS

Your Directors would like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance extended during the year under report by our bankers, customers, suppliers and

Government agencies. The Board of Directors wishes to express its appreciation for the valuable contribution made by the employees at all levels during the year under report.

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

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

**Place: Mumbai**  
**Date: 29<sup>th</sup> June, 2020**

## Annexure A

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2020**  
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

### 1 REGISTRATION AND OTHER DETAILS:

i)	CIN	L29120MH1964PLC012955
ii)	Registration Date	1 <sup>st</sup> July, 1964
iii)	Name of the Company	Hindustan Composites Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Non - Government Company
v)	Address of the Registered of contact details	Peninsula Business Park, "A" Tower, 8 <sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 Tel.: (022) 66880100, Fax: (022) 66880105 E-mail: hcl@hindcompo.com, Website: www.hindcompo.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083 Tel.: +91 22 4918 6270 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in, Website:www.linkintime.co.in

### 2 PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1	Friction materials - Brake lining, Brake Block, Clutch facing and Button	29301	81.38
2	Investment and Treasury operations	643	18.62

### 3 PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable Section
1	Compo Advics (India) Private Limited, Peninsula Business Park, Tower A, 8 <sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	U36100MH2013PTC250528	Associate (Joint Venture)	49.00	Section 2(6)

### 4 Share holding pattern (Equity Share Capital Breakup as % of Total Equity)

#### (i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year (F.V. of ₹ 5 each)				No. of shares held at the end of the year ( F.V. of ₹ 5 each)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
(a) Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00

Category of shareholders	No. of shares held at the beginning of the year (F.V. of ₹ 5 each)				No. of shares held at the end of the year (F.V. of ₹ 5 each)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	11073030	0	11073030	74.97	11073030	0	11073030	74.97	0.00
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Others .....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1)</b>	<b>11073030</b>	<b>0</b>	<b>11073030</b>	<b>74.97</b>	<b>11073030</b>	<b>0</b>	<b>11073030</b>	<b>74.97</b>	<b>0.00</b>
<b>(2) Foreign</b>									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Others .....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of promoters (A)</b>	<b>11073030</b>	<b>0</b>	<b>11073030</b>	<b>74.97</b>	<b>11073030</b>	<b>0</b>	<b>11073030</b>	<b>74.97</b>	<b>0.00</b>
<b>B. Public</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	150	0	150	0.00	150	0	150	0.00	0.00
(b) Banks / FI	384	1814	2198	0.01	924	1274	2198	0.01	0.00
(c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others .....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>534</b>	<b>1814</b>	<b>2348</b>	<b>0.02</b>	<b>1074</b>	<b>1274</b>	<b>2348</b>	<b>0.02</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
(a) Bodies Corp.									
(i) Indian	540738	15971	556709	3.77	536926	13131	550057	3.72	-0.05
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals*	0	0	0	0.00	0	0	0	0.00	0.00
(i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	1455101	639854	2094955	14.18	1445354	578035	2023389	13.70	-0.48
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	392686	0	392686	2.66	417404	0	417404	2.83	0.17
(c) Others (Specify)									
(i) Non Resident Indian -Rep	23695	4514	28209	0.19	19044	4514	23558	0.16	-0.03
(ii) Non Indian Resident - Non -Rep	11841	0	11841	0.08	12447	0	12447	0.08	0.00
(iii) Clearing Members	22486	0	22486	0.15	5516	0	5516	0.04	-0.11
(iv) Trusts	280701	0	280701	1.90	280801	0	280801	1.90	0.00

Category of shareholders	No. of shares held at the beginning of the year (F.V. of ₹ 5 each)				No. of shares held at the end of the year (F.V. of ₹ 5 each)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(v) Hindu Undivided Family	81003	0	81003	0.55	75379	0	75379	0.51	-0.04
(vi) IEPF	210908	0	210908	1.43	230755	0	230755	1.56	0.13
(v) NBFCs registered with RBI	14124	0	14124	0.10	74316	0	74316	0.50	0.41
<b>Sub-total (B)(2)</b>	<b>3033283</b>	<b>660339</b>	<b>3693622</b>	<b>25.01</b>	<b>3097942</b>	<b>595680</b>	<b>3693622</b>	<b>25.01</b>	<b>0.00</b>
<b>Total Public Shareholding(B)</b>	<b>3033817</b>	<b>662153</b>	<b>3695970</b>	<b>25.03</b>	<b>3099016</b>	<b>596954</b>	<b>3695970</b>	<b>25.03</b>	<b>0.01</b>
<b>C. Shares held by cusodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>14106847</b>	<b>662153</b>	<b>14769000</b>	<b>100</b>	<b>14172046</b>	<b>596954</b>	<b>14769000</b>	<b>100</b>	<b>0.00</b>

ii. Shareholding of Promoters

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year (F.V. of ₹ 5 each)			Shareholding at the end of the year (F.V. of ₹ 5 each)			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to total	No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to total	
1	Rasoi Ltd.	6151722	41.65	0	6151722	41.65	0	0.00
2	Leaders Healthcare Ltd.	2475582	16.76	0	2475582	16.76	0	0.00
3	J L Morison (India) Ltd.	1107702	7.50	0	1107702	7.50	0	0.00
4	Surdas Trading & Mfg. Co. Ltd.	252000	1.71	0	252000	1.71	0	0.00
5	Goodpoint Advisory Services LLP	198000	1.34	0	198000	1.34	0	0.00
6	Lotus Udyog LLP	189720	1.28	0	189720	1.28	0	0.00
7	Pallawi Resources Ltd.	180000	1.22	0	180000	1.22	0	0.00
8	Pallawi Trading & Mfg. Co. Ltd.	174000	1.18	0	174000	1.18	0	0.00
9	Axon Trading & Mfg. Co. Ltd.	108000	0.73	0	108000	0.73	0	0.00
10	Looklink Advisory Services LLP	96000	0.65	0	96000	0.65	0	0.00
11	Silver Trading & Services Ltd.	84000	0.57	0	84000	0.57	0	0.00
12	Noble Business Solutions Ltd.	56304	0.38	0	56304	0.38	0	0.00
	<b>Total</b>	<b>11073030</b>	<b>74.97</b>	<b>0</b>	<b>11073030</b>	<b>74.97</b>	<b>0</b>	<b>0.00</b>

iii. Change in promoters' shareholding (please specify, if there is no change)

There were no changes in the Promoters' shareholding during the Financial Year 2019-20

iv. Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year (of ₹ 5 each)		Cumulative shareholding during the year (of ₹ 5 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Tribeni Charitable Trust</b>				
	a) At the beginning of the year	<b>280701</b>	<b>1.90</b>		
	b) Changes during the year	No Changes during the year			
	c) At the end of the year			<b>280701</b>	<b>1.90</b>

**iv. Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)**

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year ( of ₹ 5 each)		Cumulative shareholding during the year ( of ₹ 5 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>2</b>	<b>Mridu Hari Dalmia</b>				
	a) At the beginning of the year	<b>258104</b>	<b>1.75</b>		
	b) Changes during the year	No Changes during the year			
	c) At the end of the year			<b>258104</b>	<b>1.75</b>
<b>3</b>	<b>Investor Education and Protection Fund Authority Ministry of Corporate Affairs</b>				
	a) At the beginning of the year	<b>210908</b>	<b>1.43</b>		
	b) Changes during the year				
	02 Aug 2019	-400	0.00	210508	1.43
	11 Oct 2019	20347	0.14	230855	1.56
	13 Dec 2019	-50	0.00	230805	1.56
	20 Dec 2019	-50	0.00	230755	1.56
	c) At the end of the year			<b>230755</b>	<b>1.56</b>
<b>4</b>	<b>Bonanza Trading Company Private Limited</b>				
	a) At the beginning of the year	<b>145311</b>	<b>0.98</b>		
	b) Changes during the year	No Changes during the year			
	c) At the end of the year			<b>145311</b>	<b>0.98</b>
<b>5</b>	<b>Harulika Ventures LLP</b>				
	a) At the beginning of the year	<b>144364</b>	<b>0.98</b>		
	b) Changes during the year	No Changes during the year			
	c) At the end of the year			<b>144364</b>	<b>0.98</b>
<b>6</b>	<b>Topgrain Corporate Services Pvt. Ltd.</b>				
	a) At the beginning of the year	<b>98803</b>	<b>0.67</b>		
	b) Changes during the year	No Changes during the year			
	c) At the end of the year			<b>98803</b>	<b>0.67</b>
<b>7</b>	<b>Mita Dipak Shah</b>				
	a) At the beginning of the year	<b>91889</b>	<b>0.62</b>		
	b) Changes during the year				
	16 Aug 2019	4011	0.03	95900	0.65
	18 Oct 2019	100	0.00	96000	0.65
	c) At the end of the year			<b>96000</b>	<b>0.65</b>
<b>8</b>	<b>Monet Securities Private Ltd</b>				
	a) At the beginning of the year	<b>53250</b>	<b>0.36</b>		
	b) Changes during the year				
	06 Mar 2020	22678	0.15	75928	0.51
	c) At the end of the year			<b>75928</b>	<b>0.51</b>
<b>9</b>	<b>BNK CAPITAL MARKETS LIMITED</b>				
	a) At the beginning of the year	<b>14024</b>	<b>0.095</b>		
	b) Changes during the year				
	26 Apr 2019	1169	0.01	15193	0.10
	03 May 2019	5677	0.04	20870	0.14
	10 May 2019	6214	0.04	27084	0.18
	17 May 2019	8554	0.06	35638	0.24
	24 May 2019	2588	0.02	38226	0.26
	31 May 2019	1170	0.01	39396	0.27
	14 Jun 2019	825	0.01	40221	0.27



iv. Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year ( of ₹ 5 each)		Cumulative shareholding during the year ( of ₹ 5 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	21 Jun 2019	8003	0.05	48224	0.33
	29 Jun 2019	5239	0.04	53463	0.36
	05 Jul 2019	374	0.00	53837	0.36
	12 Jul 2019	6085	0.04	59922	0.41
	26 Jul 2019	3554	0.02	63476	0.43
	02 Aug 2019	3917	0.03	67393	0.46
	16 Aug 2019	3252	0.02	70645	0.48
	30 Aug 2019	60	0.00	70705	0.48
	06 Sep 2019	648	0.00	71353	0.48
	20 Sep 2019	371	0.00	71724	0.49
	27 Sep 2019	1271	0.01	72995	0.49
	04 Oct 2019	997	0.01	73992	0.50
	11 Oct 2019	324	0.00	74316	0.50
	c) At the end of the year			<b>74316</b>	<b>0.50</b>
<b>10</b>	<b>Manoj Khanderia</b>				
	a) At the beginning of the year	<b>22752</b>	<b>0.15</b>		
	b) Changes during the year				
	17 May 2019	-823	-0.01	21929	0.15
	14 Jun 2019	-3300	-0.02	18629	0.13
	30 Aug 2019	-800	-0.01	17829	0.12
	13 Sep 2019	-350	0.00	17479	0.12
	31 Dec 2019	-84	0.00	17395	0.12
	c) At the end of the year			<b>17395</b>	<b>0.12</b>
<b>11</b>	<b>Lookline Tradelinks Pvt. Ltd.</b>				
	a) At the beginning of the year	<b>22678</b>	<b>0.15</b>		
	b) Changes during the year				
	26 Jul 2019	-22000	-0.15	678	0.00
	20 Sept 2019	22000	0.15	22678	0.15
	06 Mar 2020	-22678	-0.15	0	0.00
	c) At the end of the year			<b>0</b>	<b>0.00</b>

v. Shareholding of Directors and KMPs

Directors and KMPs of the Company does not hold any shares in the Company during the Financial Year 2019-20.

**5 INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment (₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	209.27	144.45	0	353.72
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0.1	0	0	0.1
<b>Total (i+ii+iii)</b>	<b>209.37</b>	<b>144.45</b>	<b>0</b>	<b>353.82</b>
<b>Changes in indebtedness during the financial year</b>				
> Addition	294.11	0	0	294.11
> Reduction	0	-61.96	0	-61.96
<b>Net Change</b>	<b>294.11</b>	<b>-61.96</b>	<b>0</b>	<b>232.16</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	503.38	82.49	0	585.88
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>503.38</b>	<b>82.49</b>	<b>0</b>	<b>585.88</b>

**6 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to MD / WTD / Manager**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		1	2	
1	<b>Gross Salary:</b>	<b>Mr. Raghu Mody</b>	<b>Mr. P. K. Choudhary</b>	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	156.00	79.36	235.36
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.29	11.42	11.71
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profits	-	-	-
	- others, specify	-	-	-
	(As per terms of appointment)	-	-	-
5	Others, specify	-	-	-
	<b>Total (A)</b>	<b>156.29</b>	<b>90.78</b>	<b>247.07</b>
	<b>Ceiling as per the Act</b>	<b>₹ 223.05 Lakhs (10% of net profits of the Company)</b>		

**B. Remuneration to other directors**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of director				Total Amount
		1	2	3	4	
1	<b>Independent Directors</b>	<b>Mr. A. B. Vaidya</b>	<b>Mr. Deepak Sethi</b>	<b>Lt. Gen. (Retd.) K. S. Brar</b>	<b>Mr. Chakrapani Brajesh Misra</b>	
	Fees for attending board / committee meetings	1.70	1.00	1.50	0.80	5.00
	Commission	2.00	2.00	2.00	-	6.00
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>3.70</b>	<b>3.00</b>	<b>3.50</b>	<b>0.80</b>	<b>11.00</b>
	<b>Other Non-Executive Directors</b>	<b>Mrs. Sakshi Mody</b>				
	Fees for attending board / committee meetings	0.50	-	-	-	-
	Commission	-	-	-	-	-
2	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.20</b>
	<b>Total B (1+2)</b>	<b>4.20</b>	<b>3.00</b>	<b>3.50</b>	<b>0.80</b>	<b>11.50</b>
	<b>Ceiling as per the Act</b>	₹ 22.30 Lakhs (1% of net profits of the Company)				
	<b>Total Managerial Remuneration (A+B)</b>	₹ 258.57 Lakhs (including Sitting Fees & Commission)				
	<b>Overall Ceiling as per the Act</b>	₹ 245.35 (11% of net profits of the Company)				

**C. Remuneration to KMPs other than MD / Manager / WTD**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	KMP		Total Amount
		CS	CFO	
1	<b>Gross Salary:</b>	<b>Mr. Vikram Soni</b>	<b>Mr. Sunil Jindal</b>	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10.31	23.82	34.13
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	<b>Stock Option</b>			-
3	<b>Sweat Equity</b>			-
4	<b>Commission</b>			-
	- as % of profits	-	-	-
	- others, specify	-	-	-
5	<b>Others, specify</b>			-
	<b>Total</b>	<b>10.31</b>	<b>23.82</b>	<b>34.13</b>

**7 PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / Compounding fees imposed	Authority [RD /NCLT/ Court]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in default</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> June, 2020

Raghu Mody  
Chairman  
DIN : 00053329

**Annexure B**

**A. Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

Sr. No.	Name of the Director	Designation	Ratio of the remuneration to the median remuneration of the employees of the Company for the financial year 2019-20
1	Mr. Raghu Mody	Whole -Time Director and Executive Chairman	41:1
2	Mr. P. K. Choudhary	Managing Director	24:1

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, are as under:

Sr. No.	Name of Director/KMP and Designation	Designation	% increase in Remuneration in the Financial Year 2019-20
1	Mr. Raghu Mody	Whole Time Director and Executive Chairman	(19.85)%
2	Mr. P.K. Choudhary	Managing Director	8.07%
3	Mr. Sunil Kumar Jindal	Chief Financial Officer	10.64%
4	Mr. Vikram Soni	Company Secretary & Compliance Officer	30.95%

3. The percentage increase in the median remuneration of employees in the financial year: **0.79%**;
4. There were **549** permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2020;
5. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was **13.35%** whereas the increase in the managerial remuneration for the same financial year was **(6.09)%**. This was based on the recommendation of the Nomination and Remuneration Committee to revise the remuneration as per the remuneration policy of the Company.
6. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Managerial Personnel and other Employees.

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

**Raghu Mody**  
Chairman  
DIN : 00053329

Place: Mumbai  
Date: 29<sup>th</sup> June, 2020

### Annexure C

#### FORM AOC - 2

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

Form for disclosure of particulars of contract / 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:** The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2019-20
2. **Details of material contracts or arrangements or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	Varunn Mody (Husband of Mrs. Sakshi Mody - Non- Executive Director of the Company)*
(b)	Nature of contracts / arrangements / transactions	Revision in remuneration of Mr. Varunn Mody, President - Treasury of the Company.
(c)	Duration of the contracts / arrangements / transactions	Has been appointed under a contract of employment pursuant to which he may function according to directions given by the company from time to time. Contract will continue as long he remains an employee as per the contract of employment
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Total remuneration of ₹ 84.29 Lakhs paid during the year.
(e)	Date(s) of approval of the Board	6 <sup>th</sup> May, 2019
(f)	Amount paid in advance, if any	Nil
(g)	Date of seeking shareholders' approval	29 <sup>th</sup> August, 2019

Note: \*Ceased to be a director of the Company w.e.f. closing hours of 13<sup>th</sup> February, 2020

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

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

**Place: Mumbai**  
**Date: 29<sup>th</sup> June, 2020**

**Annexure D**
**Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2019-20**

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

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

1. The Company has made below mentioned contributions towards its CSR activities during the year under review:
- a) Contribution of ₹ 60 Lakhs to Vidya Prasarak Mandal, Thane Group of Institutions (VPM's Group of Institutions, Thane) a registered educational trust, engaged in the field of education catering to the needs of over 17000 students through its Marathi and English Medium schools, Arts, Commerce, Science and Law Colleges, Polytechnic, Institute of Management Studies and Advance Study Centre at Thane.
  - b) Contribution of ₹ 10 Lakhs to The Akshaya Patra Foundation which deals in issues related to malnutrition, hunger and deprivation of education by incentivizing food to bring children to school. Their aim is to nourish children ensuring they access education.

The CSR policy of the company can be viewed at: <https://www.hindcompo.com/investor-relations/documents/csr-Policy.pdf>

2. The Composition of the CSR Committee as on 31<sup>st</sup> March, 2020:

Sr.No.	Name of Members	Status
1.	Lt. Gen. (Retd.) K. S. Brar	Chairman
2.	Mr. Chakrapani Brajesh Misra (upto 28 <sup>th</sup> February, 2020)	Member
3.	Mr. P. K. Choudhary	Member
4.	Mr. Raghu Mody	Member

3. Average net profit of the company for last three financial years—₹ **3,260.40 Lakhs**
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)—₹ **65.76 Lakhs**
5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: ₹ **70.00 Lakhs**

(b) Amount unspent, if any : Nil

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

Sr. No.	CSR project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over heads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Educational Institution run by Vidya Prasarak Mandal Thane	Promoting education.	Maharashtra	₹ 60.00 Lakhs	₹ 60.00 Lakhs	₹ 60.00 Lakhs	Through Implementing Agency –Vidya Prasarak Mandal, Thane Group of Institutions (VPM's Group of Institutions, Thane)
2.	Mid-Day Meal Programme run by The Akshaya Patra Foundation	Eradicating hunger, poverty and malnutrition	PAN India	₹ 10.00 Lakhs	₹ 10.00 Lakhs	₹ 10.00 Lakhs	Through Implementing Agency—Akshaya Patra Foundation (Unlimited food or education)

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount: Not Applicable
7. The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

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

Place: Mumbai

Date: 29<sup>th</sup> June, 2020

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

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

**Annexure E**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020**  
 [Pursuant to Section 204(1) of the Companies Act, 2013 and  
 Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, 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, 2020 ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the Company during the Audit Period);
  - (iv) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (not applicable to the Company during the Audit Period);
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit Period);
  - (vi) 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;
  - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit Period);
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit Period); and
  - (ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As informed and certified by the management, there are no laws that are specifically applicable to the business activities carried on by the Company based on its section / industry.

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

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, except in respect of matters specified below:

1. Delay in filing of some e-forms with Registrar of Companies (ROC), Mumbai, Maharashtra;
2. Delay in processing of one request for transfer/transmission of share and issue of duplicate share certificates. However, same was processed subsequently within time line and in accordance with the procedure provided under SEBI Circular No. SEBI/HO/MIRSD/D0S3/CIR/P/2018/139 dated 06.11.2018.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the audit period there was no specific event or action having a major bearing on the Company's affairs.

**For M Baldeva Associates**  
Company Secretaries

**CS Manish Baldeva**  
Proprietor

M. No. FCS 6180

C.P. No. 11062

UDIN: F006180B000398242

**Place : Thane**

**Date: 29<sup>th</sup> June, 2020**

1. This report is to be read with my letter of even date which is annexed as Annexure-I and forms an integral part of this report.
2. In the wake of COVID-19 pandemic outbreak, the Company provided books, papers, minute books, registers, forms and returns and other records maintained by it by electronic means for my audit and I could not verify the original documents physically. However, the management of the Company has confirmed that all documents provided by electronic means are true and correct copies of original documents.

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**'Annexure I'**

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

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

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

**For M Baldeva Associates**  
Company Secretaries

**CS Manish Baldeva**  
Proprietor

M. No. FCS 6180

C.P. No. 11062

UDIN: F006180B000398242

**Place : Thane**

**Date: 29<sup>th</sup> June, 2020**



**Annexure F**

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

<b>A</b>	<b>Conservation of energy</b>	
	(i) the steps taken or impact on conservation of energy	<ol style="list-style-type: none"> <li>1. Waste heat recovery on hot molding presses by providing heat insulation on plattens.</li> <li>2. Installation of auto voltage corrector on transformer to supply stable LT voltage, resulted in reduced power consumption.</li> <li>3. Higher capacity motor connections changed from Delta to Star with auto load current sensing relay.</li> <li>4. Supply voltage on LT side reduced from 440V to desirable 420V.</li> <li>5. LED Lightings installed inside the Shop floor, replacing old fittings.</li> <li>6. Roof sheets replaced with transparent sheets (use of day light)</li> <li>7. Based on load requirement replaced high capacity motors with required capacity.</li> <li>8. Air conditioner temperature setting to 25 degree centigrade across all plants and offices, there by saving energy by 18 %.</li> </ol>
	(ii) the steps taken by the company for utilizing alternative sources of energy	Discussion initiated with Power trading platform / private solar energy suppliers for procuring power at best price.
	(iii) the capital investment on energy conservation equipments	₹ 24 Lakhs
<b>B</b>	<b>Technology absorption</b>	
	(i) the efforts made towards technology absorption	<ol style="list-style-type: none"> <li>1. Development of Oil Immersed Disc Brake for tractor application.</li> <li>2. Development of Disc Pad for railway application</li> <li>3. Development of high performance Industrial Brake Lining</li> <li>4. Improvement in quality and process of Random Woven Clutch Facing</li> <li>5. Development of high performance of Brake Liners and Disc Brake for CV application</li> </ol>
	(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	Generation of additional Business
	(iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):	Not Applicable
	(iv) the expenditure incurred on Research and Development	Revenue - ₹ 223.99 Lakhs (Previous year ₹186.70 Lakhs)
<b>C</b>	<b>Foreign exchange earnings and outgo</b>	
	(i) The foreign exchange earned (actual inflows)	₹ 779.04 Lakhs (Previous year 1,001.00 Lakhs)
	(ii) The foreign exchange outgo (actual outflows)	₹ 888.58 Lakhs (Previous year 1,181.24 Lakhs)

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

**Raghu Mody**  
Chairman

DIN: 00053329

**Place: Mumbai**  
**Date: 29<sup>th</sup> June, 2020**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Industry Structure and Developments:

During 2019-20, the Indian economy has passed through a challenging business environment with structural stress in areas such as sluggish private investment, significant decline in saving rates and a very high unemployment rate. A broad based fall in consumption further accentuated the slowdown resulting in a dismal 5.10% GDP growth during first 3 quarters of FY 19-20 against 6.30% in the same period during FY 18-19. Whilst there were positive signs of improvement in the 4th quarter of 2019-20, these proved to be short lived as the countrywide lockdown due to COVID-19 halted the growth momentum hastening the downward trajectory of GDP growth to 3.10% in Q4 of FY 20. India's GDP growth, therefore, declined to 4.20% in FY 20 as compared to 6.10% in FY19.

On the sectoral front, the deceleration in the Industrial and Services activities contributed to the slowdown in GDP while growth in Agriculture & Allied activities accelerated on the back of a good monsoon. Although the monsoon was disruptive for the Kharif crops, the augmentation of our water resources due to the healthy accumulation of water in reservoirs augured well for Rabi crops.

The Financial markets remained jittery in FY 19-20 due to the domestic economic slowdown, concerns on fiscal slippages, the NBFC crisis and geo-political tensions.

The recent outbreak of COVID-19, which led to the country wide lockdown so as to curtail the spread of the virus, has posed a severe challenge for the economy and has altered the outlook for the country. The pandemic has caused major disruptions in manufacturing output across sectors and impacted the energy and commodity demand to a large extent. As per the latest estimates, the real GDP growth is expected to fall from 4.20% in FY20 to -5.00% in FY21. It is quite clear that year 20-21 will be the most difficult year that we have seen for a very long time, not just for India but for countries across the globe.

The global automotive industry went through a tough time with several large OEMs posting losses due to the deceleration in the Chinese market, stalled sales in Europe & the US and because of large spending on R & D toward mandatory emission regulations & other compliances. This was further accentuated with the COVID-19 lockdowns from early March 2020.

The industry has seen unprecedented turmoil in 2020 from COVID-19 and the economic recession that was triggered by the lockdowns in markets across the world.

In India the situation was similar with a severe slowdown across the entire automobile sector. Though the year 19-20 was expected to be a year of growth, driven by expectation of pre-buying ahead of the change in emission norms from BS IV to BS VI, the deterioration in the fundamentals of the economy during the year led to a sharp decline in demand

for passenger Cars, Commercial vehicles and 2/3 wheelers. Consequently, the OEM's started to curtail production and focus on liquidating the BS IV inventory in the system. The M &HCV sector was the most impacted.

The domestic sale of Automobiles during 2019-20 vis-a-vis 2018-19 experienced an unprecedented drop across segments as under:

(₹ in Lakhs)

Segment	2019 - 20	2018-19	Variance
	Nos.	Nos.	
Passenger Vehicle	27,75,679	33,77,389	-17.82%
M & H Commercial vehicle	2,24,806	3,90,732	-42.47%
Light Commercial vehicle	4,92,882	6,16,579	-20.06%
3 wheelers	6,36,569	7,01,005	-9.19%
2 Wheelers	1,74,17,616	2,11,79,847	-17.76%

(Source – SIAM data)

FY 2020-21 is started on a difficult note with the lockdown impacting demand with zero sales in the month of April '20. Though there is some pick-up in demand for 2 wheelers and Passenger Vehicles from May '20 onwards, the sale of Commercial Vehicles remains very low.

### 2. Opportunities and threats

There remains a lot of uncertainty in the market place with no clarity on the COVID situation. Cases are increasing rapidly despite prolonged lockdowns. Several cities are still under lockdown resulting in huge supply chain issues. As per market analysts, Commercial Vehicles and Passenger Cars may face a slow recovery of demand.

Despite this gloomy outlook, the rural economy has started to do well with a bumper agriculture crop and higher price realisation on products. This has boosted the demand of Tractors and Two Wheelers and this augments well during this difficult time. The Government has announced a further slew of wide ranging reforms across varied sectors with a comprehensive package of ₹ 20 Lakh Crores or approximately 10% of GDP. The Government has also initiated compliance relief measure across various regulatory requirements. The RBI has also initiated several measures like reduction in Policy Rates, Monetary Transmission, Credit Flow to the economy and providing relief on Debt Servicing. The Government has also announced large spending on infra projects to provide employment and boost the economy. With all these measures, it is expected that the consumption cycle will restart, leading to a demand recovery.

At HCL we have felt the impact of this situation with the closure our plants for several weeks. We have now chosen to focus on areas of opportunity within the larger framework of the current challenges. With commitment to our growth plans, we have moved swiftly to tackle the roadblocks, to

safe guard our business and to do our bit towards relief and support measures. With the easing of the lockdown, we are seeing an initial customer interest and return of confidence. To aid recovery, we have also extended support to suppliers and channel partners to tide over this challenging situation. In the meantime we are also focusing on our Railway / Tractor business which have remained comparatively insulated in the current crisis.

However there remains a big threat of uncertainties due to Covid-19 along with cross border tension, global trade war, fluctuations in commodities prices and volatile forex movement.

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

The Company operates in two segments viz. composite products and investment. During the year under review, the revenue from composite products stood at ₹14,489.55 Lakhs (previous F.Y. ₹15,842.05 Lakhs) and from investment stood at ₹3,315.64 Lakhs (previous F.Y. ₹ 3,819.26 Lakhs). The net profit before tax and exceptional items from composite products was ₹ 133.49 Lakhs (previous F.Y. ₹324.85 Lakhs) and investment was ₹ 2,293.74 Lakhs (previous F.Y. 2,826.20 Lakhs).

### 4. Outlook

The current business environment has been severely impacted with the nation-wide lockdown, liquidity crunch across sectors coupled with a muted demand outlook in the near term. However, the Government's focus on infrastructure, modernisation of the railways, roads and ports may augur well for our industry. Policy actions initiated by the government concerning its stimulus package, easing of liquidity, coal mine auction and the resumption of stalled infrastructure projects have created a roadmap for long term growth going forward.

Further the country's inherent domestic demand and with India evolving as a preferred low cost sourcing destination may provide stimulus to our industry. The products offered by the company, are used widely in diverse sectors such as automobiles, agriculture tractors. railways and in industrial applications, offering us a unique opportunity.

The Company will put more thrust on new product development to meet the changed requirement of the customers, provide better customer service and continue to work towards up-gradation of technology, improvement in quality, cost rationalisation, cash preservation and digitalisation.

### 5. Risks and concerns

The Company has laid down a well-defined Risk Management Policy covering risk mapping, trend analysis,

risk exposure, potential impact and risk mitigation process. A detailed exercise is carried out from time to time to identify, evaluate both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

During these unprecedented times, Auto companies are required to respond to the challenges or risks arising due to COVID-19 pandemic. If the current COVID-19 lasts for a medium/long span of time, it can potentially have a negative impact on operations resulting from reasons such as extended lockdown impacting manufacturing and R&D operations, forced shutdown in case our employees contact the disease, restrictions of inter-state and international logistics, non-availability of materials from China or other countries, inability to generate demands from our customers due to significantly reduced business development activities, challenges in adhering to the good manufacturing practices due to skeletal staff as well as delay on projects/programs not related to the core supply chain operations. While the full impact of the global pandemic is still unknown, Auto companies need to respond, recover and thrive.

### 6. Internal control systems and their adequacy

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

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

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

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

The thrust of the Companies' human resource development is to create a responsive and market-driven organization with emphasis on performance. Continuous appraisal of personnel competence in line with job requirements, are carried out to provide for necessary training to personnel thereby facilitating higher levels of output and productivity. The industrial relations at Paithan and Bhandara plants remain satisfactory. The Company entered into a Long-term settlement with its workmen at its Paithan Plant for a period of 3 years effective from December, 2018. As on 31<sup>st</sup> March, 2020, 549 employees were employed in the Company.

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

(₹ in Lakhs)

	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Debtors Turnover Ratio	4.23	4.59	4.24	4.59
Inventory Turnover Ratio	8.61	7.42	8.61	7.42
Interest Coverage Ratio	47.23	80.88	40.24	74.36
Current Ratio	3.07	3.23	3.02	3.23
Debt Equity Ratio	0.007	0.003	0.007	0.003
Operating Margin Ratio *	5.90%	9.06%	5.03%	8.33%
Net Profit Margin *	6.74%	9.56%	5.87%	8.83%
Return on Net Worth *	1.56%	2.49%	1.38	2.33%

\* Reason for lower margin has been elaborated in Director's Report under the head operational performance which forms part of the annual report.

**10. CAUTIONARY STATEMENT**

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

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

**Raghu Mody**

**Chairman**

**DIN: 00053329**

**Place: Mumbai**  
**Date: 29<sup>th</sup> June, 2020**

## REPORT ON CORPORATE GOVERNANCE

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

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

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

### 2. Corporate Ethics:

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

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

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

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

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

#### 2.3 Vigil Mechanism:

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

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

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

### 3. Secretary's Responsibility Statement:

The Company Secretary confirms that the Company has as on 31<sup>st</sup> March, 2020:

- Maintained all the Statutory Registers required to be maintained under the Companies Act, 2013 ("the Act") and the rules made thereunder.
- Filed all the forms and returns and furnished necessary particulars in time, with the Registrar of Companies (ROC), Mumbai, Maharashtra, Ministry of Corporate Affairs (MCA) and/or Authorities as required under the Act except delay in filing of some e-forms.
- Issued all notices as required to be given for convening the meeting of the Board of Directors, General Meetings of the shareholders within the time limit prescribed by law.
- Conducted the meetings of the Board of Directors, Annual General Meeting as per the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors and Shareholders
- Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the Directors and Key Managerial Personnel.
- Obtained necessary approvals of the Directors, Shareholders and other authorities as per the statutory requirements.
- Given loans and made investments in accordance with the requirements of the Act.
- Not exceeded the borrowing powers of the Company.
- Registered all the particulars relating to the creation, modification and satisfaction of the charges with the Registrar of Companies, Mumbai, Maharashtra.
- Effected share transfers and dispatched the certificates within the time prescribed under the Act and the rules made thereunder. Please refer to point no 11 (m) of this report for more details .

- Complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreements entered into with the Stock Exchanges where the Company's shares are listed.

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

#### 4. Board of Directors:

- Composition:**

As on 31<sup>st</sup> March, 2020, the Board of Directors consisted of seven directors. The composition of the Board, attendance at Board meetings held during the year and at the last Annual General Meeting, number of directorships in other companies and Chairmanship / Membership in Committees are given below:

Name of Director	Category	No. of Board Meetings held	Attendance particulars		No. of other Directorship(s)	Committee Positions (including Company)	
			Board Meeting	Last AGM		Memberships	Chairman
Mr. Raghu Mody	Executive Chairperson, Promoter	5	5	Yes	3	3	-
Mr. P. K. Choudhary	Managing Director	5	5	Yes	1	-	-
Mr. A. B. Vaidya	Non-Executive, Independent Director	5	5	Yes	-	2	1
Mr. Chakrapani Brajesh Misra <sup>1</sup>	Non-Executive, Independent Director	5	2	Yes	-	-	-
Mr. Deepak Sethi <sup>2</sup>	Non-Executive, Independent Director	5	5	Yes	-	1	-
Lt. Gen. (Retd.) K. S. Brar	Non-Executive, Independent Director	5	4	Yes	-	2	-
Mr. Lalit Kumar Bararia <sup>3</sup>	Additional Non-Executive, Independent Director	5	-	NA	1	2	1
Mrs. Preeti Vimal Agrawal <sup>4</sup>	Additional Non-Executive, Independent Director	5	-	NA	-	-	-
Mrs. Sakshi Mody <sup>5</sup>	Non-Executive, Non Independent Director	5	5	Yes	1	-	-

- The directorship held by directors as mentioned above does not include Directorships of Private Companies/Section 8 Companies/Foreign Companies as on 31<sup>st</sup> March, 2020.
- Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies / subsidiary of public companies has been considered.

**Note:**

1. Ceased to be a Director of the Company w.e.f. 28<sup>th</sup> February, 2020.
2. Reappointed as an Independent Non-Executive Director for second term for period of 5 consecutive years w.e.f. 23<sup>rd</sup> April, 2020.
3. Appointed as an Additional Independent, Non-Executive Director for a period of 5 years with effect from 13<sup>th</sup> February, 2020.
4. Appointed as an Additional Independent, Non-Executive Woman Director for a period of 5 years with effect from 13<sup>th</sup> February, 2020.
5. Ceased to be a Director of the Company w.e.f. 14<sup>th</sup> February, 2020.

• **Directorship details including the category of directorships as on 31<sup>st</sup> March, 2020.**

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

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

Five Board Meetings were held during the year 2019-2020. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors present
6 <sup>th</sup> May, 2019	7	7
10 <sup>th</sup> August, 2019	7	7
14 <sup>th</sup> September, 2019	7	5
13 <sup>th</sup> November, 2019	7	6
13 <sup>th</sup> February, 2020	9	6

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

None of the Directors of the Company are related inter-se to any other director on the Board within the meaning of Section 2(77) of the Companies Act, 2013.

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

As on 31<sup>st</sup> March, 2020, no Non-Executive Director was holding any share/convertible instruments in the Company.

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

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

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

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

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

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

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

• **Declaration by the Board:**

In the opinion of the Board of Directors of the Company, the Independent Directors fulfill the conditions specified in Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25(8) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are Independent of the management.

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

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

• **Reason of resignation of Independent Director:**

Mr. Chakrapani Brajesh Misra, Independent Director of the Company resigned and ceased to be the Director w.e.f. 28<sup>th</sup> February, 2020.

Mr. Misra resigned from the directorship of the Company due to his increased professional workload and oncoming professional commitments, due to which he was not able to

devote time to the Company. He had also confirmed in his resignation letter that there was no other material reason other than those mentioned therein for his resignation.

5. **Audit Committee:**

Pursuant to the provisions of Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Audit Committee. Majority of the members of the Committee are Independent Directors including the Chairman of the Committee.

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

The Broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Internal Auditors and to review the weakness in internal controls reported by Internal and Statutory Auditors and to review the remuneration of Internal and Statutory Auditors. In addition, the powers and role of the Audit Committee are as laid down under Regulation 18 and Schedule II Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.



**Composition:**

During the year 2019-2020 the Audit Committee was reconstituted. Mr. Lalit Kumar Bararia, Additional Non-Executive, Independent Director was appointed as Chairman of the Committee effective from 12<sup>th</sup> March, 2020 in place of Mr. Chakrapani Brajesh Misra, who ceased to be the Member of the Audit Committee upon his resignation from directorship of the Company. As on 31<sup>st</sup> March 2020, the Audit Committee comprised of Mr. Lalit Kumar Bararia, Mr. A. B. Vaidya, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody as its members. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comparable experience and background. The partners / authorised representatives of Statutory Auditors and Internal Auditors are invited to the meetings of the Audit Committee, as and when required.

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

**Meetings and attendance during the year:**

During the year 2019-2020, the Audit Committee met five times on 6<sup>th</sup> May, 2019, 10<sup>th</sup> August, 2019, 14<sup>th</sup> September, 2019, 13<sup>th</sup> November, 2019 and 13<sup>th</sup> February, 2020. The attendance at the Committee meetings was as follows:

Sl. No.	Name of Directors	Category	Status	No. of meetings attended
1.	Mr. Chakrapani Brajesh Misra <sup>1</sup>	Non-Executive, Independent Director	Chairman	2
2.	Mr. Lalit Kumar Bararia <sup>2</sup>	Non-Executive, Independent Director	Chairman	NA
3.	Mr. Deepak Sethi	Non-Executive, Independent Director	Member	5
4.	Mr. A. B. Vaidya	Non-Executive, Independent Director	Member	5
5.	Lt. Gen. (Retd.) K.S. Brar	Non-Executive, Independent Director	Member	4
6.	Mr. Raghu Mody	Executive Chairperson, Promoter	Member	5

Note:

- Upto 28<sup>th</sup> February, 2020.
- Appointed as a Chairman of the Audit Committee w.e.f. 12<sup>th</sup> March, 2020.

**6. Nomination and Remuneration Committee:**

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the

Nomination and Remuneration Committee. The Nomination and Remuneration Committee, inter alia, recommends the remuneration payable to executive directors, key managerial personnel (KMPs) and senior management personnel (SMPs) of the Company.

**Brief description of terms of reference:**

The terms of reference of this committee are wide enough covering the matters specified for Remuneration to the Directors and Senior Management under the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 and Schedule II Part D (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition:**

During the year 2019-2020, the Nomination and Remuneration Committee was reconstituted. Mr. Lalit Kumar Bararia, Additional Non-Executive, Independent Director was appointed as Chairman of the Committee effective from 12<sup>th</sup> March, 2020, in place of Mr. Chakrapani Brajesh Misra who ceased to be the Member of the Nomination and Remuneration Committee upon his resignation from the directorship of the Company. As on 31<sup>st</sup> March 2020, the Nomination and Remuneration Committee comprised of Mr. Lalit Kumar Bararia, Mr. A. B. Vaidya, Lt. Gen. (Retd.) K. S. Brar as its members.

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

**Meetings and attendance during the year:**

During the year 2019-2020 the Nomination and Remuneration Committee met thrice on 6<sup>th</sup> May, 2019, 10<sup>th</sup> August, 2019 and 13<sup>th</sup> February, 2020. The attendance at the Committee meeting was as follows:

Sl. No.	Name of Directors	Category	Status	No. of meetings attended
1.	Mr. Chakrapani B. Misra <sup>1</sup>	Non-Executive, Independent Director	Chairman	2
2.	Mr. Lalit Kumar Bararia <sup>2</sup>	Non-Executive, Independent Director	Chairman	NA
3.	Mr. A. B. Vaidya	Non-Executive, Independent Director	Member	3
4.	Lt. Gen. (Retd.) K. S. Brar	Non-Executive, Independent Director	Member	3

Note:

- Ceased to be a Director of the Company w.e.f. 28<sup>th</sup> February, 2020. Accordingly, he also ceased as a Chairman of the Nomination and Remuneration Committee w.e.f. 28<sup>th</sup> February, 2020.

2. Appointed as a Chairman of the Audit Committee w.e.f. 12<sup>th</sup> March, 2020.

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

Pursuant to the provisions of Section 178(2) of the Companies Act, 2013 read with Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performance of each Independent Director and fulfilment of the independence criteria as specified in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and their independence from the management. The questionnaires are prepared considering the business of the Company. The evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

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

**7. Remuneration to Directors:**

- a. The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2019-2020.
- b. Non-Executive Directors did not draw any remuneration from the Company. Sitting fees to Non-executive Directors is being paid at the rate of ₹ 10,000/- for each meeting of the Board and Committees attended by them. Within the ceiling of the Act, Independent Directors are also paid a commission, the amount whereof is determined by the Board.

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

(₹ in Lakhs)

Name	Salary	Perquisites or Allowances	Contribution to PF and others	Commission	Sitting fees	Total
Mr. Raghu Mody	156.00	0.29	-	-	-	156.29
Mr. P. K. Choudhary	74.89	11.20	4.69	-	-	90.78
Mr. A. B. Vaidya	-	-	-	2.00	1.70	3.70
Mr. Chakrapani Brajesh Misra	-	-	-	-	0.80	0.80
Mr. Deepak Sethi	-	-	-	2.00	1.00	3.00
Lt. Gen. (Retd.) K.S. Brar	-	-	-	2.00	1.50	3.50
Mrs. Sakshi Mody	-	-	-	-	0.50	0.50

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

**8. Stakeholders Relationship Committee:**

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Stakeholders' Relationship Committee.

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

The Committee is empowered to oversee the redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer/transmission /demat / remat of shares and other miscellaneous complaints. The Committee is also responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. In addition the terms of reference of this committee includes the provisions of Regulation 19 and Schedule II Part D (B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

• **Composition:**

During the year 2019-2020, the Stakeholders Relationship Committee was reconstituted upon cessation of Mr. Chakrapani Brajesh Misra from the Membership of the Stakeholders Relationship Committee after his resignation from the directorship of the Company. As on 31<sup>st</sup> March 2020, the Stakeholders Relationship Committee comprised of Mr. A. B. Vaidya, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody as its members.

Mr. A. B. Vaidya, Non-Executive, Independent Director of the Company is the Chairman of the Committee. The Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee.

Mr. Vikram Soni is Company Secretary and Compliance Officer of the Company

**• Status of investors' complaints/services requests:**

Opening balance at the beginning of the year : Nil  
 Received during the year : 13  
 Disposed during the year : 13  
 Closing balance at the end of the year : Nil

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

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board of Directors has duly constituted the Corporate Social Responsibility (CSR) Committee.

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

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

**• Composition:**

During the year 2019-2020, the Corporate Social Responsibility Committee was reconstituted upon cessation of Mr. Chakrapani Brajesh Misra from the Membership of the Corporate Responsibility Committee after his resignation from the directorship of the Company. As on 31<sup>st</sup> March 2020, the Corporate Social Responsibility Committee comprised of Lt. Gen. (Retd.) K. S. Brar, Mr. P. K. Choudhary and Mr. Raghu Mody as its members. Lt. Gen. (Retd.) K. S. Brar Non-Executive, Independent Director of the Company is the Chairman of the Committee. The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

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

During the year 2019-2020 the CSR Committee met twice on 6<sup>th</sup> May, 2019 and 13<sup>th</sup> November, 2019. The attendance at the Committee meeting was as follows:

Sl. No.	Name of Directors	Category	Status	No. of meetings attended
1.	Lt. Gen. (Retd.) K. S. Brar	Non-Executive, Independent Director	Chairman	2
2.	Mr. Chakrapani Brajesh Misra <sup>1</sup>	Non-Executive, Independent Director	Member	1
3.	Mr. P. K. Choudhary	Managing Director	Member	2
4.	Mr. Raghu Mody	Executive Chairperson, Promoter	Member	2

Note:

1. Upto 28<sup>th</sup> February, 2020.

**10. General Body Meetings:**

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

Financial year	Time	Date	Location
2016-17	11.30 a.m.	12 <sup>th</sup> September, 2017	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2017-18	11.30 a.m.	30 <sup>th</sup> August, 2018	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2018-19	11.30 a.m.	29 <sup>th</sup> August, 2019	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

**• Special resolutions passed at last three AGMs:**

AGM	Particulars of Special Resolutions
12 <sup>th</sup> September, 2017	1. Re-appointment of Mr. Raghu Mody as Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f 1 <sup>st</sup> October, 2017 till 30 <sup>th</sup> September, 2020.
30 <sup>th</sup> August, 2018	1. Special Resolution for re-appointment of Mr. A. B. Vaidya (DIN: 00246208) as an Independent, Non – Executive Director of the Company, for another term of five consecutive years w.e.f. 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024.  2. Special Resolution for re-appointment of Lt. Gen. (Retd.) K. S. Brar (DIN: 01146720) as an Independent, Non – Executive Director of the Company, for another term of five consecutive years w.e.f. 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024.

AGM	Particulars of Special Resolutions
29 <sup>th</sup> August, 2019	1. Special Resolution for re-appointment of Mr. Deepak Sethi (DIN: 07165462) as an Independent Non –Executive Director of the Company, for a second term of five consecutive years w.e.f. 23 <sup>rd</sup> April, 2020 to 22 <sup>nd</sup> April, 2025.  2. Special Resolution for revision in remuneration payable to Mr. Raghu Mody, (DIN: 00053329), Executive Chairman and Whole Time Director of the Company, w.e.f. 1 <sup>st</sup> April, 2019 for the remaining period of his tenure.

**Postal Ballot:**

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

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

**11. Means of communication:**

- The Company has published its Quarterly Results as per the details mentioned below:

News Papers	Date of Board Meeting	Date of Publication
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	06-05-2019	07-05-2019
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi) (Published only Standalone Financial Results)	10-08-2019	11-08-2019
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi) (Published only Consolidated Financial Results)	14-09-2019	15-09-2019
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	13-11-2019	14-11-2019
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	13-02-2020	14-02-2020

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

**News releases, presentations, among others:** All Corporate Announcements made to the Stock Exchanges during the year 2019-2020 are available on the website of the Company.

During the year 2019-2020, the Company has not made any presentations to institutional investors or analysts.

**12. General Shareholder information:**

- Annual General Meeting:** Tuesday, 29<sup>th</sup> September, 2020 at 11.45 a.m. via. Video Conferencing (VC) / Other Audio Visual Means (OAVM)
- Financial Year:** April 1 to March 31;
- Dividend Payment Date:** The dividend of ₹ 2.00 per equity share of ₹ 5 each, as recommended by the Board, if declared at the AGM, will be credited / paid directly in their bank accounts, subject to deduction of income-tax at source wherever applicable, between Wednesday, 7<sup>th</sup> October, 2020 to Tuesday 20<sup>th</sup> October, 2020. For the Members who have not furnished their bank account details, the Company shall dispatch the dividend warrants upon normalization of postal services.
- Book Closure:** The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, 23<sup>rd</sup> September, 2020 to Tuesday, 29<sup>th</sup> September, 2020 (both days inclusive).
- Cut-off date for remote e-voting:** The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the cut-off date i.e. Tuesday, 22<sup>nd</sup> September, 2020. Remote voting shall remain open from Saturday, 26<sup>th</sup> September, 2020 (9.00 a.m.) and ends on Monday, 28<sup>th</sup> September, 2020 (5.00 p.m.).
- Listing on Stock Exchanges:**  
**Equity Shares**
  - BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
  - National Stock Exchange of India Limited Exchange Plaza, 5<sup>th</sup> Floor, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
- Listing Fees:**  
The Company has paid the listing fees for the year 2020-21 to all the stock exchanges where the shares are listed.
- Stock Code:**  
BSE :509635  
NSE :HINDCOMPOS  
ISIN :INE310C01029
- Stock Market Price Data and performance in comparison to BSE Sensex/NSE NIFTY 50:**  
The monthly high / low quotations of shares traded on the BSE Limited during each month in last financial year and performance in comparison to BSE Sensex are as follows:

Month	Share price of the Company on BSE (₹)*		BSE Sensex (Points)*	
	High	Low	High	Low
April, 2019	226.50	211.45	38858.88	39487.45
May, 2019	223.60	200.00	39036.51	40124.96
June, 2019	214.00	190.00	39806.86	40312.07
July, 2019	200.00	169.20	39543.73	40032.41
August, 2019	209.00	166.00	37387.18	37807.55
September, 2019	201.00	168.60	37181.76	39441.12
October, 2019	185.00	162.00	38813.48	40392.22
November, 2019	185.50	163.70	40196.07	41163.79
December, 2019	175.50	157.45	41072.94	41809.96
January, 2020	255.00	169.10	41349.36	42273.87
February, 2020	212.75	163.00	40753.18	41709.30
March, 2020	168.95	95.20	38910.95	39083.17

\*Source: www.bseindia.com

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

Month	Share price of the Company on NSE (₹)*		NSE NIFTY 50 (Index)*	
	High	Low	High	Low
April, 2019	229.50	210.35	11,856.15	11,549.10
May, 2019	224.00	196.25	12,041.15	11,108.30
June, 2019	215.00	188.45	12,103.05	11,625.10
July, 2019	199.30	165.00	11,981.75	10,999.40
August, 2019	204.00	164.05	11,181.45	10,637.15
September, 2019	211.95	166.00	11,694.85	10,670.25
October, 2019	189.40	165.00	11,945.00	11,090.15
November, 2019	185.00	160.00	12,158.80	11,802.65
December, 2019	175.00	157.00	12,293.90	11,832.30
January, 2020	253.80	169.00	12,430.50	11,929.60
February, 2020	212.50	165.00	12,246.70	11,175.05
March, 2020	173.00	94.95	11,433.00	7,511.10

\*Source: www.nseindia.com

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

The chart below shows the comparison of the Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31<sup>st</sup> March, 2020.



- k) **Trading of Securities:** The securities of the Company were not suspended from trading during the year 2019-2020.
- l) **Registrar and Share Transfer Agents:** Link Intime India Pvt. Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Phone: (022)– 4918 6000 /270 Fax: (022)- 4918 6060 e-mail: rnt.helpdesk@linkintime.co.in
- m) **Share Transfer System:**

All shares sent for transfer in physical form are registered by the Company's Registrar and Share Transfer Agent (RTA) within 15 days of the lodgment, if documents are found to be in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

Company's RTA viz. Link Intime India Pvt. Ltd. has informed that due to COVID 19 and the proactive steps taken by Government of India in declaring a 21 days lockdown effective from 24<sup>th</sup> March, 2020 and prior to this date the advisory/prohibitory orders issued by the Government of India and various State Governments effective from mid of March 2020 certain Demat / remat transactions inwards by their office from the period first week of March, 2020 which were to be processed and released within 15 days / 30 days as the case may be, could not processed/released since their office was functional with bare minimum staff reporting to office from mid-March 2020 onwards. Further, both the Depositories have issued circulars that from 23<sup>rd</sup> March, 2020 to 30<sup>th</sup> April, 2020 the processing of demat requests will be excluded for computing the existing timelines specified and further 15 days' time period will be allowed to clear backlogs after 30<sup>th</sup> April, 2020. They also confirmed that certain transactions processed might be pending for release; certain DRN generated by DPs electronically but physical documents might not have been dispatched by the DP; or might have been dispatched by the DP but not received by us/not

inwarded which has arisen due to the extraordinary circumstances as explained in details above.

**n) Distribution of Shareholding as on 31<sup>st</sup> March, 2020:**

Shares having nominal value of ₹ From To	No. of holders	%	No. of holders	%
1 – 500	15099	95.45	1270029	8.60
501 – 1000	431	2.72	299914	2.03
1001 – 2000	169	1.07	238359	1.61
2001 – 3000	44	0.28	113463	0.77
3001 – 4000	21	0.13	71220	0.48
4001 – 5000	10	0.06	45021	0.30
5001 – 10000	13	0.08	90499	0.61
10001 and above	32	0.20	12640495	85.59
<b>TOTAL</b>	<b>15819</b>	<b>100.00</b>	<b>14769000</b>	<b>100.00</b>

**o) Dematerialization of Shares:**

As on 31<sup>st</sup> March, 2020, 95.96% of the total shares of the Company were in dematerialized form.

**p) Convertible instruments:**

The Company has not issued any Global Depository Receipts (GDRs)/American Depository Receipts

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

Sr. No.	Name of the Credit Rating Agency	Details of Credit Ratings obtained including revisions		
		Scale	Amount (₹ Cr)	Rating
1	Acuite Ratings & Research Limited (formerly known as SMERA Ratings Limited)	Long Term Instruments (fund based)	7.00	ACUITE A- / Stable
		Short Term Instruments (fund based + non fund based)	18.00	ACUITE A2+
		<b>Total</b>	<b>25.00</b>	

**13. Other Disclosures:**

**i. Related Party Transactions:**

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

**ii. Compliance by the Company:**

The Company has complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties

(ADRs)/warrants or any convertible instrument, which is likely to have impact on the Companys' Equity.

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

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

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

**r) Plant Locations :**

MIDC Industrial Area, Paithan, Dist. Aurangabad –431107

Bhandara: C-10/1, Bhandara Industrial Area, Gadegaon, Dist. Bhandara –441904

**s) Regd. Office & Address for Correspondence:**

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

imposed by either SEBI or Stock Exchanges or any other statutory authorities for non-compliance of any matter related to the capital markets during the last three years, except imposition of fine by the BSE for non-submission of the financial results (consolidated) for the quarter ended 30<sup>th</sup> June, 2019 within specified time, however the BSE vide its circular no LIST/COMP/30/2019-20 dated 26<sup>th</sup> September, 2019 clarified that the Company is required to submit consolidated financial results from the quarter ending 30<sup>th</sup> September, 2019, and not from the quarter ended 30<sup>th</sup> June, 2019, accordingly the Company was not required to pay any fine as imposed.

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

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or

suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the audit committee in the exceptional cases. We affirm that during the financial year 2019-2020, no employee was denied access to the Audit Committee.

**iv. Adoption of mandatory and non-mandatory requirements of Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:**

The Company has complied with all mandatory requirements of Regulation 27 and Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

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

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

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

**vi. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015:**

During the financial year 2019-2020, the Company has not raised any funds through preferential allotment or qualified institutions placement.

**vii. Certificate from Company Secretary:**

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

**viii. Recommendation by Committee:**

The Board has accepted all recommendations from all the committees of the Board which is mandatorily required, during the financial year under review.

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

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

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

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

During the year 2019-20, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

The Company has complied with the Regulations 17-20, 22-23, 24A, 25-27 and Clauses (b) and (i) sub-regulations 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the year 2019-20. Regulations 21 and 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

**16. Disclosure of accounting treatment:**

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

**17. Related Party Disclosures:**

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

**18. Disclosure with respect to demat suspense account / unclaimed suspense account:**

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus right issues as at 31<sup>st</sup> March, 2020. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

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

A declaration by Managing Director of the Company affirming compliance by the Board members and Senior Management Personnel to the Code of Conduct is also annexed herewith and forms part of Annual Report as per Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which is annexed herewith and forming part of Annual Report.

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

**Raghu Mody**  
Chairman  
DIN: 00053329

**Place: Mumbai**  
**Date: 29<sup>th</sup> June, 2020**

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## **Declaration – Code of Conduct**

As per Regulation 17 and Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I, P.K. Choudhary, Managing Director of the Company do hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March, 2020.

**For Hindustan Composites Limited**

**Place: Mumbai**  
**Date : 29<sup>th</sup> June, 2020**

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



## Certificate from Company Secretary in Practice

**(Pursuant to Regulation 34(3) read with Schedule V Part C Sub-clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To**  
**The Members of**  
**Hindustan Composites Limited**

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

**For M Baldeva Associates**  
**Company Secretaries**

**CS Manish Baldeva**  
**Proprietor**

**Place: Thane**  
**Date: 29<sup>th</sup> June, 2020**

**M. No. FCS: 6180 C.P. No. 11062**  
**UDIN: F006180B000398297**

**BUSINESS RESPONSIBILITY REPORT**

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

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

1.	Corporate Identity Number (CIN) of the Company	L29120MH1964PLC012955
2.	Name of the Company	Hindustan Composites Limited
3.	Registered address	Peninsula Business Park,"A" Tower 8 <sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400013
4.	Website	www.hindcompo.com
5.	E-mail id	investor@hindcompo.com
6.	Financial Year reported	2019 - 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	
	(a) Friction materials - Brake lining, Brake Block, Clutch facing and Button	29301
	(b) Investment and Treasury operations	643
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1) Brake Lining; 2) Brake Block; 3) Clutch Facing and Button
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	International location - Nil
	(b) Number of National Locations	1) One Registered Office in Mumbai, Maharashtra, 2) Two Manufacturing Units in Aurangabad & Bhandara in Maharashtra, 3) Four Branch Offices in Mumbai, Kolkata, Delhi & Chennai
10.	Markets served by the Company – Local/ State/ National/ International	The company products are sold in both National & International Markets

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

Sr. No.	Financial details of the Company	FY 2019-20 Standalone (₹ in Lakhs)	FY 2019-20 Consolidated (₹ in Lakhs)
1.	Paid up Capital (INR)	738.45	738.45
2.	Total Turnover (INR)	17,805.19	17,805.19
3.	Total profit after taxes (INR)	1,203.50	1,047.41
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As per Section 135 of the Companies Act, 2013 read with the rules made thereunder, the Company is required to spend at least 2% of average net profit of last 3 financial years i.e. ₹ 65.76 Lakhs. The Company has spent ₹ 70.00 Lakhs on CSR activities for FY 2019-20.	
5.	List of activities in which expenditure in 4 above has been incurred:-	Please refer to Annexure D of Board's Report for details	

**SECTION C: OTHER DETAILS**

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

**SECTION D: BR INFORMATION**

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

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

1.	DIN Number	00535670
2.	Name	Mr. Pawan Kumar Choudhary
3.	Designation	Managing Director

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

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

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

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

Principle No.	Name of the Principle
P 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.
P3	Businesses should promote the well-being of all employees.
P 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P 5	Businesses should respect and promote human rights.
P 6	Businesses should respect, protect, and make efforts to restore the environment.
P 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P 8	Businesses should support inclusive growth and equitable development.
P 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

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

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

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

**3 Governance related to BR**

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year - BRR is applicable from the year 2019-20.

- The Board of Directors of the Company shall review BR report annually or whenever required.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

- The BR is published as a part of the Annual Report for the financial year 2019-20 (being first year of its applicability) and is also available on website of the Company at www.hindcompo.com

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

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

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

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

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

Ans. Total 13 complaints were received from shareholders during the year 2019-20 and all have been resolved. Complaints/grievances from other stakeholders are dealt with on an ongoing basis. No major complaints were received.

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

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

Ans. The company continuously improves its products to meet customer requirements. Following products and their designs have incorporated social or environmental concerns, risks and opportunities :  
 (a) Brake Blocks;  
 (b) Brake Linings;  
 (c) Clutch facings.

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

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

Ans. (a) Brake Blocks - Usage of environmental friendly materials and Improvement in process.  
 (b) Brake Linings - Efficient use of raw material and energy with manufacturing innovation.  
 (c) Clutch facing - Usage of environmental friendly material and extraction of solvent.

3 Does the company have procedures in place for sustainable sourcing (including transportation)?  
 (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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

These procedures are followed during vendor evaluation and applicable for suppliers as per audit plan and procedure. Approx 55 % products / services ( including transportation ) are sourced in a sustainable manner.

4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?  
 (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

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

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

- Ans. (a) The company is having a culture of continuously recycling the waste.  
 (b) Drilling / Grinding dust is properly processed and re-used as per the set formulation. Percentage of such waste may be >10 %.  
 (c) steel scrap is being sold to scrap dealers which is ultimately used in re-rolling industry. The value of such scrap is very low.

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

1 Please indicate the Total number of employees.

Ans. There were 549 permanent employees as on 31<sup>st</sup> March, 2020 in the Company.

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

Ans. There were 580 employees hired on temporary/ contractual / casual basis as on 31<sup>st</sup> March, 2020 in the Company.

3 Please indicate the Number of permanent women employees.

Ans. There were 8 permanent woman employees as on 31<sup>st</sup> March, 2020 in the Company.

4 Please indicate the Number of permanent employees with disabilities.

Ans. There were 6 employees with disabilities as on 31<sup>st</sup> March, 2020 in the Company.

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

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

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

Ans. The company has 324 (59.02%) permanent employees as members in the aforementioned recognised employee associations.

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

Ans. No complaint relating to child labour, forced labour, involuntary labour, sexual harassment was received in the financial year 2019-20. No complaint was pending either at beginning or at the end of the financial year.

No.	Category	No of Complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

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

Ans. (a) Permanent Employees - > 91 %  
 (b) Permanent Women Employees - 100 %  
 (c) Casual / Temporary / Contractual Employees - about 75 %  
 (d) Employees with Disabilities -100 %

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

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

Ans. Yes.

2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.

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

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

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

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

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

Ans. It covers the company.

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

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

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

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

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

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

Ans. No.

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

Ans. Yes.

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

Ans. No.

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

Ans. Yes, the details are given under Director's Report.

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

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

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

Ans. Nil.

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

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

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

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

Ans. No.

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

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

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

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

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

3 Have you done any impact assessment of your initiative?

Ans. The CSR programmes and their impacts are assessed, monitored and reviewed by the CSR Committee periodically.

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

Ans. The total amount spent on all CSR activities and projects during the FY 2019- 2020 was ₹70 Lakhs and the details of the CSR projects and activities undertaken are provided in details in Annexure D of the Directors' Report and forms a part of this Annual Report for FY 2019-2020 .

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

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

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

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

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

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

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

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

Ans. One of the customer filed a complaint towards anti-competitive behaviour with CCI. The matter is under investigation but company is of the opinion that there may not be any liability.

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

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

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

### **TO THE MEMBERS OF HINDUSTAN COMPOSITES LIMITED**

We have examined the compliance of conditions of corporate governance by **HINDUSTAN COMPOSITES LIMITED** ('the Company') for the year ended March 31, 2020 as stipulated in Regulations 17-27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

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

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

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

#### **Opinion**

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

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

#### **Restriction on Use**

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

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

**Place: Mumbai**  
**Date: 29<sup>th</sup> June, 2020**

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN :20143503AAAAHA2491



## INDEPENDENT AUDITOR’S REPORT

To The Members of Hindustan Composites Limited

### Opinion

#### Report on the Audit of Standalone Financial Statements

We have audited the accompanying standalone financial statements of Hindustan Composites Limited (“the Company”), which comprises of Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow for the year than ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2020, its profits, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

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

#### Emphasis of Matter :

We draw your attention to note no 45(d) of the standalone financial statements with regards to Management’s assessment of, inter-alia, realisability of financial Investments, Inventories and recoverability of Trade receivables measured at amortised cost due to COVID 19 pandemic outbreak. The management apart from considering the internal and external information upto the date of approval of this standalone financial statements, the management has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the management expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements. Considering the continuing uncertainties, the management will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

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

Sr. No	Key Audit Matters	Auditor’s response
1	<p><b>Valuation and Impairment of unquoted equity instruments /Debt Instruments:</b></p> <p>We focused on the valuation of unquoted equity instruments/ Debt Instruments due to the materiality of the instruments and the nature of their valuation which involve the use of judgmental assumptions. As disclosed in note no 40 and 41, as at 31<sup>st</sup> March 2020 the Company has unquoted equity instruments/debt Instruments of ₹ 29,748.63 Lakhs. These instruments are classified and measured at fair value through other comprehensive income</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed and tested the design and the operating effectiveness of the key controls that management has established to support the review and approval of the model design, key model inputs and valuation.</p> <p>We assessed the appropriateness of the valuation method used by management by verifying the key inputs used in determining the assumptions as also corroborating the information.</p>

Sr. No	Key Audit Matters	Auditor's response
2	<p><b>Inventory – existence and valuation</b></p> <p>As at March 31, 2020, the Company held inventories of ₹ 1256.65 lakhs. [Also, refer Note no. 7 of the standalone financial statements]</p> <p>Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19).</p> <p>As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, physical verification of inventories as on the Balance sheet date couldn't be carried out.</p> <p>We have accordingly designated this as a focus area of the audit.</p>	<p><b>Audit procedures performed:</b></p> <p>We have performed following alternative audit procedures over inventory existence and valuations.</p> <p>(a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the physical and valuation considered appropriately.</p> <p>(b) Performing procedures to ensure that the changes in inventory between the last verification date namely 31st December 2019 and date of the Balance sheet are properly recorded (Roll forward procedures)</p> <p>(c) Performing substantive analytical procedures to test the correctness of inventory existence and valuation</p> <p>(d) Testing of accuracy of inventory reconciliations with the general ledgers at period end, including test of reconciling items</p> <p>The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation.</p>

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

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

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

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

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

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

The Companies' 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 the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement,

whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. **As required by Section 143(3) of the Act, we report that:**
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
  - (c) The Balance sheet, the Statement of Profit & Loss, Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
  - (e) On the basis of the written representation received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a Directors in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, except excess managerial remuneration paid to its Executive Chairman for which necessary shareholders approval is being taken (Refer Note No. 47).

(h) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. [Refer Note No. 33]

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN :20143503AAAAGG4646

Place: Mumbai  
Date : 29<sup>th</sup> June, 2020

**Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Hindustan Composites Limited of even date**

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

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- b) According to the information and explanations given to us, the Property, Plant and Equipment have been physically verified by the management at the year end, which in our opinion, is reasonable considering the size of the Company and nature of its Property, Plant and Equipment. As explained, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) According to the information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification. Due to COVID 19 related nationwide lockdown, the Management was not able to perform year end physical verification of inventory.
- iii) According to the information and explanations given to us, the Company has granted secured loans to a company covered in the register maintained under section 189 of the Act. The terms and conditions of the such loan is not prejudicial to the Company's interest and schedule of repayment of principal and payment of interest has been stipulated and repayment are regular.
- iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions referred in section 185 of the Act. The Company has complied with the provisions of 186 of the Act with respect to the loans and investments made.
- v) No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess, Goods and Service Tax and other material statutory dues applicable to the Company with the appropriate

authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Goods and Service Tax and Duty of Customs, which have not been deposited on account of any dispute.
- viii) In our opinion and according to the information and explanations given to us, during the year, the Company has not defaulted in the repayment of dues to the banks and government. The Company has not taken any loan from financial institution or debenture holders during the year or in the recent past.
- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year or in the recent past.
- x) According to the information and explanations given to us, we have not come across any instance of material fraud by officers or employees of the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- xi) According to the information and explanations given to us and based on the examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, except excess managerial remuneration paid to its Executive Chairman for which necessary shareholders approval is being taken (Refer Note No. 47).
- xii) The provisions of Nidhi Company are not applicable to the Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, the provision of Section 177 and 188 of Act, to the extent applicable, in respect of transactions with the related parties have been complied by the Company and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards in note no. 47 of the Standalone Financial Statements.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, Para 3 (xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him under Section 192 of the Act.
- xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

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

**Vinay Somani**  
 Partner  
 Membership No. 143503  
 UDIN :20143503AAAAGG4646

Place: Mumbai  
 Date : 29<sup>th</sup> June 2020

**Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Hindustan Composites 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 Act**

We have audited the internal financial controls over financial reporting of Hindustan Composites Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an

audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 entity are being made only in accordance with authorisations of management; (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements and (4) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the Company from time to time.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place: Mumbai**  
**Date : 29<sup>th</sup> June, 2020**

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

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN :20143503AAAAGG4646

STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	12,226.49	12,532.77
(b) Intangible assets	2	16.99	3.40
(c) Intangible assets under development	2.1	16.16	-
(d) Financial assets			
(i) Investments	3	59,696.08	57,942.06
(ii) Loans	4	1,750.00	1,750.00
(iii) Other financial assets	5	55.96	60.57
(e) Other non-current assets	6	10.81	4.67
<b>Total non-current assets</b>		<b>73,772.49</b>	<b>72,293.47</b>
<b>Current assets</b>			
(a) Inventories		1,256.65	1,229.77
(b) Financial assets			
(i) Investments	8	2,837.05	3,773.07
(ii) Trade receivables	9	3,420.49	3,413.45
(iii) Cash and cash equivalents	10	656.67	74.60
(iv) Bank Balances other than (iii) above	11	52.64	47.92
(v) Loans	12	2,714.80	3,305.82
(vi) Other financial assets	13	1,028.39	919.38
(c) Other current assets	14	195.23	523.83
(d) Current tax assets (Net)		190.78	-
<b>Total current assets</b>		<b>12,352.70</b>	<b>13,287.84</b>
<b>Total Assets</b>		<b>86,125.19</b>	<b>85,581.31</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	15	738.45	738.45
(b) Other Equity	16	76,426.65	75,546.99
<b>Total equity</b>		<b>77,165.10</b>	<b>76,285.44</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Borrowings	17	43.83	108.58
(b) Provisions	18	207.92	133.59
(c) Deferred tax liabilities (Net)	44	4,599.55	4,866.25
(d) Other non current liabilities	19	79.12	70.08
<b>Total non-current liabilities</b>		<b>4,930.42</b>	<b>5,178.50</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	477.29	159.46
(ii) Trade payables	21		
- total outstanding dues of micro and small enterprises		48.24	76.41
- total outstanding dues of creditors other than micro and small enterprises		3,143.28	3,427.11
(iii) Other financial liabilities	22	205.50	285.77
(b) Other current liabilities	23	32.39	102.93
(c) Provisions	24	122.97	50.49
(d) Current tax liabilities (Net)	25	-	15.20
<b>Total current liabilities</b>		<b>4,029.67</b>	<b>4,117.37</b>
<b>Total Equity and Liabilities</b>		<b>86,125.19</b>	<b>85,581.31</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the financial statements</b>	<b>B (1 - 51)</b>		

As per our attached report of even date

For and on behalf of the Board of Directors

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

Place: Mumbai

Date: 29<sup>th</sup> June, 2020

**Raghu Mody**

Chairman  
(DIN 00053329)

**Vikram Soni**

Company Secretary & Compliance Officer  
Membership No. A36705

**P. K. Choudhary**

Managing Director  
(DIN 00535670)

**Sunil Jindal**

Chief Financial Officer

**STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**  
 (₹ in Lakhs)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
<b>I</b> Revenue from operations	26	17,805.19	19,661.31
<b>II</b> Other income	27	49.49	217.21
<b>III Total Income ( I + II)</b>		<b>17,854.68</b>	<b>19,878.52</b>
<b>IV Expenses</b>			
Cost of materials consumed	28	7,338.21	8,683.46
Changes in inventories of finished goods and work-in-progress	29	(134.78)	(108.47)
Employee benefits expense	30	3,354.97	3,192.37
Finance costs	31	22.31	22.27
Depreciation and amortization expense	1 & 2	950.30	874.70
Other expenses	32	5,292.19	5,390.77
<b>Total Expenses</b>		<b>16,823.20</b>	<b>18,055.10</b>
<b>V Profit before tax ( III - IV)</b>		<b>1,031.48</b>	<b>1,823.42</b>
<b>VI Tax Expense:</b>	44		
Current tax		126.18	230.23
Deferred tax		(298.20)	(125.55)
Tax of earlier years reversed		-	(181.36)
<b>Total Tax Expense</b>		<b>(172.02)</b>	<b>(76.68)</b>
<b>VII Profit for the year</b>		<b>1,203.50</b>	<b>1,900.10</b>
<b>VIII Other Comprehensive Income</b>			
<b>A. (i)</b> Items that will not be reclassified to profit or loss	43	(881.28)	953.68
(ii) Income tax relating to items that will not be reclassified to profit or loss	44	330.55	(210.91)
<b>B. (i)</b> Items that will be reclassified to profit or loss	43	822.72	(404.51)
(ii) Income tax relating to items that will be reclassified to profit or loss	44	(239.58)	117.79
<b>IX Total Comprehensive Income for the year (VII + VIII)</b>		<b>1,235.91</b>	<b>2,356.15</b>
<b>Earnings per equity share of ₹ 5 each (Basic and Diluted)</b>	37	<b>8.15</b>	<b>12.86</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the financial statements</b>	<b>B (1 - 51)</b>		

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**
**Date: 29<sup>th</sup> June, 2020**
**For and on behalf of the Board of Directors**
**Raghu Mody**

 Chairman  
 (DIN 00053329)

**P. K. Choudhary**

 Managing Director  
 (DIN 00535670)

**Vikram Soni**

 Company Secretary & Compliance Officer  
 Membership No. A36705

**Sunil Jindal**

Chief Financial Officer



**STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**  
(₹ in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
<b>A Cash flow from operating activities:</b>		
Net profit before tax	1,031.48	1,823.42
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation	950.30	874.70
Net gain on sale / fair valuation of investments through profit and loss	(1,357.32)	(1,874.87)
(Profit)/Loss on Sale of property, plant and equipment (net)	(16.16)	5.75
Remeasurements of defined benefit plans	(100.28)	(17.12)
Interest expenses	22.31	22.27
<b>Operating profit before working capital changes</b>	<b>530.33</b>	<b>834.15</b>
<b>Adjustment for</b>		
(Increase)Decrease in Trade and other receivable	302.52	(179.85)
(Increase)Decrease in Inventories	(26.88)	(121.18)
(Decrease)Increase in Trade and other payables	(284.38)	215.04
<b>Cash generated from operations</b>	<b>521.59</b>	<b>748.16</b>
Direct taxes paid (net)	(109.42)	(260.17)
<b>Net cash generated from operating activities</b>	<b>412.17</b>	<b>487.99</b>
<b>B Cash generated from investing activities</b>		
Purchase of property, plant, equipment and Intangible assets	(685.04)	(1,170.60)
Proceeds from sale of property, plant and equipment	27.42	7.12
Acquisition of investments (net)	(1,732.89)	(499.42)
(Increase)/decrease in inter- corporate deposits	600.00	(1,100.00)
Income from Investment (net)	2,106.91	2,451.93
<b>Net cash flow (used in) from investing activities</b>	<b>316.40</b>	<b>(310.97)</b>
<b>C Cash generated from financing activities</b>		
Proceeds/(repayment) from long-term borrowings (net)	(85.67)	(98.80)
Proceeds/(repayment) from short-term borrowings (net)	317.84	(41.17)
Dividend paid (including corporate dividend tax)	(356.24)	(88.88)
Interest paid	(22.43)	(22.36)
<b>Cash generated from financing activities</b>	<b>(146.50)</b>	<b>(251.21)</b>
<b>D Net Increase/ Decrease in cash and cash equivalent ( A+B+C)</b>	<b>582.07</b>	<b>(74.19)</b>
<b>Cash and Cash equivalents</b>		
<b>At the beginning of the year</b>	<b>74.60</b>	<b>148.79</b>
<b>At the end of the year</b>	<b>656.67</b>	<b>74.60</b>
<b>Significant accounting policies</b>	<b>A</b>	
See accompanying notes to the financial statements	<b>B (1 - 51)</b>	

As per our attached report of even date

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

**Vinay Somani**  
Partner  
Membership No. 143503

**Place: Mumbai**  
**Date: 29<sup>th</sup> June, 2020**

For and on behalf of the Board of Directors

**Raghu Mody**  
Chairman  
(DIN 00053329)

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

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

**Sunil Jindal**  
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	(₹ in Lakhs)
Particulars	Amount
<b>(a) Equity Share Capital</b>	
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>738.45</b>
Changes in equity share capital during the year	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>738.45</b>

Particulars	Reserves and surplus			Items of other comprehensive income			Total
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Actuarial gain/ (loss)	
<b>Balance as at 31st March, 2018</b>	<b>57.70</b>	<b>58,550.13</b>	<b>5,948.96</b>	<b>1,680.29</b>	<b>7,065.47</b>	<b>(22.84)</b>	<b>73,279.71</b>
Profit for the year	-	-	1,900.10	-	-	-	1,900.10
Other comprehensive income for the year (Net)	-	-	-	(286.72)	756.24	(13.47)	456.05
Amount transferred in respect of realised gain (Net)	-	-	398.09	-	(398.09)	-	-
Dividend paid during the year	-	-	(73.85)	-	-	-	(73.85)
Corporate dividend tax paid	-	-	(15.03)	-	-	-	(15.03)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>57.70</b>	<b>60,050.13</b>	<b>6,658.27</b>	<b>1,393.57</b>	<b>7,423.62</b>	<b>(36.31)</b>	<b>75,546.99</b>
Profit for the year	-	-	1,203.50	-	-	-	1,203.50
Other comprehensive income for the year (Net)	-	-	-	583.14	(466.09)	(84.64)	32.41
Amount transferred in respect of realised gain (Net)	-	-	396.45	-	(396.45)	-	-
Dividend paid during the year	-	-	(295.38)	-	-	-	(295.38)
Corporate dividend tax paid	-	-	(60.86)	-	-	-	(60.86)
Transfer to General reserve	-	1,000.00	(1,000.00)	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>57.70</b>	<b>61,050.13</b>	<b>6,901.98</b>	<b>1,976.71</b>	<b>6,561.08</b>	<b>(120.95)</b>	<b>76,426.66</b>

Refer note 16 for nature and purpose of the reserves.

**Significant accounting policies** A
**See accompanying notes to the financial statements** B (1 - 51)

As per our attached report of even date

**For and on behalf of the Board of Directors**
**For Bagaria & Co. LLP**

 Chartered Accountants  
 Firm Registration No. - 113447W/W-100019

**Vinay Somani**

 Partner  
 Membership No. 143503

**Place: Mumbai**
**Date: 29<sup>th</sup> June, 2020**
**Raghu Mody**  
 Chairman  
 (DIN 00053329)

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

**Vikram Soni**

 Company Secretary & Compliance Officer  
 Membership No. A36705

**Sunil Jindal**  
 Chief Financial Officer

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

**CORPORATE OVERVIEW:**

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

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

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

**A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

**a) Basis of Preparation of Financial Statements:**

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

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

- i) Certain financial assets and liabilities are measured at Fair value (refer note no. 42 financial instruments)
- ii) Defined benefit employee plan (refer note no. 41)

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

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

The preparation of the financial statements requires the Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting

period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

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

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

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

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

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

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

**(b) Provisions and liabilities**

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

tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(c) Contingencies**

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

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

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

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

**Property, plant and equipment**

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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

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

**Intangible assets**

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

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

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

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

The Company amortizes computer software with a useful life using the straight-line method over the period of 3 years from the date of acquisition.

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

**d) As a lessee**

**Operating Lease**

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made on or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

**e) Cash and Cash Equivalents**

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

shown within borrowings in current liabilities in the balance sheet.

**f) Inventories:**

Inventories of Raw Materials, Work-in-Progress, Stores and Spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'.

Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

**g) Financial Instruments**

**Financial assets - Initial recognition**

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

**Subsequent measurement**

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

**(i) Measured at amortised cost**

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

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

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

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

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

**Equity instruments**

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

**Impairment**

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

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

**De-recognition**

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

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

### Financial Liabilities

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

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

### De-recognition

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

### Offsetting of financial instruments

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

### Derivative financial instruments

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

## h) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use

when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

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

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

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

## l) Borrowings

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

## j) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

**k) Provisions and contingent liabilities**

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**l) Revenue recognition**

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

**i) Variable Consideration**

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

**ii) Sale of goods**

Revenue from the sale of goods is recognised when the control of the goods passes to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue.

**iii) Rendering of services**

Revenue from sale of services are recognized when the services are rendered.

**iv) Other Income:**

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

**m) Employee Benefits**

The Company provides following post-employment plans:

- (i) Defined benefit plans such as gratuity &
- (ii) Defined contribution plans such as Provident fund

**a) Defined-benefit plan**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of the plan assets. The defined benefit obligations is calculated annually by actuaries using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of the plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions, the effect of asset excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

**b) Defined-contribution plan**

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

**c) Other employee benefit**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date based on an actuarial valuation.

**n) Foreign Currency Transaction**

The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss as other income / miscellaneous expenses.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

**o) Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in such case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and



liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**p) Segment Reporting**

The Company has identified its Managing Director as the Chief Operating Decision Maker. Operating

segments are reported in a manner consistent with the internal reporting provided to managing director of the Company. The Managing Director evaluates the Company's performance and allocates resources as a whole.

**q) Research and Development**

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable, the Company has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

**r) Earnings Per Share**

Basic EPS is arrived at based on net profit or (loss) after taxation available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**s) Contract balances**

**i) Trade Receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due).

**ii) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the company performs under the contract.

**t) New standards and interpretations not yet adopted**

There is no such notification which would have been applicable from April 01, 2020

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**1 Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles (Refer Note iii)	Office Equipment	Total
	Freehold	Leasehold						
<b>Gross Carrying Amount :</b>								
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>282.11</b>	<b>1.56</b>	<b>9,172.08</b>	<b>3,714.12</b>	<b>587.66</b>	<b>374.58</b>	<b>121.31</b>	<b>14,253.42</b>
Additions	-	-	214.06	903.87	19.68	12.69	31.81	1,182.11
Adjustments / Disposals	-	-	-	58.87	-	9.56	2.87	71.30
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>282.11</b>	<b>1.56</b>	<b>9,386.14</b>	<b>4,559.12</b>	<b>607.34</b>	<b>377.71</b>	<b>150.25</b>	<b>15,364.23</b>
Additions	-	-	210.12	322.28	45.03	55.06	19.58	652.07
Adjustments / Disposals	-	-	-	164.51	0.15	59.01	5.59	229.26
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>282.11</b>	<b>1.56</b>	<b>9,596.26</b>	<b>4,716.89</b>	<b>652.22</b>	<b>373.76</b>	<b>164.24</b>	<b>15,787.04</b>
<b>Accumulated Depreciation :</b>								
<b>Balance as at 31<sup>st</sup> March, 2018</b>	-	<b>0.06</b>	<b>503.19</b>	<b>1,140.15</b>	<b>188.84</b>	<b>111.79</b>	<b>72.15</b>	<b>2,016.18</b>
Depreciation charge for the year	-	0.02	171.82	557.10	68.54	56.92	19.31	873.71
Adjustments / Disposals	-	-	-	47.33	-	8.82	2.28	58.43
<b>Balance as at 31<sup>st</sup> March, 2019</b>	-	<b>0.08</b>	<b>675.01</b>	<b>1,649.92</b>	<b>257.38</b>	<b>159.89</b>	<b>89.18</b>	<b>2,831.46</b>
Depreciation charge for the year	-	0.02	178.17	629.21	72.06	48.61	18.95	947.02
Adjustments / Disposals	-	-	-	157.10	0.15	55.09	5.59	217.93
<b>Balance as at 31<sup>st</sup> March, 2020</b>	-	<b>0.10</b>	<b>853.18</b>	<b>2,122.03</b>	<b>329.29</b>	<b>153.41</b>	<b>102.54</b>	<b>3,560.55</b>
<b>Net Carrying Amount :</b>								
<b>As at 31<sup>st</sup> March, 2019</b>	<b>282.11</b>	<b>1.48</b>	<b>8,711.13</b>	<b>2,909.20</b>	<b>349.96</b>	<b>217.82</b>	<b>61.07</b>	<b>12,532.77</b>
<b>As at 31<sup>st</sup> March, 2020</b>	<b>282.11</b>	<b>1.46</b>	<b>8,743.08</b>	<b>2,594.86</b>	<b>322.93</b>	<b>220.35</b>	<b>61.70</b>	<b>12,226.49</b>

**Notes:**

- (i) Leasehold Land for the cost of ₹ 0.80 lakhs is valid till 31/01/2079 and for ₹ 0.76 lakhs is valid till 30/04/2081.
- (ii) Buildings include eight flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.
- (iii) Include certain vehicles for ₹ 26.09 lakhs (previous year ₹ 49.81 lakhs) acquired on hire purchase basis.
- (iv) Refer Note No. 34(a) for Capital Commitment.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Particulars	(₹ in Lakhs)	
	Computer Software	Total
<b>2 Intangible assets</b>		
Gross Carrying Amount :		
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>9.28</b>	<b>9.28</b>
Additions	-	-
Adjustments / Disposals	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>9.28</b>	<b>9.28</b>
Additions	16.80	16.80
Adjustments / Disposals	-	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>26.08</b>	<b>26.08</b>
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>4.89</b>	<b>4.89</b>
Depreciation charge for the year	0.99	0.99
Adjustments / Disposals	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>5.88</b>	<b>5.88</b>
Depreciation charge for the year	3.21	3.21
Adjustments / Disposals	-	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>9.09</b>	<b>9.09</b>
<b>Net Carrying Amount :</b>		
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>3.40</b>	<b>3.40</b>
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>16.99</b>	<b>16.99</b>

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>2.1 Intangible assets under development</b>		
Computer Software	16.16	-
<b>3 Non Current Investments (Refer note no. 40)</b>		
<b>Equities</b>		
Equity instruments	25,630.54	25,990.72
<b>Debt</b>		
Preference shares	3,510.01	4,513.81
Real estate and debt funds	6,523.55	5,806.47
Government securities	3,677.07	3,384.75
Debentures and bonds	20,354.91	18,246.31
<b>Total</b>	<b>59,696.08</b>	<b>57,942.06</b>
<b>4 Non Current Loans</b>		
<b>Secured, considered good</b>		
Inter corporate deposits to related party * (Refer note no. 47)	1,750.00	1,750.00
<b>Total</b>	<b>1,750.00</b>	<b>1,750.00</b>

\* Secured against mortgage of a property valued of ₹ 35.52 crore valued by an International Property Consultant

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>5 Non Current Other Financial Assets</b>		
Electricity deposits	19.37	19.37
Rent deposits	7.18	7.18
Other deposits*	27.31	30.95
Fixed Deposit with Bank	1.50	-
Margin money deposits with bank	0.60	3.07
<b>Total</b>	<b>55.96</b>	<b>60.57</b>
* Includes water deposits, telephone deposits, gas deposits, MIDC and other deposits etc.		
<b>6 Other Non Current Assets</b>		
Capital advance	10.81	4.67
<b>Total</b>	<b>10.81</b>	<b>4.67</b>
<b>7 Inventories * (Refer note no. A (f) for accounting policy on inventory)</b> (As taken, valued and certified by the management)		
Raw materials	471.30	669.97
Raw materials - Goods in transit	85.46	-
Work-in-progress	340.79	283.95
Finished goods	260.50	182.56
Stores and spares	98.60	93.29
<b>Total</b>	<b>1,256.65</b>	<b>1,229.77</b>
* Refer note no. 35(l)(a) for Inventories offered as securities		
<b>8 Current Investments (Refer note no. 41)</b>		
<b>Debt</b>		
Preference shares	1,500.00	-
Debentures and bonds	1,337.05	1,668.87
Mutual funds	-	2,104.20
<b>Total</b>	<b>2,837.05</b>	<b>3,773.07</b>
<b>9 Trade Receivables *</b>		
<b>Unsecured, considered good</b>		
Joint venture	25.26	26.84
Other Trade Receivables	3,395.23	3,386.61
<b>Total</b>	<b>3,420.49</b>	<b>3,413.45</b>
* Refer note no. 45 (c) for credit risk and note no. 35(l)(a) for trade receivable offered as securities.		
<b>10 Cash and Cash Equivalents</b>		
Balances with Banks	651.02	66.99
Cheques on hand	-	5.05
Cash on hand	5.65	2.56
<b>Total</b>	<b>656.67</b>	<b>74.60</b>
<b>11 Other Bank Balances</b>		
Other Balances		
In Dividend Accounts	22.36	18.53
In Margin money	30.28	29.39
<b>Total</b>	<b>52.64</b>	<b>47.92</b>

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>12 Current Loans</b>		
<b>Secured, considered good</b>		
Inter corporate deposits	150.00	150.00
<b>Unsecured, considered good</b>		
Inter corporate deposits	2,550.00	3,150.00
Loans and advances to employees	14.80	5.82
<b>Total</b>	<b>2,714.80</b>	<b>3,305.82</b>
<b>13 Other Current Financial Assets</b>		
Interest accrued on investments	741.49	627.86
Interest accrued on inter corporate / other deposits	126.60	133.49
Receivable on sale of current investments	73.86	90.94
Earnest Money Deposits	65.21	49.29
Other receivables*	21.23	17.80
<b>Total</b>	<b>1,028.39</b>	<b>919.38</b>
* Includes Export Incentive, ECGC Premium etc.		
<b>14 Other Current Assets</b>		
Balance with Government authorities	12.91	389.93
Advance to suppliers	136.76	94.67
Prepaid expenses	45.56	39.23
<b>Total</b>	<b>195.23</b>	<b>523.83</b>
<b>15 Equity Share Capital</b>		
<b>AUTHORISED</b>		
16,000,000 Equity Shares of ₹ 5 each	800.00	800.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
14,769,000 Equity Shares of ₹ 5 each, fully paid-up	738.45	738.45
<b>Total</b>	<b>738.45</b>	<b>738.45</b>

(i) Details of Shareholding more than 5%

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	%	No. of Shares	%
Rasoi Ltd.	61,51,722	41.65%	61,51,722	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	24,75,582	16.76%
J L Morison (India) Ltd.	11,07,702	7.50%	11,07,702	7.50%

(ii) Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 5 each (Previous Year ₹ 5 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

(iii) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	1,47,69,000	1,47,69,000
Increase on account of share split	-	-
Bonus shares issued during the year	-	-
Balance at the end of the year	1,47,69,000	1,47,69,000

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(iv) For a period of 5 years immediately preceding the balance sheet date, the company has:

Particulars	As at 31 <sup>st</sup> March				
	2020	2019	2018	2017	2016
Allotted shares on account of split in face value from ₹10 per share to ₹ 5 per share.	-	-	49,23,000	-	-
Bonus shares issued during the year	-	-	49,23,000	-	-
Bought back any shares issued	-	-	-	-	-

**16 Other Equity**

Refer Statement of Changes in Equity for detailed movement in Equity balance.

**A. Summary of Other Equity balance**

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Capital Redemption Reserve	57.70	57.70
General Reserve	61,050.13	60,050.13
Retained Earnings	6,901.98	6,658.28
Items of Other Comprehensive Income		
- Fair value of Debt instruments through OCI	1,976.71	1,393.57
- Fair value of Equity instruments through OCI	6,561.08	7,423.62
- Remeasurements of defined benefit plans	(120.95)	(36.31)
Total	76,426.65	75,546.99

**B. Nature and purpose of reserves**

- (a) **Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of equity shares from its General Reserve. The Capital Redemption Reserve can be utilised for issue of bonus shares
- (b) **General Reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve.
- (c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (d) **Debt Instruments through Other Comprehensive Income:** The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.
- (e) **Equity Instruments through Other Comprehensive Income:** This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income. Upon de-recognition, the cumulative fair value changes on the said instruments are reclassified to retained earning.
- (f) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>17 Non Current Borrowings (Refer note no. 35)</b>		
<b>Term Loans</b>		
<b>Secured</b>		
From Banks - Vehicle Loan	9.51	26.09
<b>Unsecured</b>		
From SICOM Ltd. by way of deferral of sales tax liability	34.32	82.49
<b>Total</b>	<b>43.83</b>	<b>108.58</b>
<b>18 Non Current Provisions</b>		
Provision for compensated absences	121.10	91.80
Provision for Gratuity	86.82	41.79
<b>Total</b>	<b>207.92</b>	<b>133.59</b>
<b>19 Other Non Current Liabilities</b>		
Security Deposits	79.12	70.08
<b>Total</b>	<b>79.12</b>	<b>70.08</b>
<b>20 Current Borrowings (Refer note no. 35)</b>		
<b>Secured</b>		
From Bank		
Working Capital Loan	477.29	159.46
<b>Total</b>	<b>477.29</b>	<b>159.46</b>
<b>21 Trade Payables</b>		
Total Outstanding Dues of Micro and small enterprises	48.24	76.41
Total Outstanding Dues of Creditors other than Micro and small enterprises	3,143.28	3,427.11
<b>Total</b>	<b>3,191.52</b>	<b>3,503.52</b>
<b>Dues to Micro, Small and Medium Enterprise</b>		
The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:		
Principal Amount due to suppliers under MSMED Act, 2006, Beyond appointed Day	21.01	10.58
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.98	0.19
Payment made to suppliers ( other than interest ) beyond the appointed day, during the year	Nil	Nil
Interest paid to suppliers under MSMED Act ( Other than section 16 )	Nil	Nil
Interest paid to suppliers under MSMED Act ( Section 16 )	0.19	0.27
Interest due and payable to suppliers under MSMED Act, for the payment already made	Nil	Nil
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	Nil	Nil

**Note :** The information has been given in respect of such vendors to the extent they could be identified as " Micro and Small enterprises" on the basis of information available with Company."

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>22 Other Financial Liabilities</b>		
Current maturities of long-term debt	64.75	85.68
Interest accrued but not due on borrowings	-	0.10
Unpaid dividends	22.36	18.53
Capital Creditors	118.39	181.46
<b>Total</b>	<b>205.50</b>	<b>285.77</b>
<b>23 Other Current Liabilities</b>		
Statutory Dues	32.39	102.93
<b>Total</b>	<b>32.39</b>	<b>102.93</b>
<b>24 Current Provisions</b>		
Provision for compensated absences	42.23	38.94
Provision for gratuity	80.74	11.55
<b>Total</b>	<b>122.97</b>	<b>50.49</b>
<b>25 Current tax liabilities (Net)</b>		
Provision for income Tax (Net)	-	15.20
<b>Total</b>	<b>-</b>	<b>15.20</b>

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>26 Revenue From Operations</b>		
<b>Sale of Products</b>		
Manufactured goods	14,439.85	15,759.05
<b>Investment Income</b>		
Dividend	426.43	390.06
Interest	3,032.82	3,240.98
Net gain on sale / Fair valuation of investments through profit and loss *	(143.61)	188.22
	3,315.64	3,819.26
<b>Other Operating Income</b>		
Export Incentives	23.60	28.15
Marketing Fees & Royalty Income	6.25	5.66
Insurance Claim	0.64	28.63
Scrap Sale	16.70	16.54
Others	2.51	4.02
	49.70	83.00
<b>Total</b>	<b>17,805.19</b>	<b>19,661.31</b>

 \* Includes fair value (loss) as at 31<sup>st</sup> March, 2020 amounting to ₹ (520.71lakhs), (Previous Year ₹ (159.17 lakhs))



NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>27 Other Income</b>		
Foreign Exchange Gain (Net)	26.05	43.40
Rent	7.28	12.91
Profit on sale of Property, Plant and Equipment (Net)	16.16	-
Interest on Income Tax Refunds	-	114.67
Excise /VAT Refunds	-	46.23
<b>Total</b>	<b>49.49</b>	<b>217.21</b>
<b>28 Cost of Materials Consumed</b>		
<b>Raw materials and Components</b>		
Opening Stock	669.97	652.22
Purchases	6,938.81	8,455.14
Less: Closing Stock	471.30	669.97
	<b>7,137.48</b>	<b>8,437.39</b>
<b>Stores and Spare parts consumed</b>		
Opening Stock	93.29	98.33
Purchases	206.04	241.03
Less: Closing Stock	98.60	93.29
	200.73	246.07
<b>Total</b>	<b>7,338.21</b>	<b>8,683.46</b>
<b>29 Changes in Inventories of Finished Goods and Work-In-Progress</b>		
<b>Opening Stock :-</b>		
Work-in-progress	283.95	286.86
Finished goods	182.56	71.18
<b>Total</b>	<b>466.51</b>	<b>358.04</b>
<b>Closing Stock :-</b>		
Work-in-progress	340.79	283.95
Finished goods	260.50	182.56
<b>Total</b>	<b>601.29</b>	<b>466.51</b>
<b>Changes in inventories</b>	<b>(134.78)</b>	<b>(108.47)</b>
<b>30 Employee Benefits Expense</b>		
Salaries, wages and incentives	3,060.27	2,910.09
Contributions to provident and other fund	158.11	137.31
Contributions to gratuity fund	33.95	28.69
Staff welfare expenses	102.64	116.28
<b>Total</b>	<b>3,354.97</b>	<b>3,192.37</b>
<b>31 Finance Cost</b>		
Interest expense	14.36	17.43
Other borrowing costs	7.95	4.84
<b>Total</b>	<b>22.31</b>	<b>22.27</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>32 Other Expenses</b>		
Packing materials consumed	349.42	350.48
Power and Fuel	1,012.70	989.64
Rent	36.99	38.52
Rates and taxes	53.45	32.82
Insurance (including transit insurance)	58.01	50.56
Freight and Forwarding	597.26	633.74
Repairs & Maintenance:		
Plant & Machinery	178.86	156.14
Buildings	85.18	115.87
Others	33.60	25.90
Job charges	1,027.81	1,082.16
Travelling & Conveyance	434.50	587.62
Sales Promotion Expenses	97.22	91.52
Postage, Printing & Stationery	47.84	50.52
Communication Expenses	23.40	29.47
Loss on sale/discarding of property, plant and equipment	-	5.75
Investment management and other expenses	283.00	259.82
Legal & Professional Expenses	409.12	332.42
Remuneration to Auditors:		
Audit fees (including limited review fees)	7.50	7.50
Reimbursement of out of pocket expenses	0.65	1.02
Contribution towards Corporate Social Responsibility (CSR)	70.00	84.00
Charity and donations	312.24	324.43
Miscellaneous Expenses	173.44	140.87
<b>Total</b>	<b>5,292.19</b>	<b>5,390.77</b>

**33 (a) Contingent Liabilities not provided for in respect of :**

- Disputed Sales Tax matters as at 31<sup>st</sup> March 2020 for ₹ Nil ; Previous Year ( ₹9.36 lakhs (net of provisions of ₹ 0.18 lakhs)).
- Disputed labour matter related to ex-workmen - amount unascertainable.

(b) The Company's litigations comprises of claims related to property disputes and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required. The Company has also disclosed the pending matters under contingent liability wherever the amount of liability is not adequately measurable. However, the Company does not reasonably expect the outcome of these proceedings will have a material impact on its financial statements. (Also Refer Note 33(a)).

**34 Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31<sup>st</sup> March 2020 for ₹ 54.38 lakhs (net of advance of ₹ 26.94 lakhs); Previous Year ( ₹ 15.87 lakhs (net of advance of ₹ 4.67 lakhs)).
- (b) In respect of investments made with private equity funds / debt funds, the Company is further committed to invest as at 31<sup>st</sup> March 2020 for ₹ 3,361.86 lakhs; Previous Year ( ₹ 6,783.80 lakhs).

**35 (I) Secured Loans:**

- (a) Interest Rate on Working capital loans as at 31<sup>st</sup> March 2020 is 2.70% over MCLR 8.35% plus strategic premium 0.25% per annum along with MCLR 6months 8.30% plus 0.70% (Previous Year 2.40% over MCLR 8.50% plus strategic premium 0.25% per annum ). Fund base limit as per bank is utilised as at 31<sup>st</sup> March 2020 of ₹ 290.07 lakhs (Previous Year ₹. Nil) and Non Fund base limit as per bank is utilised as at 31<sup>st</sup> March 2020 of ₹ 329.45 lakhs (Previous Year ₹ 390.78 lakhs) are secured by hypothecation of inventory and trade receivables of Company, charge on immovable properties of Bhandara unit and lien over investment of ₹ 2300 lakhs.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(b) Vehicle loan (repayable within two years) is secured by way of hypothecation of vehicles purchased their against and carry Interest in the range of 8.45% (Previous Year 8.45% to 9%).

**(II) Unsecured Loans:**

Interest free Sales tax Loans is repayable within remaining balance of 2 years.

(III) There is no default in repayment of principal and interest on secured and unsecured loans during the year.

36 The accounts of Trade receivable and payable and Loans and Advances are subject to formal confirmations / reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial statements due to the same.

(₹ in Lakhs except EPS)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>37 Earnings Per Share</b>		
Net Profit as per Profit & Loss Account	1,203.50	1,900.10
Weighted average number of equity shares outstanding	1,47,69,000	1,47,69,000
Basic and Diluted EPS (Face value of ₹ 5 each)	8.15	12.86
<b>38 Research and Development Expenditure</b>		
Debited to respective expenses heads in the Statement of Profit & Loss	223.99	186.70
<b>39 Segment Reporting:</b>		
<b>Segment Revenue</b>		
Composite Products	14,489.55	15,842.05
Investment	3,315.64	3,819.26
<b>Total</b>	<b>17,805.19</b>	<b>19,661.31</b>
<b>Segment Expenses</b>		
Composite Products	14,356.06	15,517.20
Investment	1,021.90	993.06
<b>Total</b>	<b>15,377.96</b>	<b>16,510.26</b>
Segment Results		
Profit/(Loss) before Interest, Tax and Exceptional Items from each segment		
Composite Products	133.49	324.85
Investment	2,293.74	2,826.20
<b>Total</b>	<b>2,427.23</b>	<b>3,151.05</b>
Unallocated Expenses	1,422.93	1,522.56
Interest Expenses	22.31	22.27
Other Income	(49.49)	(217.20)
Tax Expenses	(172.02)	(76.68)
<b>Profit after taxation</b>	<b>1,203.50</b>	<b>1,900.10</b>
<b>Segment Assets</b>		
Composite Products	9,249.27	10,265.79
Investment	73,048.55	72,234.03
Unallocated Assets	3,827.38	3,081.47
<b>Total</b>	<b>86,125.20</b>	<b>85,581.29</b>
<b>Segment Liabilities</b>		
Composite Products	4,281.35	4,277.76
Investment	3,588.09	3,818.85
Unallocated Liabilities	1,090.65	1,090.64
<b>Total</b>	<b>8,960.09</b>	<b>9,187.25</b>
<b>Other Information:</b>		
Capital Expenditure	668.87	1,192.03
Depreciation & Amortisation	950.30	874.70

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

**Operating Segments:** - The chief operational decision maker (CODM) has identified 2 operating segments viz., Composite products and Investments.

**Identification of Segments:**

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

**Segment revenue and results**

The expenses and incomes which are not directly attributable to any business segment are shown as un-allocable expenditure (net of unallocated income).

**Segment assets and liabilities**

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents, Investments and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of un-allocable assets / liabilities.

**Geographical Information**

The Company has all the manufacturing facilities which are located in india only hence there is no geographical segment applicable.

**Information about major customers**

Revenue from Composite Products to largest customers (greater than 10% of total sales) is ₹ 5408.05 Lakhs (Previous Year ₹ 3054.70 Lakhs)

**40 Non-Current Investments: (Non Trade and Fully paid up)**
**(₹ in Lakhs)**

Particulars	Face Value	As on 31/03/2020		As on 31/03/2019	
	₹	Nos.	₹	Nos.	₹
<b>Investments carried at fair value through OCI</b>					
<b>Equity Instruments</b>					
<b>Equity Shares (Quoted)</b>					
Aditya Birla Capital Limited	10	-	-	51,917	50.46
Asian Paint Ltd.	1	-	-	5,741	85.70
Bajaj Auto Ltd.	10	-	-	2,504	72.89
Bajaj Finance Ltd.	2	-	-	3,676	111.20
Bosch Ltd.	10	-	-	356	64.74
Cipla Ltd.	2	-	-	12,094	63.97
Glaxosmithkline Consumer Healthcare Ltd.	10	-	-	1,082	78.41
Godrej Consumer Products Ltd.	1	-	-	9,596	65.83
Hdfc Bank Ltd.	2	-	-	3,704	85.89
Hindustan Unilever Ltd.	1	-	-	4,922	84.01
Housing Development Finance Corp. Ltd.	2	-	-	3,952	77.79
Infosys Ltd.	5	-	-	11,708	87.09
Kotak Mahindra Bank Ltd.	5	-	-	6,284	83.86
Larsen & Toubro Ltd.	2	-	-	5,459	75.62
Lupin Ltd.	2	-	-	7,898	58.41
Maruti Suzuki India Ltd.	5	-	-	863	57.58
Pfizer Ltd.	10	-	-	2,915	96.95
Sun Pharmaceutical Industries Ltd.	1	-	-	12,940	61.96
Titan Company Ltd.	1	-	-	9,213	105.20
Ultratech Cement Ltd.	10	-	-	1,773	70.89
ZF Steering Gear (I) Ltd.	10	100	0.23	100	0.72
<b>Total</b>			<b>0.23</b>		<b>1,539.17</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Contd...

(₹ in Lakhs)

Particulars	Face Value		As on 31/03/2020		As on 31/03/2019	
	₹	Nos.	₹	Nos.	₹	Nos.
<b>Equity PMS (Quoted)</b>						
ASK IEP Equity PMS	-	-	541.87	-	665.88	-
Motilal Oswal NTDOP PMS	-	-	967.05	-	1,272.76	-
ICICI Prudential PMS Wellness Portfolio	-	-	490.00	-	558.94	-
Ambit Coffee Can DPMS	-	-	1,334.98	-	1,248.35	-
<b>Total</b>			<b>3,333.90</b>		<b>3,745.93</b>	
<b>Exchange Traded Fund - ETF (Quoted)</b>						
ICICI Prudential Nifty ETF	10	5,12,605	465.96	-	-	-
<b>Total</b>			<b>465.96</b>		<b>-</b>	<b>-</b>
<b>Investment in Group Companies</b>						
<b>Equity Shares (Quoted)</b>						
J.L.Morison (India) Ltd.	10	2,72,800	4,092.00	2,72,800	3,821.93	
<b>Total</b>			<b>4,092.00</b>		<b>3,821.93</b>	
<b>Equity Shares / Instruments (Unquoted)</b>						
Rasoi Ltd.	200	18,065	5,403.78	16,565	5,199.36	
Prabhukripa Overseas Ltd.	10	2,31,053	53.44	2,31,053	53.44	
Compo Advics (India) Pvt. Ltd. (Joint Venture with 49% stake)	10	49,00,000	490.00	49,00,000	490.00	
Compo Advics (India) Pvt. Ltd. Convertible Preference Shares (Joint Venture with 49% stake)	10	49,00,000	490.00	49,00,000	490.00	
<b>Total</b>			<b>6,437.22</b>		<b>6,232.80</b>	
<b>Private Equity (Unquoted) *</b>						
India Business Excellence Fund - I	-	-	582.75	-	652.25	
KKR India Debt Opportunities Fund II	1,000	54,263	405.29	82,443	868.12	
Multiples Private Equity Fund Scheme I	-	-	317.15	-	496.44	
TVS Shriram Growth Fund - 1B	1,000	-	278.01	-	567.57	
Zephyr Peacock India Fund	-	-	-	-	138.09	
India Business Excellence Fund - II	-	-	905.00	-	900.00	
Indiareit Apartment Strategy Fund	-	-	321.03	-	327.56	
Aditya Birla Real Estate Fund - I	-	-	-	-	208.00	
Edelweiss Stressed & Troubled Assets Revival Fund - I	10,000	10,000	451.14	10,000	469.46	
Multiples Private Equity Fund II LLP	1,000	-	1,374.71	-	1,093.62	
Avendus Absolute Return Fund	-	-	3,379.94	-	2,251.36	
IIFL Special Opportunities Fund	-	45,30,295	570.78	45,30,295	526.73	
IIFL Special Opportunities Fund - Series 4	-	49,13,991	539.81	49,13,991	487.29	
India Business Excellence Fund - III	-	-	690.90	-	418.23	
Vantage Equity Fund	-	-	562.54	-	896.17	
TVS Shriram Growth Fund - 3	1,000	16,500	165.00	10,000	100.00	
Avendus Future Leaders Fund I	1,00,000	600	600.00	250	250.00	
<b>Total</b>			<b>11,144.05</b>		<b>10,650.89</b>	
<b>Equity Mutual Funds (Unquoted)</b>						
HDFC Small Cap Fund - Direct Plan - Growth Option	10	5,59,165	157.18	-	-	
<b>Total</b>			<b>157.18</b>		<b>-</b>	
* The Maturity of above funds range between 2 years to 8 years						
<b>Total Equity Instruments</b>			<b>25,630.54</b>		<b>25,990.72</b>	
<b>Preference Shares (Unquoted)</b>						
8.15% L&T Finance Holding Limited Preference Shares	100	-	-	15,00,000	1,500.00	
7.50% Tata Capital Preference Shares (Tranche S)	1,000	50,000	500.00	50,000	500.00	
7.15% Tata Capital Preference Shares (Tranche Z)	1,000	80,000	806.45	80,000	806.45	
7.10% Tata Capital Preference Shares (Series AA)	1,000	1,00,000	1,010.81	1,00,000	1,010.81	
7.50% Tata Capital Preference Shares (Tranche V)	1,000	67,000	696.55	67,000	696.55	

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Cont...

(₹ in Lakhs)

Particulars	Face Value ₹	As on 31/03/2020		As on 31/03/2019	
		Nos.	₹	Nos.	₹
7.33% Tata Capital Preference Shares (Tranche Y)	1,000	50,000	496.20	-	-
<b>Total Preference Shares</b>			<b>3,510.01</b>		<b>4,513.81</b>
<b>Government Securities (Quoted)</b>					
<b>Secured-</b>					
9.20% GOI - Sep 2030	5,00,00,000	1	590.21	1	560.80
8.30% GOI - July 2040	5,00,00,000	1	579.25	1	530.05
8.83% GOI - Dec 2041	5,00,00,000	2	1,220.55	2	1,122.00
9.23% GOI - Dec 2043	5,00,00,000	2	1,287.07	2	1,171.90
<b>Total Government securities</b>			<b>3,677.07</b>		<b>3,384.75</b>
<b>Debentures and Bonds</b>					
<b>Bonds (Quoted)</b>					
<b>Secured-</b>					
8.20% HUDCO Tax Free Bond-March 2027	1,000	97,310	1,119.08	97,310	1,080.23
8.10% HUDCO Tax Free Bond -March 2022	1,000	30,000	313.65	30,000	313.46
8.56% HUDCO Tax Free Bond -Sep 2028	10,00,000	1	11.99	1	11.49
8.76% HUDCO Tax Free Bond -Jan 2034	1,000	1,00,000	1,305.10	1,00,000	1,220.45
8.51% HUDCO Tax Free Bond -Oct 2028	1,000	50,000	599.10	50,000	573.65
10.25% Hansdeep Industries & Trading Company Ltd Oct 2021	10,00,000	50	490.90	50	493.25
8.26% IIFCL Tax Free Bonds -Aug 2028	10,00,000	80	942.92	80	901.87
8.19% IIFCL Tax Free Bonds -Aug 2033	10,00,000	20	249.24	20	232.40
8.66% IIFCL Tax Free Bonds -Jan 2034	1,000	50,000	647.99	50,000	604.57
7.40% IIFCL Tax Free Bonds -Jan 2033	1,000	50,000	583.85	50,000	543.59
9.50% JM Financial Credit Solutions Ltd. - May 2021	10,00,000	13	128.91	13	128.57
9.15% JM Financial Credit Solutions Ltd. -Dec 2020	10,00,000	-	-	87	866.96
8.67% NHPC Tax Free Bonds -Nov 2033	1,000	48,315	625.45	48,315	587.13
8.76% NHB Tax Free Bond -Jan 2034	5,000	50,000	3,262.74	50,000	3,067.38
8.68 % NHB Tax Free Bonds -Mar 2029	5,000	6,384	388.78	6,384	373.32
8.93 % NHB Tax Free Bonds Series 2A -Mar 2029	5,000	10,000	609.00	10,000	584.77
8.30% PFC- Tax Free Bonds -Feb 2027	1,000	7,120	82.15	7,120	79.48
8.67% PFC Tax Free Bonds -Nov 2033	1,000	1,61,945	2,095.79	1,61,945	1,963.66
7.93% REC-Tax Free Bond -March 2022	1,000	30,619	319.54	30,619	318.76
8.46% REC Tax Free Bonds -Aug 2028	10,00,000	50	596.04	50	571.41
9.25% Manappuram Finance Limited - Feb 2022	10,00,000	30	300.00	-	-
9% Muthoot Finance Limited - Apr 2023	10,000	2,000	190.02	-	-
8.55% Cholamandalam Investment And Finance Company Ltd Nov 2026	10,00,000	50	500.67	-	-
8.65% Aditya Birla Finance Ltd Series C1 - Jun 2024	10,00,000	50	439.45	-	-
8.70% Aditya Birla Finance Ltd Series D1 - July 2029	10,00,000	50	398.55	-	-
<b>Total</b>			<b>16,200.91</b>		<b>14,516.40</b>
<b>Unsecured-</b>					
9.90% IFCI Ltd Bonds Sr 58 -Nov 2032	25,000	840	210.00	880	220.00
9.90% IFCI Ltd Bonds Sr 58 -Nov 2037	25,000	2,000	500.00	2,000	500.00
9.75% IFCI Ltd. Sr.60- April 2028	10,00,000	50	500.00	50	500.00
10.75% Tata Power Co. Ltd. -Aug 2072	10,00,000	25	256.13	25	248.38
9.90% ING Vysya Bank Ltd Bond -Dec 2022	10,00,000	50	528.10	50	524.75
9.29% PFC Bonds -Aug 2022	10,00,000	50	540.55	50	510.75
8.85% HDFC Bank Limited BD Perpetual Bonds - Series 1	10,00,000	50	493.80	50	493.75
<b>Total</b>			<b>3,028.58</b>		<b>2,997.63</b>
<b>Total Bonds</b>			<b>19,229.48</b>		<b>17,514.03</b>
<b>Debentures (Quoted)</b>					
<b>Secured-</b>					

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Contd...

(₹ in Lakhs)

Particulars	Face Value ₹	As on 31/03/2020		As on 31/03/2019	
		Nos.	₹	Nos.	₹
RV Investments Pvt. Ltd. SR B - Sept 2022	10,00,000	54	519.67	-	-
10% ATS InfraBuild Pvt. Ltd. Jun 2022	10,00,000	30	300.00	30	300.00
<b>Total</b>			<b>819.67</b>		<b>300.00</b>
<b>Debentures (Unquoted)</b>					
<b>Secured-</b>					
18.50% Manyata Developers Private Ltd June 2020	10,00,000	-	-	20	132.20
15% Shashwati Realty Pvt. Ltd May 2020	10,00,000	-	-	30	300.08
<b>Total</b>			<b>-</b>		<b>432.28</b>
<b>Total Debentures</b>			<b>819.67</b>		<b>732.28</b>
<b>Total Debentures and Bonds</b>			<b>20,049.15</b>		<b>18,246.31</b>
<b>Investments carried at fair value through profit or loss</b>					
<b>Real Estate / Credit Funds (Unquoted) *</b>					
Peninsula Brookfield India Real Estate Fund	1,00,000	-	181.82	-	281.64
IIFL Income Opportunities Fund Series - Special Situations		46,64,616	205.30	46,64,616	307.03
India Realty Excellence Fund II LLP		-	216.03	-	221.66
IIFL Real Estate Fund (Domestic) Series -2		-	545.13	-	735.69
Annuities in Senior Secured Estate Transactions 1 Asset - 1	100	63,673	63.35	67,647	67.54
ICICI Prudential PMS India Real Estate Securities Portfolio-Series XII		-	139.23	-	162.40
Indostar Credit Fund	-	900	60.39	900	70.17
IIFL Real Estate Fund (Domestic) Series -3	-	-	165.43	-	228.38
Investcorp Score Fund (IDFC Score Fund)	1,000	-	410.68	-	438.25
Annuities in Senior Secured Estate Transactions 2 Asset - 2	100	4,89,645	489.46	4,89,645	559.27
Edelweiss Real Estate Opportunities Fund	1,00,000	2,675	333.83	2,375	295.50
Edelweiss Credit Opportunities Fund	-	-	151.91	-	357.57
Avendus Structured Credit Fund - I	5,00,000	176	879.50	90	450.00
India Housing Fund	-	22,64,000	249.24	22,64,000	235.74
UTI Structured Debt Opportunities Fund I		-	967.16	-	461.40
Edelweiss Infrastructure Yield Plus Fund	10,000	3,750	375.00	2,000	200.00
India Realty Excellence Fund IV	-	-	674.07	-	350.00
EISAF II Onshore Fund	-	-	416.02	-	384.23
<b>Total Real Estate / Credit Funds</b>			<b>6,523.55</b>		<b>5,806.47</b>
* The Maturity of above funds range between 2 years to 8 years					
<b>Debentures (Quoted)</b>					
<b>Secured-</b>					
IIFL Wealth Finance Limited SR IFGD IV BR - Feb 2024	1,00,000	300	305.76	-	-
<b>Total Debentures</b>			<b>305.76</b>		<b>-</b>
<b>Total Non Current Investments</b>			<b>59,696.08</b>		<b>57,942.06</b>
Aggrate amount of quoted investment and market value thereof			31,924.07		30,305.81
Aggrate amount of unquoted investments			27,772.01		27,636.25
<b>41 Current Investments:</b>					
<b>Investments carried at fair value through OCI</b>					
<b>Preference Shares (Unquoted)</b>					
8.15% L&T Finance Holding Limited Preference Shares	100	15,00,000	1,500.00	-	-
<b>Total</b>			<b>1,500.00</b>		<b>-</b>
<b>Bonds &amp; Debentures</b>					
<b>Bonds (Quoted)</b>					
<b>Secured-</b>					
9.15% JM Financial Credit Solutions Ltd. -Dec 2020	10,00,000	87	860.44	-	-
<b>Total</b>			<b>860.44</b>		<b>-</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Contd...

(₹ in Lakhs)

Particulars	Face Value	As on 31/03/2020		As on 31/03/2019	
	₹	Nos.	₹	Nos.	₹
<b>Debentures (Quoted)</b>					
<b>Secured-</b>					
39.01% EARC GSEC Linked Non Convertible Debenture Sep 2019	1,00,000	-	-	500.00	661.22
38.03% IIFL Market Linked Structured Products Dec 2019	1,00,000	-	-	500.00	634.30
<b>Total</b>		-		<b>1,295.52</b>	
<b>Debentures (Unquoted)</b>					
17.75% Orris Infrastructure Pvt Ltd. Aug 2019	1,00,00,000	2	65.83	2	65.83
18% Darvesh Properties Private Limited May 2019	1,00,000	-	-	250	123.57
18% Golden Sparrow Infrastructure Pvt. Ltd Jun 2019	10	250	18.73	1,38,750	60.07
17.25% Shanders Properties Pvt Ltd. Jul 2018	1,00,000	-	-	250	123.88
18.50% Manyata Developers Private Ltd June 2020	10,00,000	20	91.97	-	-
15% Shashwati Realty Pvt. Ltd May 2020	10,00,000	30	300.08	-	-
<b>Total</b>			<b>476.61</b>	<b>373.35</b>	
<b>Total Debentures and Bonds</b>			<b>1,337.05</b>	<b>1,668.87</b>	
<b>Investments carried at fair value through profit or loss</b>					
Liquid Mutual Funds (Unquoted)					
Kotak Liquid Direct Growth Plan	1,000	-	-	55,114.78	2,085.73
HDFC Liquid Fund - Growth (Ambit coffee Can PMS)	1,000	-	-	657.02	18.47
ICICI Prudential Liquid Fund (ICICI Pru Wellness PMS)	1,000	0.534	-	-	-
<b>Total</b>			<b>0.00</b>	<b>2,104.20</b>	
<b>Total Mutual Funds</b>			<b>0.00</b>	<b>2,104.20</b>	
<b>Total Current Investments</b>			<b>2,837.05</b>	<b>3,773.07</b>	
<b>Aggregate amount of quoted investment and market value thereof</b>			<b>860.44</b>	<b>1,295.52</b>	
<b>Aggregate amount of unquoted investments</b>			<b>1,976.61</b>	<b>2,477.55</b>	

**42 Employee Benefits**
**(a) Defined contribution plan**

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary and other allowances as per regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognised during the period towards defined contribution plan is ₹ 137.04 lakhs (March 31, 2019 ₹ 122.95 lakhs).

**(b) Defined benefit plan**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity for employees who are in continuous services for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity is a funded plan and the Company make contributions to recognised funds in India.

Particulars	(₹ in Lakhs)		
	Present Value of Obligation	Fair Value of plan assets	Net amount
<b>As at March 31, 2018</b>	<b>395.50</b>	<b>401.76</b>	<b>(6.26)</b>
Current service cost	29.19	-	29.19
Interest expense/(income)	31.16	31.66	(0.50)
Total amount recognised in statement of profit and loss	60.35	31.66	28.69



NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Contd...	(₹ in Lakhs)		
Particulars	Present Value of Obligation	Fair Value of plan assets	Net amount
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in internet expense/(income)	4.07	(4.07)	8.14
<b>Net actuarial (gain)/loss</b>	-	-	
Change in experience	6.96	-	6.96
Change in demographic assumptions	-	-	-
Change in financial assumptions	6.09	-	6.09
<b>Total amount recognised in other comprehensive income</b>	<b>17.12</b>	<b>-</b>	<b>21.19</b>
Employer Contribution	-	28.00	(28.00)
Benefits payment	(14.69)	(10.62)	(4.07)
<b>As at March 31, 2019</b>	<b>458.28</b>	<b>450.80</b>	<b>11.55</b>
<b>As at March 31, 2019</b>	<b>458.28</b>	<b>446.73</b>	<b>11.55</b>
Current service cost	28.93	-	28.93
Interest expense/(income)	35.24	30.22	5.02
	64.17	30.22	33.95
<b>Total amount recognised in statement of profit and loss</b>	<b>64.17</b>	<b>30.22</b>	<b>33.95</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in internet expense/(income)	4.20	(4.20)	8.40
<b>Net actuarial (gain)/loss</b>			
Change in experience	61.44	-	61.44
Change in demographic assumptions	-	-	-
Change in financial assumptions	34.64	-	34.64
<b>Total amount recognised to comprehensive income</b>	<b>100.28</b>	<b>(4.20)</b>	<b>104.48</b>
<b>Employer contribution</b>	<b>-</b>	<b>20.00</b>	<b>-20.00</b>
<b>Benefits payment</b>	<b>(28.20)</b>	<b>(19.87)</b>	<b>(8.33)</b>
<b>As at March 31, 2020</b>	<b>594.53</b>	<b>472.88</b>	<b>121.65</b>
<b>The net liability disclosed above relates to funded and unfunded plans are as follows:</b>			(₹ in Lakhs)
Particulars	As at March 31, 2020	As at March 31, 2019	
Present value of funded obligations	(594.53)	(458.28)	
Fair value of plan assets	472.88	446.73	
<b>Deficit of funded plan</b>	<b>(121.65)</b>	<b>(11.55)</b>	
<b>Significant estimates: actuarial assumptions and sensitivity</b>			
<b>Financial assumption:</b>			
Discount rate	6.83%	7.69%	
Salary escalation rate	6.00%	6.00%	
<b>Demographic assumption:</b>			
Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	
Attrition rate	2%	2%	
Retirement age	58 & 60 Years	58 & 60 Years	

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**Contd..**
**(₹ in Lakhs)**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Sensitivity analysis</b>		
The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:		
<b>Discount rate</b>		
a) Discount rate - 100 basis points	45.20	34.56
b) Discount rate + 100 basis points	(39.95)	(30.56)
<b>Salary escalation rate</b>		
a) Rate - 100 basis points	(40.60)	(31.29)
a) Rate + 100 basis points	45.12	34.80

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Particulars	As at March 31, 2020	As at March 31, 2019
<b>The major categories of plan asset are as follows:</b>		
Equities	0%	0%
Bonds	0%	0%
Gilts	0%	0%
Pooled assets with an insurance company	100%	100%
Other	0%	0%
	<b>100%</b>	<b>100%</b>

**The defined benefit obligations shall mature after year end March 31, 2020 as follows:**

Year 1	77.91	68.24
Year 2	18.42	16.61
Year 3	34.46	18.88
Year 4	39.97	28.67
Year 5	44.39	33.81
Year 6-10	314.58	258.27

The weighted average duration of the defined benefit obligation is 9 years (Previous Year 2019: 9 years).

**Risk exposure:**

Through its defined benefit plans, Company is exposed to a number of risks, the most significant of which are detailed below:

**Investment risk:** The present value of the defined benefit plan liability is calculated using discount rate determined by reference to market yields at the end of reporting period on government bond yields.

**Interest risk:-** A decrease in the bond interest will increase in plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to best estimate of the mortality of plan participants both during and at the end of employment. An increase in the life expectancy of the plan participants will increase the plan liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such an increase in salary of the plan participants will increase the plan liability.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

**43 Financial instruments**

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 40 and 41.

**Financial assets and liabilities**

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

**a. Financial assets**

(₹ in Lakhs)

Particulars	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL	Instruments carried at amortized cost	Total carrying value	Total fair value
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<b>As at 31<sup>st</sup> March, 2019</b>						
Investments	25,990.72	26,518.23	9,206.17	-	61,715.12	61,715.12
Trade receivables	-	-	-	3,413.45	3,413.45	3,413.45
Cash and cash equivalents	-	-	-	74.60	74.60	74.60
Other Bank balances	-	-	-	47.92	47.92	47.92
Loans	-	-	-	5,055.82	5,055.82	5,055.82
Other financial assets	-	-	-	979.95	979.95	979.95
<b>Total</b>	<b>25,990.72</b>	<b>26,518.23</b>	<b>9,206.17</b>	<b>9,571.74</b>	<b>71,286.86</b>	<b>71,286.86</b>

<b>As at 31<sup>st</sup> March, 2020</b>						
Investments	25,630.54	30,073.29	6,829.31	-	62,533.13	62,533.13
Trade receivables	-	-	-	3,420.49	3,420.49	3,420.49
Cash and cash equivalents	-	-	-	656.67	656.67	656.67
Other Bank balances	-	-	-	52.64	52.64	52.64
Loans	-	-	-	4,464.80	4,464.80	4,464.80
Other financial assets	-	-	-	1,084.35	1,084.35	1,084.35
<b>Total</b>	<b>25,630.54</b>	<b>30,073.29</b>	<b>6,829.31</b>	<b>9,678.95</b>	<b>72,212.08</b>	<b>72,212.08</b>

**b. Financial liabilities**

(₹ in Lakhs)

Particulars	Fair value through profit and loss	At amortized cost	Total carrying amount (A+B)	Total fair value
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<b>As at 31<sup>st</sup> March, 2019</b>				
Borrowings	-	268.04	268.04	268.04
Trade payables	-	3,503.52	3,503.52	3,503.52
Other financial liabilities	-	285.77	285.77	285.77
<b>Total</b>	<b>-</b>	<b>4,057.33</b>	<b>4,057.33</b>	<b>4,057.33</b>

<b>As at 31<sup>st</sup> March, 2020</b>				
Borrowings	-	521.12	521.12	521.12
Trade payables	-	3,191.52	3,191.52	3,191.52
Other financial liabilities	-	205.50	205.50	205.50
<b>Total</b>	<b>-</b>	<b>3,918.14</b>	<b>3,918.14</b>	<b>3,918.14</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**c. Fair value hierarchy**

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows:

- Level 1: quoted prices for identical instruments in active market.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at March 31, 2020, and March 31, 2019 measured at fair value:

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31<sup>st</sup> March, 2019</b>				
<b>Assets at fair value</b>				
<b>Equities</b>				
Equity Instruments	9,107.04	16,883.68	-	25,990.72
<b>Debt</b>				
Preference Shares	-	-	4,513.81	4,513.81
Real Estate Fund	-	5,806.47	-	5,806.47
Liquid Mutual Funds	2,104.20	-	-	2,104.20
Government Bonds	3,384.75	-	-	3,384.75
Bonds	15,800.77	2,013.34	-	17,814.11
Non Convertible Debentures	-	1,295.51	805.56	2,101.07
	<b>30,396.76</b>	<b>25,999.00</b>	<b>5,319.37</b>	<b>61,715.13</b>

**As at 31<sup>st</sup> March, 2020**
**Assets at fair value**
**Equities**

Equity Instruments	8,049.26	17,581.28	-	25,630.54
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**Debt**

Preference Shares	-	-	5,010.01	5,010.01
Real Estate Fund	-	6,523.55	-	6,523.55
Government Bonds	3,677.07	-	-	3,677.07
Bonds	18,936.27	2,000.99	-	20,937.26
Non Convertible Debentures	-	305.76	448.94	754.70
	<b>30,662.61</b>	<b>26,411.57</b>	<b>5,458.95</b>	<b>62,533.13</b>

**Fair value of financial assets and liabilities measured at amortised cost:-**

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2020		As at 1 <sup>st</sup> April, 2019	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Trade receivables	3,420.49	3,420.49	3,413.45	3,413.45
Cash and cash equivalents	656.67	656.67	74.60	74.60
Other Bank balances	52.64	52.64	47.92	47.92
Loans	4,464.80	4,464.80	5,055.82	5,055.82
Other financial assets	1,084.35	1,084.35	979.95	979.95
	9,678.95	9,678.95	9,571.74	9,571.74
<b>Financial liabilities</b>				
Borrowings	521.12	521.12	268.04	268.04
Trade payables	3,191.52	3,191.52	3,503.52	3,503.52
Other financial liabilities	205.50	205.50	285.77	285.77
	3,918.14	3,918.14	4,057.33	4,057.33

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

The Management assessed that fair value of cash and cash equivalents, trade receivables, investments in term deposits, loans, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) is considered to be equal to the carrying amount of these items due to their short-term nature.

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

**44 Income Taxes**

**A. Components of Income Tax Expense**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>(a) Tax expense recognised in the Statement of Profit and Loss</b>		
<b>i) Current tax</b>		
Current year	126.18	230.23
Tax provision of earlier years	-	(181.36)
<b>Total current tax</b>	<b>126.18</b>	<b>48.87</b>
<b>ii) Deferred tax</b>		
Relating to origination and reversal of temporary difference	(298.20)	(125.55)
Total deferred income tax expense/(credit)	(298.20)	(125.55)
<b>Total i) + ii)</b>	<b>(172.02)</b>	<b>(76.68)</b>
<b>(b) Tax on Other Comprehensive Income</b>		
<b>i) Tax relating to items that will not be reclassified to profit or loss</b>		
Tax on realized gain of equity instruments	(39.46)	(67.42)
Tax on remeasurements of net defined benefit plans	15.64	3.65
Tax on equity instrument through other comprehensive income	354.37	(147.14)
	330.55	(210.91)
<b>ii) Income tax on items that will be reclassified to profit or loss</b>		
Tax on debt instrument through other comprehensive income	(239.58)	117.79
	<b>(239.58)</b>	<b>117.79</b>
<b>Total i) + ii)</b>	<b>90.97</b>	<b>(93.12)</b>

**44 Income Taxes (Continue)**

**B. Reconciliation of tax expenses and the accounting profit for the year**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :		
<b>Profit before tax</b>	<b>1,031.48</b>	<b>1,823.42</b>
<b>Enacted income tax rate in India</b>	<b>29.12%</b>	<b>29.12%</b>
Expected income tax expense during the year at statutory rate	300.37	530.98
Differences due to:		
Expenses not deductible for tax purposes	33.19	42.59
Exempt Income	(242.33)	(308.88)
Tax of earlier years reversed	-	(181.36)
Impact of Minimum alternate tax	(139.46)	(155.60)
Tax Rate Difference etc.	(123.01)	(4.41)
<b>Effective tax expenses</b>	<b>(171.24)</b>	<b>(76.68)</b>

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**C. The movement in deferred tax assets and liabilities**

(₹ in Lakhs)

Movement during the year ended March 31, 2019	As at 31 <sup>st</sup> March, 2018	Credit/ (charge) in statement of Profit and Loss	Credit/ charge) in Other Comprehensive Income	As at 31 <sup>st</sup> March, 2019
<b>Deferred tax assets/(liabilities)</b>				
On expenses allowable for tax purposes when paid	27.02	2.62	-	29.64
On depreciation	(1,104.87)	(15.42)	-	(1,120.29)
On fair valuation of financial assets	(3,792.60)	46.35	(29.35)	(3,775.60)
	(4,870.45)	33.55	(29.35)	(4,866.25)
<b>Movement during the year ended March 31, 2020</b>				
	As at 31 <sup>st</sup> March, 2019	Credit/ (charge) in statement of Profit and Loss	Credit/ charge) in Other Comprehensive Income	As at 31 <sup>st</sup> March, 2020
On expenses allowable for tax purposes when paid	29.64	1.20	-	30.84
On depreciation	(1,120.29)	(0.91)	-	(1,121.20)
On fair valuation of financial assets	(3,775.60)	151.63	114.78	(3,509.19)
<b>Total</b>	<b>(4,866.25)</b>	<b>151.92</b>	<b>114.78</b>	<b>(4,599.55)</b>

**45 Risk Management**
**Financial risk management objective and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The risk management policies aims to mitigate the following risk arising from the financial instruments: (a) Market risk; (b) Liquidity risk and (c) Credit risk.

**Financial risk factors**

The Company's principal financial liabilities comprise borrowings, deposits from dealers and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risk arising from the financial instruments: (a) Market risk; (b) Liquidity risk and (c) Credit risk (d) COVID 19.

Risk	Exposure arising from	Measurement	Management
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities; working capital management
Credit risk	Cash and cash equivalents, trade receivables, Investments, loans and other financial assets measured at fair /amortised cost.	Ageing analysis/ Credit ratings / Assets Coverage	Diversification in various class of assets, credit limits
Market Risk - Foreign exchange	Financial assets and liabilities denominated in INR	Cash flow forecasting Sensitivity analysis	Hedging Forex planning
Market Risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market Risk - Price risk	Investments in Equities, Bonds, debentures, funds	Sensitivity analysis; market fluctuations; credit rating	Continuous monitoring, Diversification

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(a) Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintain sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

(i) Financing arrangements

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period: (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured working capital credit facility from Banks	113.20	185.54

(ii) The following is the contractual maturities of the financial liabilities: (₹ in Lakhs)

Particulars	Carrying amount	Total	Payable on demand	Less than 1 month	1-6 months	more than 12 months
<b>As at 31<sup>st</sup> March, 2019</b>						
<b>Non-derivative liabilities</b>						
Borrowings	268.04	268.04	-	223.36	11.96	32.72
Trade payables	3,503.52	3,503.52	-	1,167.94	2,335.58	-
Other financial liabilities	285.78	285.78	-	285.78	-	-
<b>As at 31<sup>st</sup> March, 2020</b>						
<b>Non-derivative liabilities</b>						
Borrowings	521.12	521.12	-	503.32	8.29	9.51
Trade payables	3,191.52	3,191.52	-	930.39	2,261.13	-
Other financial liabilities	205.50	205.50	-	205.50	-	-

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

(i) Foreign currency risk

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company does have transactions in currency other than functional currency i.e. in US Dollar (USD) for purchase of raw material from overseas supplier. However, those are not very significant considering the nature and size of the operations of the Company.

Foreign Currency Exposure (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
	USD	USD
Trade payable	0.29	0.63
Trade receivables	2.08	1.88
<b>Net Exposure - [Receivable/(Payable)]</b>	<b>1.79</b>	<b>1.25</b>

The company's exposure to the foreign currency risk is not significant considering the nature and size of the operations.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's Long term borrowings have fixed rate of interest and carried at amortized costs and short term borrowings have variable rate of interest. The Company also has significant investments in Bonds i.e. Government securities; Debentures; Preference shares and Debt funds. These investments are subject to the Market risk - Interest rate risk.

**Exposure to Interest rate risk - Financial liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Total borrowings	113.20	185.54
% of borrowings out of above bearing variable rate of interest and short term in nature	421.63%	85.94%

Hence, the Company is not significantly exposed to the interest rate risk as working capital facility are, as per contractual terms, primarily of short term in nature.

**Exposure to Interest rate risk - Financial assets - Investments in Government Bonds, Bonds, Debentures, Debt funds and Preference Shares**

Market price risk for government bonds, debentures, Preference shares and other bonds is movement in the interest rate and impact thereof on the yield. The Company's major part of investments is in Bonds/Debentures, which exposes Company to a price risk and consequently impact on the profitability and value of instruments

**Sensitivity**

The table below summarises the impact of increase/decrease in the interest rate over the value of bonds/debentures. The analysis is based on the assumption that the Interest rate has increased by 100 bps or decrease by 100bps with all other variables held constant.

Impact on profit before tax	₹ in Lakhs	
	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Increase of 100 bps -Gain/(loss)	(1,845.13)	(1,947.00)
Decrease of 100 bps-Gain/(loss)	1,845.13	1,947.00

**(iii) Price Risk**

The Companies' exposure to price risk arises from investments held by the Company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. To manage its price risk arising from its investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company in accordance with the guidelines provided by the Board of directors of the Company.

**Exposure**

Nature of Investments	As at March 31, 2020		As at March 31, 2019	
	Amount	%	Amount	%
Equity Instruments	25,630.54	40.99%	25,990.72	42.11%
Real Estate Fund	6,523.55	10.43%	5,806.47	9.41%
Liquid Mutual Funds	0.00	0.00%	2,104.20	3.41%
Preference Shares	5,010.01	8.01%	4,513.81	7.31%
Government Bonds	3,677.07	5.88%	3,384.75	5.48%
Bonds	20,937.26	33.48%	17,814.11	28.87%
Non Convertible Debentures	754.70	1.21%	2,101.07	3.40%
<b>Total</b>	<b>62,533.13</b>	<b>100.00%</b>	<b>61,715.13</b>	<b>100%</b>

**Investments in Equity Instruments and Equity mutual funds (including investment through Private Equity funds)**

The Company's quoted equity instruments are subject to the market price risk arising from the fluctuation in the market price of those instruments. This risk arises from instruments which are classified as Fair value through P&L or Fair value through OCI. The Company's investment in equity instruments mainly consists of Investments in certain of its group companies wherein the price fluctuations, based on the historical trends, are not very significant.



NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

**Sensitivity**

The table below summarises the impact of Increase/decrease of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5% or decrease by 5 % with all other variables held constant and that all the Company's equity instruments moved in line with the index.

	(₹ in Lakhs)	
Impact on total comprehensive income	For the year ended March 31, 2020	For the year ended March 31, 2019
BSE Sensex - Increase 5% -Gain/(loss)	1,281.53	1,364.31
BSE Sensex - Decrease 5% -Gain/(loss)	(1,281.53)	(1,364.31)

**(c) Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an on-going basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- (iv) Significant increase in credit risk on other financial instruments of same counterparty.

**(l) Expected credit loss for trade receivables under simplified approach** (₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Not Due	1,762.07	2,379.93
0-90 days	1,568.65	969.27
90-180 Days	64.71	51.26
> 180 Days	25.06	12.99
<b>Total</b>	<b>3,420.49</b>	<b>3,413.45</b>

**Commodity Risk**

The Company is exposed to the risk of price fluctuation of raw materials proactively managed through forward booking, inventory management and proactive vendor development practices.

**(d) Covid - 19 Risk**

In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. On 25<sup>th</sup> March, 2020, the Government of India has declared this pandemic a health emergency, ordered temporary closure of all non-essential businesses, imposed restrictions on movement of goods/material, travel, etc. As the nature of business performed by the Company fell under non-essential category, these restrictions had substantially impacted its operations at plants. The Company has since, after receiving applicable permissions, partially commenced operations including despatch of goods to its customers at all of its manufacturing facilities and scaling up the same gradually. In assessing the recoverability of trade receivables, impact on investments and realisation of inventories, apart from considering the internal and external information up to the date of approval of these standalone financial statements, the Company has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of this pandemic may be different from that estimated as at the date of approval of these standalone financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**46 Capital risk management**

(a) The Companys' objectives when managing capital are to :

- ◆ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which includes capital and other strategic investments. The Companys' intention is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Total equity	77,165.10	76,285.44
Net Debt	(135.55)	279.12
<b>Total Capital (Borrowings and Equity)</b>	<b>77,029.55</b>	<b>76,564.56</b>
<b>Gearing Ratio</b>	<b>-0.18%</b>	<b>0.36%</b>

(i) Net debt represents total borrowings (non-current & current) as reduced by cash and cash equivalents.

(ii) Equity comprises of all components including other comprehensive income.

**(b) Dividend**

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Equity Shares</b>		
Final dividend for the year ended March 31, 2019 of ₹ 2.00 per shares (March 31, 2018 - ₹ 0.50) per fully paid share	295.38	73.85

In addition to the above dividend, since year end the directors have recommended the payment of a final dividend of ₹ 2 per fully paid equity share (31<sup>st</sup> March, 2020 – ₹ 2). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

**47 Related Party Disclosure :**
**(A) Relationships:**
**(i) Joint ventures in which the entity is a joint venturer:**

Compo Advics (India) Pvt. Ltd.

**(ii) Key Management Personnel (KMP):**
**Whole Time Directors**

Mr. Raghu Mody, Executive Chairman  
Mr. P. K. Choudhary, Managing Director

**Chief Financial Officer (CFO)**

Mr. Sunil Jindal, Chief Financial Officer

**Company Secretary**

Mr. Vikram Soni, Company Secretary and Compliance Officer

**(iii) Relatives of Key Managerial Personnel / Directors:**

Mrs. Shashi Mody (Daughter-in-law of Mr. Raghu Mody, Executive Chairman)  
Mr. Varunn Mody, (Husband of Smt. Sakshi Mody, Non Executive Director)

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

**(iv) Non Executive Directors:**

Mr. Ashok B Vadiya, Independent Director  
Mr. K. S. Brar, Independent Director  
Mr. Deepak Sethi, Independent Director  
Mr. Lalit Kumar Bararia, Additional Director (appointed w.e.f.13<sup>th</sup> Feb. 2020)  
Mr. Chakrapani Brajesh Misra, Independent Director (resigned w.e.f. 28<sup>th</sup> Feb. 2020)  
Mrs. Preeti Vimal Agrawal, Additional Director (appointed w.e.f. 13<sup>th</sup> Feb. 2020)  
Mrs. Sakshi Mody, Non Executive Director (resigned w.e.f. 14<sup>th</sup> Feb. 2020)

**(v) Other Related Parties:**

Rasoi Ltd., \*  
Leaders Healthcare Ltd. \*  
J L Morison (India) Ltd.  
Pallawi Resources Ltd.  
Rasoi Express Pvt. Ltd.

\* Entities belonging to promoter/promoter group holding 10% or more shareholding in the company.

**(B) Transactions carried out with related parties referred in (A) above, in ordinary course of business:**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>(i) Inter Corporate Deposits Given</b>		
Pallawi Resources Limited (secured)	Nil	1,750.00
Leaders Healthcare Ltd.	500.00	Nil
<b>(ii) Inter Corporate Deposits Refund Received</b>		
Leaders Healthcare Ltd.	500.00	Nil
<b>(iii) Rent Paid (Including GST)</b>		
J L Morison (India) Ltd.	15.58	15.58
Pallawi Resources Limited	4.25	4.25
Mr. Varunn Mody	19.46	18.28
<b>(iv) Income</b>		
Marketing Fees and Royalty		
- Compo Advics (India) Pvt. Ltd.	6.25	5.66
Interest Income		
- Pallawi Resources Limited	175.35	45.55
- Leaders Healthcare Ltd.	22.88	Nil
<b>(v) Purchase of Investment - Rasoi Ltd. Equity Shares</b>		
J L Morison (India) Ltd.	495.00	Nil
<b>(vi) Dividend Received</b>		
J L Morison (India) Ltd.	2.73	2.73
Rasoi Limited	Nil	1.66
<b>(vii) Salaries and other employee benefits to Whole Time Directors and KMP</b>		
Mr. Raghu Mody*	156.29	195.29
Mr. P.K. Choudhary	90.78	85.96
Mr. Amit Goenka (upto 7 <sup>th</sup> May, 2018)	Nil	4.79
Mr. Sunil Jindal	23.82	21.32
Mr. Vikram Soni (w.e.f. 8 <sup>th</sup> May, 2018)	10.31	7.70

Note: \* Includes Rs. 44.76 Lakhs being excess managerial remuneration for the current year for which necessary shareholders approval is being obtained.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**(B) Transactions carried out with related parties referred in (A) above, in ordinary course of business:**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>(viii) Salaries and other employee benefits to relatives of Directors &amp; Key Managerial Personnel</b>		
Mrs. Shashi Mody	29.48	27.75
Mr. Varunn Mody	84.29	80.30
<b>(ix) Directors sitting fees and commission to independent and non executive directors</b>		
Mr. Ashok B Vadiya	3.70	3.40
Mr. K. S. Brar	3.50	3.50
Mr. Deepak Sethi	3.00	2.60
Mr. Chakrapani Brajesh Misra	0.80	3.50
Mrs. Sakshi Mody	0.50	0.20
<b>(x) Other Transactions</b>		
Rasoi Express Pvt. Ltd. (Purchase of Air Ticket)	63.55	116.22
Compo Advics (India) Pvt. Ltd. (Sale of Raw Material(Net))	28.46	36.21

**(C) Balances outstanding with related parties referred in (A) above, in ordinary course of business:**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>(i) Receivable:</b>		
<b>- Inter Corporate Deposits:</b>		
Pallawi Resources Limited (secured)	1,750.00	1,750.00
<b>- Others Receivable:</b>		
Compo Advics (India) Pvt. Ltd.	25.26	26.84
Pallawi Resources Limited	41.31	40.99
Mr. Varunn Mody	6.60	6.60
<b>(ii) Payable:</b>		
<b>- Salaries and other employee benefits to Whole Time Directors and KMP</b>		
Mr. Raghu Mody	Nil	28.86
<b>- Commission to independent directors</b>		
Mr. Ashok B Vadiya	1.90	1.90
Mr. K. S. Brar	1.90	1.90
Mr. Deepak Sethi	1.90	1.90
Mr. Chakrapani Brajesh Misra	Nil	1.90
<b>- Others</b>		
Rasoi Express Pvt. Ltd.	0.57	11.26
<b>(iii) Investment in:</b>		
J L Morison (India) Ltd. (at cost)	515.49	515.49
Rasoi Limited (at cost)	1,351.36	856.36
Compo Advics (India) Pvt. Ltd. (at cost)	980.00	980.00

**Note:**

- i) No amount pertaining to related parties has been provided for as doubtful debts. Also no amount has been written off/back
- ii) The related parties are as identified by the Company and relied upon by the Auditors.

**NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

**48 (a) Loans and Advances in nature of loans.**

Loans where there is no interest or at an interest rate below that specified in the Companies Act, 2013.

<b>Amount Outstanding end of the year</b>		
Employees (as per general rules of the Company)	3.07	5.94
<b>Maximum amount Outstanding During the Year</b>		
Employees (as per general rules of the Company)	6.12	7.37

**(b) Details of Short Term Inter Corporate Deposits: #**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Gillanders Arbuthnot & Co. Ltd	900.00	1,000.00
Zuari Agro Chemicals Ltd.	Nil	500.00
Globe Financial Services Pvt. Ltd.	150.00	150.00
India Glycols Limited	1,650.00	800.00
Premier Irrigation Adritec Pvt. Ltd.	Nil	250.00
Elpro International Limited	Nil	600.00
<b>Total</b>	<b>2,700.00</b>	<b>3,300.00</b>

**(c) Details of Long Term Inter Corporate Deposits: #**

Pallawi Resources Limited	1,750.00	1,750.00
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#Inter corporate deposits (ICD) given for general corporate purpose of the borrowing company on interest in the range of 10% to 13% (Previous Year 11.50% to 15%).

**49 Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.**

(₹ in Lakhs)

Particulars	As At March 2018	Cash Flow	Non- Cash Changes	As At March 2019	Cash Flow	Non- Cash Changes	As At March 2020
Long Term Borrowing*	293.06	(98.80)	-	194.25	(85.67)	-	108.58
Short Term Borrowing	200.62	(41.17)	-	159.45	317.84	-	477.29

\* Including current maturity of long term borrowing.

**50** The Company has made an investment of ₹ 980 lakhs (Previous Year ₹ 980 lakhs) in Compo Advics India Private Limited, a Joint Venture Company which has accumulated losses of ₹ 1,023.19 lakhs (Previous Year ₹ 867.11 lakhs), being Companys' Share i.e. 49%. In view of the accumulated losses, there is a substantial diminution in the value of Companys' investment. However, as this investment is long term and of strategic nature and there being some hope of improvements in the year 2020-21, diminution being considered as temporary, no provision is required to be made.

**51** Previous years' figures have been regrouped/reclassified whenever necessary to conform to current years' classification.

Signatures to Notes 1 to 51 which form an integral part of the financial statements.

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

**Raghu Mody**  
Chairman  
(DIN 00053329)

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

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

**Sunil Jindal**  
Chief Financial Officer

**Place: Mumbai**  
**Date: 29<sup>th</sup> June, 2020**

**INDEPENDENT AUDITOR’S REPORT**

**To The Members of Hindustan Composites Limited**

**Opinion**

**Report on the Audit of Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Hindustan Composites Limited and its Joint Venture (the Holding Company and its Joint Venture together referred to as “the Group”), which comprises of Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year than ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2020, its consolidated profits, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current 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

**Information Other than the Consolidated Financial Statements and Auditor’s report thereon**

Sr. No	Key Audit Matters	Auditor’s response
1	<p><b>Valuation and Impairment of unquoted equity instruments/Debt Instruments:</b></p> <p>We focused on the valuation of unquoted equity instruments/Debt Instruments due to the materiality of the instruments and the nature of their valuation which involve the use of judgmental assumptions. As disclosed in note 3 and 8, as at March 31, 2020 the Group has unquoted equity instruments/debt Instruments of ₹ 28,768.63 Lakhs. These instruments are classified and measured at fair value through other comprehensive income.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed and tested the design and the operating effectiveness of the key controls that management has established to support the review and approval of the model design, key model inputs and valuation.</p> <p>We assessed the appropriateness of the valuation method used by management by verifying the key inputs used in determining the assumptions as also corroborating the information.</p>

Sr. No	Key Audit Matters	Auditor's response
2	<p><b>Inventory – existence and valuation</b></p> <p>As at March 31, 2020, the Group held inventories of ₹ 1256.65 lakhs. [Also, refer Note no. 7 of the consolidated financial statements]</p> <p>Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19).</p> <p>As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, physical verification of inventories as on the Balance sheet date and subsequently also till the date of this report, couldn't be carried out.</p> <p>We have accordingly designated this as a focus area of the audit.</p>	<p><b>Audit procedures performed:</b></p> <p>We have performed following alternative audit procedures over inventory existence and valuations.</p> <p>(a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the physical and valuation considered appropriately</p> <p>(b) Performing procedures to ensure that the changes in inventory between the last verification date namely 31st December, 2019 and date of the Balance sheet are properly recorded (Roll forward procedures)</p> <p>(c) Performing substantive analytical procedures to test the correctness of inventory existence and valuation</p> <p>(d) Testing of accuracy of inventory reconciliations with the general ledgers at period end, including test of reconciling items</p> <p>The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation.</p>

The Companies' Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Corporate Governance report and Shareholder's information, but does not include the consolidated financial statement and our auditor's report thereon.

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

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

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

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

The Companies' Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

#### **Other Matter**

We did not audit the financial statements of a joint venture in India included in the consolidated financial statements, whose financial statements reflect Group's share of loss of ₹156.09 Lakhs for the year ended March 31, 2020. These financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books and records.



- (c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including consolidated other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its Joint Venture incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act, except excess managerial remuneration paid to its Executive Chairman for which necessary shareholders approval is being taken (Refer Note No.36).

- (h) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements. [Refer Note No.33]
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

**Vinay Somani**  
 Partner  
 Membership No. 143503  
 UDIN:20143503AAAAGH7632

Place: Mumbai  
 Date : 29<sup>th</sup> June, 2020

#### Annexure A

### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN COMPOSITES LIMITED

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

In conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Hindustan Composites Limited ("the Holding Company") and its Joint Venture.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and,

both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements and (4) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the Group from time to time.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us the Group has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place: Mumbai**  
**Date : 29<sup>th</sup> June, 2020**

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

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN:20143503AAAAGH7632

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	12,226.49	12,532.77
(b) Intangible assets	2	16.99	3.40
(c) Intangible assets under development	2.1	16.16	-
(d) Financial assets			
(i) Investments	3	58,716.08	57,037.33
(ii) Loans	4	1,750.00	1,750.00
(iii) Other financial assets	5	55.96	60.57
(e) Other non-current assets	6	10.81	4.67
<b>Total non-current assets</b>		<b>72,792.49</b>	<b>71,388.74</b>
<b>Current assets</b>			
(a) Inventories	7	1,256.65	1,229.77
(b) Financial assets			
(i) Investments	8	2,837.05	3,773.07
(ii) Trade receivables	9	3,395.23	3,413.45
(iii) Cash and cash equivalents	10	656.67	74.60
(iv) Bank Balances other than (iii) above	11	52.64	47.92
(v) Loans	12	2,714.80	3,305.82
(vi) Other financial assets	13	1,028.39	919.38
(c) Other current assets	14	195.23	523.83
(d) Current tax assets (Net)		190.78	-
<b>Total current assets</b>		<b>12,327.44</b>	<b>13,287.84</b>
<b>Total Assets</b>		<b>85,119.93</b>	<b>84,676.58</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	15	738.45	738.45
(b) Other Equity	16	75,365.84	74,642.26
<b>Total equity</b>		<b>76,104.29</b>	<b>75,380.71</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Borrowings	17	43.83	108.58
(b) Provisions	18	207.92	133.59
(c) Deferred tax liabilities (Net)	44	4,599.55	4,866.25
(d) Other non current liabilities	19	79.12	70.08
<b>Total non-current liabilities</b>		<b>4,930.42</b>	<b>5,178.50</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	477.29	159.46
(ii) Trade payables	21		
- total outstanding dues of micro and small enterprises		48.24	76.41
- total outstanding dues of creditors other than micro and small enterprises		3,198.83	3,427.11
(iii) Other financial liabilities	22	205.50	285.77
(b) Other current liabilities	23	32.39	102.93
(c) Provisions	24	122.97	50.49
(d) Current tax liabilities (Net)	25	-	15.20
<b>Total current liabilities</b>		<b>4,085.22</b>	<b>4,117.37</b>
<b>Total Equity and Liabilities</b>		<b>85,119.93</b>	<b>84,676.58</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the financial statements</b>	<b>B (1 - 40)</b>		

As per our attached report of even date

For and on behalf of the Board of Directors

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Raghu Mody**

Chairman  
(DIN 00053329)

**P.K. Choudhary**

Managing Director  
(DIN 00535670)

**Vikram Soni**

Company Secretary & Compliance Officer  
Membership No. A36705

**Sunil Jindal**

Chief Financial Officer

**Place: Mumbai**

**Date: 29<sup>th</sup> June, 2020**

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**  
 (₹ in Lakhs)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
<b>I</b> Revenue from operations	26	17,805.19	19,661.31
<b>II</b> Other income	27	49.49	217.21
<b>III Total Income ( I + II)</b>		<b>17,854.68</b>	<b>19,878.52</b>
<b>IV Expenses</b>			
Cost of materials consumed	28	7,338.21	8,683.46
Changes in inventories of finished goods and work-in-progress	29	(134.78)	(108.47)
Employee benefits expense	30	3,354.97	3,192.37
Finance costs	31	22.31	22.27
Depreciation and amortization expense	1 & 2	950.30	874.70
Other expenses	32	5,292.19	5,390.77
<b>Total Expenses</b>		<b>16,823.20</b>	<b>18,055.10</b>
<b>V Profit before tax ( III - IV)</b>		<b>1,031.48</b>	<b>1,823.42</b>
<b>VI Share of (loss) of joint venture</b>		<b>(156.09)</b>	<b>(145.22)</b>
<b>VII Profit before tax ( V - VI)</b>		<b>875.39</b>	<b>1,678.20</b>
<b>VIII Tax Expense:</b>	<b>44</b>		
Current tax		126.18	230.23
Deferred tax		(298.20)	(125.55)
Tax of earlier years reversed		-	(181.36)
<b>Total Tax Expense</b>		<b>(172.02)</b>	<b>(76.68)</b>
<b>IX Profit for the year</b>		<b>1,047.41</b>	<b>1,754.88</b>
<b>X Other Comprehensive Income</b>			
<b>A. (i)</b> Items that will not be reclassified to profit or loss	43	(881.28)	953.68
(ii) Income tax relating to items that will not be reclassified to profit or loss	44	330.55	(210.91)
<b>B. (i)</b> Items that will be reclassified to profit or loss	43	822.72	(404.51)
(ii) Income tax relating to items that will be reclassified to profit or loss	44	(239.58)	117.79
<b>XI Total Comprehensive Income for the year ( IX + X)</b>		<b>1,079.82</b>	<b>2,210.93</b>
<b>Earnings per equity share of ₹ 5 each (Basic and Diluted)</b>	<b>35</b>	<b>7.09</b>	<b>11.88</b>
<b>Significant accounting policies</b>	<b>A</b>		
<b>See accompanying notes to the financial statements</b>	<b>B (1 - 40)</b>		

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No. - 113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

**Place: Mumbai**
**Date: 29<sup>th</sup> June, 2020**
**For and on behalf of the Board of Directors**
**Raghu Mody**

 Chairman  
 (DIN 00053329)

**P.K. Choudhary**

 Managing Director  
 (DIN 00535670)

**Vikram Soni**

 Company Secretary & Compliance Officer  
 Membership No. A36705

**Sunil Jindal**

Chief Financial Officer

**STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**  
(₹ in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
<b>A Cash flow from operating activities:</b>		
Net profit before tax	875.39	1,678.20
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation	950.30	874.70
Net gain on sale / fair valuation of investments through profit and loss	(1,357.32)	(1,874.87)
(Profit)/Loss on Sale of property, plant and equipment (net)	(16.16)	5.75
Remeasurements of defined benefit plans	(100.28)	(17.12)
Interest expenses	22.31	22.27
<b>Operating profit before working capital changes</b>	<b>374.24</b>	<b>688.93</b>
<b>Adjustment for</b>		
(Increase)Decrease in Trade and other receivable	302.52	(179.85)
(Increase)Decrease in Inventories	(26.88)	(121.18)
(Decrease)Increase in Trade and other payables	(284.38)	215.04
<b>Cash generated from operations</b>	<b>365.50</b>	<b>602.94</b>
Direct taxes paid (net)	(109.42)	(260.17)
<b>Net cash generated from operating activities</b>	<b>256.08</b>	<b>342.77</b>
<b>B Cash generated from investing activities</b>		
Purchase of property, plant and equipment	(685.04)	(1,170.60)
Purchase of property, plant and equipment and Intangible assets	27.42	7.12
Acquisition of investments (net)	(1,576.80)	(354.20)
(Increase)/decrease in inter- corporate deposits	600.00	(1,100.00)
Income from Investment (net)	2,106.91	2,451.93
<b>Net cash flow (used in) from investing activities</b>	<b>472.49</b>	<b>(165.75)</b>
<b>C Cash generated from financing activities</b>		
Proceeds/(repayment) from long-term borrowings (net)	(85.67)	(98.80)
Proceeds/(repayment) from short-term borrowings (net)	317.84	(41.17)
Dividend paid (including corporate dividend tax)	(356.24)	(88.88)
Interest paid	(22.43)	(22.36)
<b>Cash generated from financing activities</b>	<b>(146.50)</b>	<b>(251.21)</b>
<b>D Net Increase/ Decrease in cash and cash equivalent ( A+B+C)</b>	<b>582.07</b>	<b>(74.19)</b>
<b>Cash and Cash equivalents</b>		
<b>At the beginning of the year</b>	<b>74.60</b>	<b>148.79</b>
<b>At the end of the year</b>	<b>656.67</b>	<b>74.60</b>
<b>Significant accounting policies</b>	<b>A</b>	
<b>See accompanying notes to the financial statements</b>	<b>B (1 - 40)</b>	

As per our attached report of even date

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

**Vinay Somani**  
Partner  
Membership No. 143503

**Place: Mumbai**  
**Date: 29<sup>th</sup> June, 2020**

For and on behalf of the Board of Directors

**Raghu Mody**  
Chairman  
(DIN 00053329)

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

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

**Sunil Jindal**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	(₹ in Lakhs)
Particulars	Amount
<b>(a) Equity Share Capital</b>	
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>738.45</b>
Changes in equity share capital during the year	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>738.45</b>

**(b) Other Equity**

Particulars	Reserves and surplus						Total
	Reserves and surplus			Items of other comprehensive income			
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Actuarial gain/ (loss)	
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>57.70</b>	<b>58,550.13</b>	<b>5,189.44</b>	<b>1,680.29</b>	<b>7,065.47</b>	<b>(22.84)</b>	<b>72,520.19</b>
Profit for the year	-	-	1,754.88	-	-	-	1,754.88
Other comprehensive income for the year (Net)	-	-	-	(286.72)	756.24	(13.46)	456.06
Amount transferred in respect of realised gain (Net)	-	-	398.09	-	(398.09)	-	-
Dividend paid during the year	-	-	(73.85)	-	-	-	(73.85)
Corporate dividend tax paid	-	-	(15.03)	-	-	-	(15.03)
Transfer to General reserve	-	1,500.00	(1,500.00)	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>57.70</b>	<b>60,050.13</b>	<b>5,753.53</b>	<b>1,393.57</b>	<b>7,423.62</b>	<b>(36.30)</b>	<b>74,642.25</b>
Profit for the year	-	-	1,047.41	-	-	-	1,047.41
Other comprehensive income for the year (Net)	-	-	-	583.14	(466.09)	(84.64)	32.41
Amount transferred in respect of realised gain (Net)	-	-	396.45	-	(396.45)	-	-
Dividend paid during the year	-	-	(295.38)	-	-	-	(295.38)
Corporate dividend tax paid	-	-	(60.85)	-	-	-	(60.85)
Transfer to General reserve	-	1,000.00	(1,000.00)	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>57.70</b>	<b>61,050.13</b>	<b>5,841.16</b>	<b>1,976.71</b>	<b>6,561.08</b>	<b>(120.94)</b>	<b>75,365.84</b>

Refer note 16 for nature and purpose of the reserves.

**Significant accounting policies** A
**See accompanying notes to the financial statements** B (1 - 40)

As per our attached report of even date

**For and on behalf of the Board of Directors**
**For Bagaria & Co. LLP**

 Chartered Accountants  
 Firm Registration No. - 113447W/W-100019

**Vinay Somani**

 Partner  
 Membership No. 143503

**Place: Mumbai**
**Date: 29<sup>th</sup> June, 2020**
**Raghu Mody**  
 Chairman  
 (DIN 00053329)

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

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

**Sunil Jindal**  
 Chief Financial Officer

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### CORPORATE OVERVIEW:

The consolidated financial statements comprise financial statements of Hindustan Composites Limited is a public limited Company and its joint venture, namely Compo Advics (India) Pvt. Ltd., (collectively referred to as "the Group") for the year ended 31 March 2020. The groups share in the Joint Venture is 49%.

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

The registered office of the Group is located at Peninsula Business Park, A Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

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

### A. SIGNIFICANT ACCOUNTING POLICIES:

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

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

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

- i) Certain financial assets and liabilities are measured at Fair value (refer note no. 40 financial instruments)
- ii) Defined benefit employee plan (refer note no. 39)

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

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

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the

date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

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

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

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

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

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

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

#### (b) Provisions and liabilities

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

**(c) Contingencies**

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

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

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

**c) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Group as at 31 March 2020.

**Investment in joint venture:**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

Distributions received from an associate or a joint venture reduce the carrying amount of the investment. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the assets transferred.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

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

**Property, plant and equipment**

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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

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

The Group assesses at each Balance Sheet date whether there is any indication that any asset may be



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

**Intangible assets:**

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

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

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

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

The Group amortizes computer software with a useful life using the straight-line method over the period of 3 years from the date of acquisition.

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

**e) As a lessee**

**Operating Lease**

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made on or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

**f) Cash and Cash Equivalents:**

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

**g) Inventories:**

Inventories of Raw Materials, Work-in-Progress, Stores and spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The Goods and Service Tax (GST) in respect of closing inventory of finished goods is included as part of finished goods. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Group.

**h) Financial Instruments**

**Financial assets**

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

**Subsequent measurement**

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

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

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

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

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

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

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

**Equity instruments:**

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

**Impairment**

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognised in Statement of Profit and Loss.

**De-recognition**

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

**Financial Liabilities**

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

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

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

**Derivative financial instruments:**

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

**i) Fair Value Measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:  In the principal market for the asset or liability, or  In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**j) Borrowings:**

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

**k) Borrowing costs :**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

**l) Provisions and contingent liabilities:**

Provisions for legal claims, volume discounts and returns are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of

outflow of resources is remote, no provision or disclosure is made.

**m) Revenue recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

**Sale of goods -**

Timing of recognition: Sales are recognised when substantial risk and rewards of ownership are transferred to customer. In case of domestic sales take place when goods are dispatched or delivery is handed over to customer's logistics. In case of export sales take place when goods are shipped on-board, based on bill of lading.

**Interest income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

**Dividend income:**

Dividend income is recognised when the Group's right to receive the payment has been established.

**n) Employee Benefits:**

The Group provides following post-employment plans:(i) Defined benefit plans such as gratuity and pension &(ii) Defined contribution plans such as Provident fund"

**a) Defined-benefit plan:**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of the plan assets. The defined benefit obligations is calculated annually by actuaries using the projected unit credit method. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and (b) Net interest expense or income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of the plan assets. This cost is included in employee benefit expenses in the consolidated statement of the profit & loss. Re-measurement comprising of actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions, the effect of asset excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) ceiling are recognised in the period in which they occur directly in Other

comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

**b) Defined-contribution plan:**

Under defined contribution plans, provident fund, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Group's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

**c) Other employee benefit**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date based on an actuarial valuation.

**o) Foreign Currency Transaction:**

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

**p) Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in such case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

**q) Segment Reporting:**

The Group has identified its Managing Director as the Chief Operating Decision Maker. Operating segments are reported in a manner consistent with the internal reporting provided to managing director of the Group. The Managing Director evaluates the Group's performance and allocates resources as a whole.

**r) Research and Development:**

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable, the Group has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

**s) Earnings Per Share:**

Basic EPS is arrived at based on net profit or (loss) after taxation available to equity shareholders to the weighted average number of equity shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**t) New standards and interpretations not yet adopted**

There is no such notification which would have been applicable from April 01, 2020

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles (Refer Note iii)	Office Equipment	Total
	Freehold	Leasehold						
<b>Gross Carrying Amount :</b>								
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>282.11</b>	<b>1.56</b>	<b>9,172.08</b>	<b>3,714.12</b>	<b>587.66</b>	<b>374.58</b>	<b>121.31</b>	<b>14,253.42</b>
Additions	-	-	214.06	903.87	19.68	12.69	31.81	1,182.11
Adjustments / Disposals	-	-	-	58.87	-	9.56	2.87	71.30
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>282.11</b>	<b>1.56</b>	<b>9,386.14</b>	<b>4,559.12</b>	<b>607.34</b>	<b>377.71</b>	<b>150.25</b>	<b>15,364.23</b>
Additions	-	-	210.12	322.28	45.03	55.06	19.58	652.07
Adjustments / Disposals	-	-	-	164.51	0.15	59.01	5.59	229.26
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>282.11</b>	<b>1.56</b>	<b>9,596.26</b>	<b>4,716.89</b>	<b>652.22</b>	<b>373.76</b>	<b>164.24</b>	<b>15,787.04</b>
<b>Accumulated Depreciation :</b>								
<b>Balance as at 31<sup>st</sup> March, 2018</b>	-	<b>0.06</b>	<b>503.19</b>	<b>1,140.15</b>	<b>188.84</b>	<b>111.79</b>	<b>72.15</b>	<b>2,016.18</b>
Depreciation charge for the year	-	0.02	171.82	557.10	68.54	56.92	19.31	873.71
Adjustments / Disposals	-	-	-	47.33	-	8.82	2.28	58.43
<b>Balance as at 31<sup>st</sup> March, 2019</b>	-	<b>0.08</b>	<b>675.01</b>	<b>1,649.92</b>	<b>257.38</b>	<b>159.89</b>	<b>89.18</b>	<b>2,831.46</b>
Depreciation charge for the year	-	0.02	178.17	629.21	72.06	48.61	18.95	947.02
Adjustments / Disposals	-	-	-	157.10	0.15	55.09	5.59	217.93
<b>Balance as at 31<sup>st</sup> March, 2020</b>	-	<b>0.10</b>	<b>853.18</b>	<b>2,122.03</b>	<b>329.29</b>	<b>153.41</b>	<b>102.54</b>	<b>3,560.55</b>
<b>Net Carrying Amount :</b>								
<b>As at 31st March, 2019</b>	<b>282.11</b>	<b>1.48</b>	<b>8,711.13</b>	<b>2,909.20</b>	<b>349.96</b>	<b>217.82</b>	<b>61.07</b>	<b>12,532.77</b>
<b>As at 31st March, 2020</b>	<b>282.11</b>	<b>1.46</b>	<b>8,743.08</b>	<b>2,594.86</b>	<b>322.93</b>	<b>220.35</b>	<b>61.70</b>	<b>12,226.49</b>

**Notes:**

- (i) Leasehold Land for the cost of ₹ 0.80 lakhs is valid till 31/01/2079 and for ₹ 0.76 lakhs is valid till 30/04/2081.
- (ii) Buildings include eight flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.
- (iii) Include certain vehicles for ₹ 26.09 lakhs (previous year ₹ 49.81 lakhs) acquired on hire purchase basis.
- (iv) Refer Note No. 34(a) for Capital Commitment.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	(₹ in Lakhs)	
	Computer Software	Total
<b>2 Intangible assets</b>		
<b>Gross Carrying Amount :</b>		
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>9.28</b>	<b>9.28</b>
Additions	-	-
Adjustments / Disposals	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>9.28</b>	<b>9.28</b>
Additions	16.80	16.80
Adjustments / Disposals	-	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>26.08</b>	<b>26.08</b>
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>4.89</b>	<b>4.89</b>
Depreciation charge for the year	0.99	0.99
Adjustments / Disposals	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>5.88</b>	<b>5.88</b>
Depreciation charge for the year	3.21	3.21
Adjustments / Disposals	-	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>9.09</b>	<b>9.09</b>
<b>Net Carrying Amount :</b>		
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>3.40</b>	<b>3.40</b>
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>16.99</b>	<b>16.99</b>

**B. NOTES ON ACCOUNTS**

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>2.1 Intangible assets under development</b>		
Computer Software	16.16	-
<b>3 Non Current Investments</b>		
<b>Equities</b>		
Equity instruments		
Investment in Joint venture	980.00	980.00
Less: Share of accumulated loss	(980.00)	(904.74)
Interest in Joint venture	-	75.26
Other Equity instruments	24,650.54	25,010.73
<b>Debt</b>		
Preference shares	3,510.01	4,513.81
Real estate and debt funds	6,523.55	5,806.47
Government securities	3,677.07	3,384.75
Debentures and bonds	20,354.91	18,246.31
<b>Total</b>	<b>58,716.08</b>	<b>57,037.33</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>4 Non Current Loans</b>		
<b>Secured, considered good</b>		
Inter corporate deposits to related party *	1,750.00	1,750.00
<b>Total</b>	<b>1,750.00</b>	<b>1,750.00</b>
* Secured against mortgage of a property valued of ₹ 35.52 crore valued by an International Property Consultant		
<b>5 Non Current Other Financial Assets</b>		
Electricity deposits	19.37	19.37
Rent deposits	7.18	7.18
Other deposits*	27.31	30.95
Fixed Deposit with Bank	1.50	-
Margin money deposits with bank	0.60	3.07
<b>Total</b>	<b>55.96</b>	<b>60.57</b>
* Includes water deposits, telephone deposits, gas deposits, MIDC and other deposits etc.		
<b>6 Other Non Current Assets</b>		
Capital advance	10.81	4.67
<b>Total</b>	<b>10.81</b>	<b>4.67</b>
<b>7 Inventories * (Refer Note No. A (g) for accounting policy on inventory)</b> (As taken, valued and certified by the management)		
Raw materials	471.30	669.97
Raw materials - Goods in transit	85.46	-
Work-in-progress	340.79	283.95
Finished goods	260.50	182.56
Stores and spares	98.60	93.29
<b>Total</b>	<b>1,256.65</b>	<b>1,229.77</b>
<b>8 Current Investments</b>		
Preference shares	1,500.00	-
Debentures and bonds	1,337.05	1,668.87
Mutual funds	-	2,104.20
<b>Total</b>	<b>2,837.05</b>	<b>3,773.07</b>
<b>9 Trade Receivables</b>		
<b>Unsecured, considered good</b>		
Joint venture	-	26.84
Others Trade Receivables	3,395.23	3,386.61
<b>Total</b>	<b>3,395.23</b>	<b>3,413.45</b>
<b>10 Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
Cheques on hand	-	5.05
Cash on hand	5.65	2.56
<b>Total</b>	<b>656.67</b>	<b>74.60</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>11 Other Bank Balances</b>		
<b>Other Balances</b>		
In Dividend Accounts	22.36	18.53
In Margin money	30.28	29.39
<b>Total</b>	<b>52.64</b>	<b>47.92</b>
<b>12 Current Loans</b>		
<b>Secured, considered good</b>		
Inter corporate deposits	150.00	150.00
<b>Unsecured, considered good</b>		
Inter corporate deposits	2,550.00	3,150.00
Loans and advances to employees	14.80	5.82
<b>Total</b>	<b>2,714.80</b>	<b>3,305.82</b>
<b>13 Other Current Financial Assets</b>		
Interest accrued on investments	741.49	627.86
Interest accrued on inter corporate / other deposits	126.60	133.49
Receivable on sale of current investments	73.86	90.94
Earnest Money Deposits	65.21	49.29
Other receivables	21.23	17.80
<b>Total</b>	<b>1,028.39</b>	<b>919.38</b>
<b>14 Other Current Assets</b>		
Balance with Government authorities	12.91	389.93
Advance to suppliers	136.76	94.67
Prepaid expenses	45.56	39.23
<b>Total</b>	<b>195.23</b>	<b>523.83</b>
<b>15 Equity Share Capital</b>		
<b>AUTHORISED</b>		
16,000,000 Equity Shares of ₹ 5 each	800.00	800.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
14,769,000 Equity Shares of ₹ 5 each, fully paid-up	738.45	738.45
<b>Total</b>	<b>738.45</b>	<b>738.45</b>

**(i) Details of Shareholding more than 5%**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	%	No. of Shares	%
Rasoi Ltd.	61,51,722	41.65%	61,51,722	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	24,75,582	16.76%
J L Morison (India) Ltd.	11,07,702	7.50%	11,07,702	7.50%

**(ii) Rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 5 each (Previous Year ₹ 5 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(iii) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	1,47,69,000	1,47,69,000
Increase on account of share split	-	-
Bonus shares issued during the year	-	-
Balance at the end of the year	1,47,69,000	1,47,69,000

(iv) For a period of 5 years immediately preceding the balance sheet date, the company has:

Particulars	As at 31 <sup>st</sup> March				
	2020	2019	2018	2017	2016
Allotted shares on account of split in face value from ₹10 per share to ₹ 5 per share.	-	-	49,23,000	-	-
Bonus shares issued during the year	-	-	49,23,000	-	-
Bought back any shares issued	-	-	-	-	-

16 Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance.

A. Summary of Other Equity balance

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Capital Redemption Reserve	57.70	57.70
General Reserve	61,050.13	60,050.13
Retained Earnings	5,841.16	5,753.53
Items of Other Comprehensive Income		
- Fair value of Debt instruments through OCI	1,976.71	1,393.57
- Fair value of Equity instruments through OCI	6,561.08	7,423.63
- Remeasurements of defined benefit plans	(120.94)	(36.30)
<b>Total</b>	<b>75,365.84</b>	<b>74,642.26</b>

B. Nature and purpose of reserves

- (a) **Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of equity shares from its General Reserve. The Capital Redemption Reserve can be utilised for issue of bonus shares
- (b) **General Reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve.
- (c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (d) **Debt Instruments through Other Comprehensive Income:** The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss
- (e) **Equity instruments through other comprehensive income:** This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income. Upon de-recognition, the cumulative fair value changes on the said instruments are reclassified to retained earning.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

- (f) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

The Company has made an investment of ₹ 980 lakhs (Previous Year ₹ 980 lakhs) in Compo Advics India Private Limited, a Joint Venture Company which has accumulated losses of ₹ 867.11 lakhs (Being Companys' Share i.e. 49%). In view of the accumulated losses, there is a substantial diminution in the value of Companys' investment. However, as this investment is long term and of strategic nature and there being visible improvements in the year 2019-20, diminution being considered as temporary, no provision is required to be made.

		(₹ in Lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	
<b>17 Non Current Borrowings</b>			
<b>Term Loans</b>			
<b>Secured</b>			
From Banks - Vehicle Loan	9.51	26.09	
<b>Unsecured</b>			
From SICOM Ltd. by way of deferral of sales tax liability	34.32	82.49	
<b>Total</b>	<b>43.83</b>	<b>108.58</b>	
<b>18 Non Current Provisions</b>			
Provision for compensated absences	121.10	91.80	
Provision for Gratuity	86.82	41.79	
<b>Total</b>	<b>207.92</b>	<b>133.59</b>	
<b>19 Other Non Current Liabilities</b>			
Security Deposits	79.12	70.08	
<b>Total</b>	<b>79.12</b>	<b>70.08</b>	
<b>20 Current Borrowings</b>			
<b>Secured</b>			
<b>From Bank</b>			
Working Capital Loan	477.29	159.46	
<b>Total</b>	<b>477.29</b>	<b>159.46</b>	
<b>21 Trade Payables</b>			
Total Outstanding Dues of Micro and Small enterprises	48.24	76.41	
Total Outstanding Dues of Creditors other than Micro and small enterprises	3,198.83	3,427.11	
<b>Total</b>	<b>3,247.07</b>	<b>3,503.52</b>	

**Dues to Micro, Small and Medium Enterprise**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows :

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Principal Amount due to suppliers under MSMED Act,2006, Beyond appointed Day	21.01	10.58
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.98	0.19
Payment made to suppliers ( other than interest ) beyond the appointed day, during the year	Nil	Nil
Interest paid to suppliers under MSMED Act ( Other than section 16 )	Nil	Nil
Interest paid to suppliers under MSMED Act ( Section 16 )	0.19	0.27
Interest due and payable to suppliers under MSMED Act, for the payment already made	Nil	Nil
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	Nil	Nil

**Note :** The information has been given in respect of such vendors to the extent they could be identified as “ Micro and Small enterprises” on the basis of information available with Company.

<b>22 Other Financial Liabilities</b>		
Current maturities of long-term debt	64.75	85.68
Interest accrued but not due on borrowings	-	0.10
Unpaid dividends	22.36	18.53
Capital Creditors	118.39	181.46
<b>Total</b>	<b>205.50</b>	<b>285.77</b>
<b>23 Other Current Liabilities</b>		
Statutory Dues	32.39	102.93
<b>Total</b>	<b>32.39</b>	<b>102.93</b>
<b>24 Current Provisions</b>		
Provision for compensated absences	42.23	38.94
Provision for gratuity	80.74	11.55
<b>Total</b>	<b>122.97</b>	<b>50.49</b>
<b>25 Current tax liabilities (Net)</b>		
Provision for income Tax (Net)	-	15.20
<b>Total</b>	<b>-</b>	<b>15.20</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>26 Revenue From Operations</b>		
<b>Sale of Products</b>		
Manufactured goods	14,439.85	15,759.05
<b>Investment Income</b>		
Dividend	426.43	390.06
Interest	3,032.82	3,240.98
Net gain on sale / Fair valuation of investments through profit and loss *	(143.61)	88.22
	3,315.64	3,819.26
<b>Other Operating Income</b>		
Export Incentives	23.60	28.15
Marketing Fees & Royalty Income	6.25	5.66
Insurance Claim	0.64	28.63
Scrap Sale	16.70	16.54
Others	2.51	4.02
	49.70	83.00
<b>Total</b>	<b>17,805.19</b>	<b>19,661.31</b>
* Includes fair value (loss) as at 31 <sup>st</sup> March, 2020 amounting to ₹ (520.71lakhs), (Previous Year ₹ (159.17 lakhs))		
<b>27 Other Income</b>		
Foreign Exchange Gain (Net)	26.05	43.40
Rent	7.28	12.91
Profit on sale of Property, Plant and Equipment	16.16	-
Interest on Income Tax Refunds	-	114.67
Excise /VAT Refunds	-	46.23
<b>Total</b>	<b>49.49</b>	<b>217.21</b>
<b>28 Cost Of Materials Consumed</b>		
<b>Raw materials and Components</b>		
Opening Stock	669.97	652.22
Purchases	6,938.81	8,455.14
Less: Closing Stock	471.30	669.97
	7,137.48	8,437.39
<b>Stores and Spare parts consumed</b>		
Opening Stock	93.29	98.33
Purchases	206.04	241.03
Less: Closing Stock	98.60	93.29
	200.73	246.07
<b>Total</b>	<b>7,338.21</b>	<b>8,683.46</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>29 Changes in inventories of finished goods and work-in-progress</b>		
<b>Opening Stock :-</b>		
Work-in-progress	283.95	286.86
Finished goods	182.56	71.18
Total	466.51	358.04
<b>Closing Stock :-</b>		
Work-in-progress	340.79	283.95
Finished goods	260.50	182.56
Total	601.29	466.51
<b>Changes in inventories</b>	<b>(134.78)</b>	<b>108.47)</b>
<b>30 Employee Benefits Expense</b>		
Salaries, wages and incentives	3,060.27	2,910.09
Contributions to provident and other fund	158.11	137.31
Contributions to gratuity fund	33.95	28.69
Staff welfare expenses	102.64	116.28
<b>Total</b>	<b>3,354.97</b>	<b>3,192.37</b>
<b>31 Finance Cost</b>		
Interest expense	14.36	17.43
Other borrowing costs	7.95	4.84
<b>Total</b>	<b>22.31</b>	<b>22.27</b>
<b>32 Other Expenses</b>		
Packing materials consumed	349.42	350.48
Power and Fuel	1,012.70	989.64
Rent	36.99	38.52
Rates and taxes	53.45	32.82
Insurance (including transit insurance)	58.01	50.56
Freight and Forwarding	597.26	633.74
Repairs & Maintenance:		
Plant & Machinery	178.86	156.14
Buildings	85.18	115.87
Others	33.60	25.90
Job charges	1,027.81	1,082.16
Travelling & Conveyance	434.50	587.62
Sales Promotion Expenses	97.22	91.52
Postage, Printing & Stationery	47.84	50.52
Communication Expenses	23.40	29.47
Loss on sale/discarding of property, plant and equipment	-	5.75
Investment management and other expenses	283.00	259.82
Legal & Professional Expenses	409.12	332.42
Remuneration to Auditors:		
Audit fees (including limited review fees)	7.50	7.50
Reimbursement of out of pocket expenses	0.65	1.02
Contribution towards Corporate Social Responsibility (CSR)	70.00	84.00
Charity and donations	312.24	324.43
Miscellaneous Expenses	173.44	140.87
<b>Total</b>	<b>5,292.19</b>	<b>5,390.77</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**33 (a) Contingent Liabilities not provided for in respect of :**

- Disputed Sales Tax matters as at 31<sup>st</sup> March 2020 for ₹. Nil ; Previous Year (₹ 9.36 lakhs (net of provisions of ₹ 0.18 lakhs)).
- Disputed labour matter related to ex-workmen - amount unascertainable.

(b) The Company's litigations comprises of claims related to property disputes and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required. The Company has also disclosed the pending matters under contingent liability wherever the amount of liability is not adequately measurable. However, the Company does not reasonably expect the outcome of these proceedings will have a material impact on its financial statements. (Also Refer Note 33(a)).

**34 Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance, unsecured considered good), as at 31<sup>st</sup> March 2020 for ₹ 36.54 lakhs (net of advance of ₹ 10.81 lakhs); Previous Year (₹ 15.87 lakhs (net of advance of ₹ 4.67 lakhs)).
- (b) In respect of investments made with private equity funds / debt funds, the Company is further committed to invest as at 31<sup>st</sup> March 2020 for ₹ 3,361.86 lakhs; Previous Year (₹ 6,783.80 lakhs).

(₹ in Lakhs except EPS)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2019
<b>35 Earnings Per Share</b>		
Net Profit as per Profit & Loss Account	1,047.41	1,754.88
Weighted average number of equity shares outstanding	1,47,69,000	1,47,69,000
Basic and Diluted EPS (Face value of ₹ 5 each)	7.09	11.88

**36 Related Party Disclosure :**
**(A) Relationships:**
**(i) Joint ventures in which the entity is a joint venturer:**

Compo Advics (India) Pvt. Ltd.

**(ii) Key Management Personnel (KMP):**
**Whole Time Directors**

Mr. Raghu Mody, Executive Chairman  
 Mr. P. K. Choudhary, Managing Director

**Chief Financial Officer (CFO)**

Mr. Sunil Jindal, Chief Financial Officer

**Company Secretary**

Mr. Vikram Soni, Company Secretary and Compliance Officer

**(iii) Relatives of Key Managerial Personnel / Directors:**

Mrs. Shashi Mody (Daughter-in-law of Mr. Raghu Mody, Executive Chairman)  
 Mr. Varunn Mody, (Husband of Smt. Sakshi Mody, Non Executive Director)

**(iv) Non Executive Directors:**

Mr. Ashok B Vadiya, Independent Director  
 Mr. K. S. Brar, Independent Director  
 Mr. Deepak Sethi, Independent Director  
 Mr. Lalit Kumar Bararia, Additional Director (appointed w.e.f. 13<sup>th</sup> Feb. 2020)  
 Mr. Chakrapani Brajesh Misra, Independent Director (resigned w.e.f. 28<sup>th</sup> Feb. 2020)  
 Mrs. Preeti Vimal Agrawal, Additional Director (appointed w.e.f. 13<sup>th</sup> Feb. 2020)  
 Mrs. Sakshi Mody, Non Executive Director (resigned w.e.f. 14<sup>th</sup> Feb. 2020)

**(v) Other Related Parties:**

Rasoi Ltd., \*  
 Leaders Healthcare Ltd. \*  
 J L Morison (India) Ltd.  
 Pallawi Resources Ltd.  
 Rasoi Express Pvt. Ltd.

\* Entities belonging to promoter/promoter group holding 10% or more shareholding in the company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(B) Transactions carried out with related parties referred in (A) above, in ordinary course of business:

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>(i) Inter Corporate Deposits Given</b>		
Pallawi Resources Limited (secured)	Nil	1,750.00
Leaders Healthcare Ltd.	500.00	Nil
<b>(ii) Inter Corporate Deposits Refund Received</b>		
Leaders Healthcare Ltd.	500.00	Nil
<b>(iii) Rent Paid (Including GST)</b>		
J L Morison (India) Ltd.	15.58	15.58
Pallawi Resources Limited	4.25	4.25
Mr. Varunn Mody	19.46	18.28
<b>(iv) Income</b>		
Marketing Fees and Royalty		
- Compo Advics (India) Pvt. Ltd.	6.25	5.66
Interest Income		
- Pallawi Resources Limited	175.35	45.55
- Leaders Healthcare Ltd.	22.88	Nil
<b>(v) Purchase of Investment - Rasoi Ltd. Equity Shares</b>		
J L Morison (India) Ltd.	495.00	Nil
<b>(vi) Dividend Received</b>		
J L Morison (India) Ltd.	2.73	2.73
Rasoi Limited	Nil	1.66
<b>(vii) Salaries and other employee benefits to Whole Time Directors and KMP</b>		
Mr. Raghu Mody*	156.29	195.29
Mr. P.K. Choudhary	90.78	85.96
Mr. Amit Goenka (upto 7th May, 2018)	Nil	4.79
Mr. Sunil Jindal	23.82	21.32
Mr. Vikram Soni (w.e.f. 8th May, 2018)	10.31	7.70
<b>(viii) Salaries and other employee benefits to relatives of Directors &amp; Key Managerial Personnel</b>		
Mrs. Shashi Mody	29.48	27.75
Mr. Varunn Mody	84.29	80.30
<b>(ix) Directors sitting fees and commission to independent and non executive directors</b>		
Mr. Ashok B Vadiya	3.70	3.40
Mr. K. S. Brar	3.50	3.50
Mr. Deepak Sethi	3.00	2.60
Mr. Chakrapani Brajesh Misra	0.80	3.50
Mrs. Sakshi Mody	0.50	0.20
<b>(x) Other Transactions</b>		
Rasoi Express Pvt. Ltd. (Purchase of Air Ticket)	63.55	116.22
Compo Advics (India) Pvt. Ltd. (Sale of Raw Material(Net))	28.46	36.21

Note: \* Includes Rs. 44.76 Lakhs being excess managerial remuneration for the current year for which necessary shareholders approval is being obtained.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**(C) Balances outstanding with related parties referred in (A) above, in ordinary course of business:**

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>(i) Receivable:</b>		
<b>- Inter Corporate Deposits:</b>		
Pallawi Resources Limited (secured)	1,750.00	1,750.00
<b>- Others Receivable:</b>		
Compo Advics (India) Pvt. Ltd.	Nil	26.84
Pallawi Resources Limited	41.31	40.99
Mr. Varunn Mody	6.60	6.60
<b>(ii) Payable:</b>		
<b>- Salaries and other employee benefits to Whole Time Directors and KMP</b>		
Mr. Raghu Mody	Nil	28.86
<b>- Commission to independent directors</b>		
Mr. Ashok B Vadiya	1.90	1.90
Mr. K. S. Brar	1.90	1.90
Mr. Deepak Sethi	1.90	1.90
Mr. Chakrapani Brajesh Misra	Nil	1.90
<b>- Others</b>		
Rasoi Express Pvt. Ltd.	0.57	11.26
Compo Advics (India) Pvt. Ltd.	55.57	-
<b>(iii) Investment in:</b>		
J L Morison (India) Ltd. (at cost)	515.49	515.49
Rasoi Limited (at cost)	1,351.36	856.36

**Note:**

- i) No amount pertaining to related parties has been provided for as doubtful debts. Also no amount has been written off/back
- ii) The related parties are as identified by the Company and relied upon by the Auditors.

**37 Investment in other entities:**
**Details and financial information of material joint venture**

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group	
			As at 31/03/20	As at 31/03/19
Compo Advics (India) Pvt. Ltd.	Manufacturing of Disc Brake Pads	Place of incorporation - Mumbai, Principal place of business - Bhalgaon Dist. Aurangabad	49.00%	49.00%

The above joint venture is accounted for using the equity method in these consolidated financial statements.

**Summarised financial information of material joint ventures**

Summarised financial information in respect of each of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	As % of consolidated net assets	Net Assets, i.e., total assets minus total liabilities As at 31 <sup>st</sup> March, 2020	As % of consolidated net assets	Net Assets, i.e., total assets minus total liabilities As at 31 <sup>st</sup> March, 2019
<b>Non-current assets</b>	49%	586.74	49%	636.09
<b>Current assets</b>				
Cash & Cash equivalents		5.60		0.40
Others		207.36		134.94
<b>Total Assets [A]</b>	49%	799.70	49%	771.43
<b>Non-current liabilities</b>				
<b>Current liabilities</b>				
Current financial liabilities		826.94		643.79
Others		15.96		14.75
<b>Total Liabilities [B]</b>	49%	842.90	49%	658.54
<b>Net Assets [A-B]</b>	49%	(43.20)	49%	112.89

Particulars	As % of consolidated profit or loss	Share in profit or loss Year ended As at 31 <sup>st</sup> March, 2020	As % of consolidated profit or loss	Share in profit or loss Year ended As at 31 <sup>st</sup> March, 2019
Revenue	49%	332.52	49%	309.55
(Loss) for the year		(154.13)		(144.89)
Other comprehensive income for the year		(1.95)		(0.33)
<b>Total comprehensive income for the year</b>	49%	(156.08)	49%	(145.22)
Dividends received from the associate during the year		-		-

The above profit/(loss) for the year include the followings:

Particulars	As % of consolidated profit or loss	Share in profit or loss Year ended As at 31 <sup>st</sup> March, 2020	As % of consolidated profit or loss	Share in profit or loss Year ended As at 31 <sup>st</sup> March, 2019
Depreciation and amortisation	49%	53.83	49%	53.81
Interest income		-		-
Interest expenses	49%	48.50	49%	37.61
Income tax expenses		-		-

Reconciliation of the above summarised financial information to the carrying amount of the interest in recognised in the consolidated financial statements:

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Net assets of the joint venture	(43.20)	112.89
Add/(Less) Consolidation Adjustments		
Impact of gain on downstream transactions	(43.20)	37.63
Proportion of the Group's ownership interest in	49.00%	49.00%
Carrying amount of the Group's interest in Joint venture	-	75.26
Obligation towards Joint venture	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

- 38** In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. On 25<sup>th</sup> March, 2020, the Government of India has declared this pandemic a health emergency, ordered temporary closure of all non-essential businesses, imposed restrictions on movement of goods/material, travel, etc. As the nature of business performed by the Group fell under non-essential category, these restrictions had substantially impacted its operations at plants. The Group has since, after receiving applicable permissions, partially commenced operations including despatch of goods to its customers at all of its manufacturing facilities and scaling up the same gradually. In assessing the recoverability of trade receivables, impact on investments and realisation of inventories, apart from considering the internal and external information up to the date of approval of these standalone financial statements, the Group has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The impact of this pandemic may be different from that estimated as at the date of approval of these standalone financial statements. Considering the continuing uncertainties, the Group will continue to closely monitor any material changes to future economic conditions.
- 39** The group have one Joint venture with no significant material transactions. Notes to accounts as required in accordance Schedule III and Companies (Indian accounting standard) Rules 2015 being similar to that disclosed holding company in their standalone financial statements, are not been appended hereto.
- 40** Previous years' figures have been regrouped/reclassified whenever necessary to conform to current years' classification.
- Signatures to Notes 1 to 40 which form an integral part of the financial statements.

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

**Raghu Mody**  
Chairman  
(DIN 00053329)

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

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

**Sunil Jindal**  
Chief Financial Officer

**Place: Mumbai**  
**Date: 29<sup>th</sup> June 2020**

### Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

Not Applicable as the Company does not have any subsidiaries

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

		(₹ in Lakhs)
Sr. No.	Name of Joint Ventures	Compo Advics (India) Private Limited
1	Latest audited Balance Sheet Date	31-03-20
2	Shares of Associate/Joint Ventures held by the company on the year end	
	i) No. of shares held as on 31 <sup>st</sup> March, 2020	49,00,000
	ii) No. of compulsory convertible preference shares held as on 31 <sup>st</sup> March 2020	49,00,000
	iii) Amount of Investment in Joint Venture	980
	iv) Extend of Holding %	49%
3	Description of how there is significant influence	Holding 49% voting powers and as per Joint Venture Agreement
4	Reason why the joint venture is not consolidated	N.A.
5	Net Worth attributable to Shareholding as per latest audited Balance Sheet	(43.21)
6	Profit / Loss for the year	
	i) Considered in Consolidation	(156.09)
	ii) Not Considered in Consolidation (Unaudited)	Nil

- Names of associates or joint ventures which are yet to commence operations: **None**
- Names of associates or joint ventures which have been liquidated or sold during the year: **None**

For and on behalf of the Board of Directors

**Raghu Mody**  
Chairman  
(DIN 00053329)

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

Place: Mumbai  
Date: 29<sup>th</sup> June, 2020

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

**Sunil Jindal**  
Chief Financial Officer



## Hindustan Composites Limited

CIN: L29120MH1964PLC012955

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

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

### FOR KIND ATTENTION OF SHAREHOLDERS

#### Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

Folio No.	
Name of the Member	
Name of Joint holders, if any	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail Id	
PAN	
CIN/Registration No.	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor,	
(i) Name of Guardian	
(ii) Date of birth of minor	

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature of the Member**

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz. "**LINK INTIME INDIA PRIVATE LIMITED, C-101, 247 PARK, LBS MARG, VIKHROLI (WEST), MUMBAI - 400083.**" Member(s) are requested to submit photocopy of PAN card and Aadhar Card duly self-attested along with this form.

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking you,

**For Hindustan Composites Limited**

**Vikram Soni**  
**Company Secretary & Compliance Officer**

# NECS MANDATE FORM

**Hindustan Composites Limited**  
CIN: L29120MH1964PLC012955  
Peninsula Business Park, "A" Tower, 8th Floor,  
Senapati Bapat Marg, Lower Parel, Mumbai – 400013.  
Tel.: 022 6688 0100, Fax: 022 6688 0105,  
E-mail: hcl@hindcompo.com, Website: www.hindcompo.com

**LINK INTIME INDIA PRIVATE LIMITED**  
**UNIT: HINDUSTAN COMPOSITES LIMITED**  
C-101, 247 Park, L. B. S. Marg, Vikhroli (West),  
Mumbai – 400 083  
Email Id: rnt.helpdesk@linkintime.co.in

**For SHARES HELD IN THE ELECTRONIC MODE**  
please inform respective DPs

**For SHARES HELD IN THE PHYSICAL MODE**  
please complete the form and mail to

Dear Sirs,

## Sub: Payment of Dividend through NECS

I hereby consent to have the amount of dividend on my Equity Shares credited through National Electronic Clearing Service (NECS). The particulars are:

1. Folio No. /Client ID. No./DP ID. No. \_\_\_\_\_

**(Folio No. given in equity share certificate(s)/customer ID No. given by your DP's)**

2. Shareholders Name: Shri/Smt./Kum./M/s. \_\_\_\_\_

3. Shareholders Address : \_\_\_\_\_

4. Telephone No. \_\_\_\_\_ 5. Mobile No. \_\_\_\_\_

6. Particulars of the Bank:

• Bank Name: \_\_\_\_\_

• Branch Name and Address: \_\_\_\_\_

• Mention the 9 digit code number issued by the bank and Branch appearing on the MICR cheque issue by the bank: \_\_\_\_\_

• Account Type (please ✓) Savings

Current

Cash Credit

• Account Number (as appearing on the cheque Book): \_\_\_\_\_

• IFSC Code Number: \_\_\_\_\_

7. Date from which the mandate should be effective: \_\_\_\_\_

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the company /Registrars & Share Transfers Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS Facility.

\_\_\_\_\_  
Signature of the first/sole shareholder

Note: 1) Please attach the photocopy of a Cheque or a cancelled bank cheque issued by your bank for verifying the accuracy of the code number.

2) The Form can be downloaded from the Company's website: www.hindcompo.com



CSR activity during COVID 19



'NEW NORMAL' at plants



If undelivered, please return to:



Peninsula Business Park, 'A' Tower,  
8th Floor, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400013.