



HINDUSTAN COMPOSITES LTD.

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

30th August, 2024

To
The Manager
Department of Corporate Services
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, 5th Floor, 'G' Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
SYMBOL: HINDCOMPOS

Dear Sir/Madam,

Sub: Annual Report for the financial year 2023-24 along with the Notice of 60th Annual General Meeting of Hindustan Composites Limited, pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Pursuant to the provisions of Regulation 34 of the Listing Regulations, we submit herewith copy of the Annual Report for the financial year 2023-24 along with the Notice of 60th Annual General Meeting of the Company.

The 60th Annual General Meeting of the Company will be held on **Friday, 27th September, 2024 at 11.45 a.m. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without physical presence of the members of the Company at a common venue in terms of the applicable provisions of the Companies Act, 2013 and rules framed thereunder and General Circular No. 09/2023 dated 25th September, 2023 read with earlier circulars issued by the Ministry of Corporate Affairs ("MCA") in this regard from time to time and Circular No. SEBI/HO/CFD/CFD-oD-2/P/CIR/2023/167 dated 7th October, 2023 issued by the Securities and Exchange Board of India ("SEBI") read together with earlier circulars issued by SEBI in this regard from time to time.

The same is being sent to members through email whose email addresses are registered with the Company/its Registrar and Transfer Agent/Depositories.

The same is also available on the website of the Company viz. at www.hindcompo.com and on the website of CDSL viz. at www.evotingindia.com.

Kindly take the above on your record.

Thanking You,

Yours faithfully,

For Hindustan Composites Limited

Arvind Purohit
Company Secretary & Compliance Officer
Membership No.: A33624

Encl: as above



Annual Report 2023-24



Steering sustainability



***Our respectful homage
to an extraordinary human being, remarkable
industrialist and phenomenal business leader***



Shri Raghu Nandan Mody

Feb 18, 1939 - Feb 8, 2024

Chairman- Rasoi Group of Companies

BOARD OF DIRECTORS

Mr. Raghu Mody	Non-Executive Chairman (Deceased on 8 th February, 2024)
Mr. P. K. Choudhary	Managing Director
Mr. A. B. Vaidya	Independent Director (Ceased w.e.f. close of business hours of 31 st March, 2024)
Mr. Deepak Sethi	Independent Director
Lt. Gen. (Retd.) K. S. Brar	Independent Director (Ceased w.e.f. close of business hours of 31 st March, 2024)
Mr. Lalit Kumar Bararia	Independent Director
Mrs. Preeti Agrawal	Independent Director
Mr. Vinay Sarin	Director (Non-Executive Non-Independent) (Appointed w.e.f. 1 st July, 2023)
Mr. Rajan Dalal	Independent Director (Appointed w.e.f. 21 st February, 2024)
Mr. Ravi Vaishnav	Company Secretary & Compliance Officer (Appointed w.e.f. 30 th June, 2023 and ceased w.e.f. close of business hours of 5 th April, 2024)
Mr. Arvind Purohit	Company Secretary & Compliance Officer (Appointed w.e.f. 29 th May, 2024)
Mr. Sunil Jindal	Chief Financial Officer

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60th Annual General Meeting	
Day : Friday	
Date : 27 th September, 2024; Time : 11:45 a.m.	
Mode: Video Conferencing (VC) / Other Audio Visual Means (OAVM)	

STATUTORY AUDITORS

M/s. Lodha & Company LLP,
Chartered Accountants

BANKER

ICICI Bank

REGISTERED OFFICE

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

REGISTRAR AND TRANSFER AGENTS

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

PLANTS LOCATIONS

Paithan : D-2/1, MIDC Industrial area,
Paithan, Dist. Aurangabad - 431 107

Bhandara : C-10/1, Bhandara Indl. Area,
Gadegaon, Dist. Bhandara - 441 904

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

NOTICE

Notice is hereby given that the Sixtieth Annual General Meeting (60th AGM) of the members of Hindustan Composites Limited will be held on Friday, 27th September, 2024 at 11:45 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without physical presence of the members at a common venue, to transact the following businesses. The proceedings of the 60th AGM shall be deemed to be conducted at the Registered Office of the Company situated at Peninsula Business Park, 'A' Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, which shall be the deemed venue of the 60th AGM.

ORDINARY BUSINESS:

- To receive, consider and adopt (a) the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2024 together with the reports of the Board of Directors' and Auditors' thereon; and (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2024 together with the report of Auditors thereon and in this regard, if thought fit, pass the following resolutions as **ORDINARY RESOLUTIONS**:

- "RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2024 and 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 31st March, 2024 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 31st March, 2024 and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the recommendation of the Board of Directors of the Company, dividend @ 40% i.e. ₹ 2/- (Rupees Two only) per share on Equity Shares having face value of ₹ 5/- (Rupees Five only) each fully paid up for the financial year ended 31st March, 2024 be and is hereby declared out of the profits of the said financial year and that the same be paid to those shareholders whose names appeared on the Company's Register of Members / List of Beneficiaries as on Friday, 20th September, 2024 and that the dividend be given only to those shareholders who are entitled to receive the same."

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

"RESOLVED THAT pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mr. P. K. Choudhary (DIN: 00535670), Director of the Company, who retired by rotation and being eligible, had offered himself for 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 re-appoint Mr. Lalit Kumar Bararia (DIN: 00204670) as Non-Executive Independent 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 Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 17, 17(1A), 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Lalit Kumar Bararia (DIN: 00204670), Non-Executive Independent Director of the Company, whose first term of office as Non-Executive Independent Director expires on 12th February, 2025, and who being eligible for re-appointment as Non-Executive Independent Director has given his consent and has submitted a declaration to the effect that he meets criteria for independence as provided under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for second term of 5 (five) consecutive years w.e.f. 13th February, 2025 to 12th February, 2030.

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 re-appoint Mrs. Preeti Vimal Agrawal (DIN: 08693668) as Non-Executive Independent 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 Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 17, 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and Board of Directors of the Company, Mrs. Preeti Vimal Agrawal (DIN: 08693668), Non-Executive Independent Director of the Company, whose first term of office as Non-Executive Independent Director expires on 12th February, 2025, and who being eligible for re-appointment as Non-Executive Independent Director has given her consent and has submitted a declaration to the effect that she meets criteria for independence as provided under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for second term of 5 (five) consecutive years w.e.f. 13th February, 2025 to 12th February, 2030.

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 appoint Mr. Snehal Muzoomdar (DIN: 00729992) as Non-Executive Independent Director of the Company and in this regard, if thought fit, pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 17, 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Snehal Muzoomdar (DIN: 00729992), who being eligible for appointment as

an Independent Director, and who has given his consent and has submitted a declaration to the effect that he meets the criteria for independence as provided under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing from a member as required under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years with effect from 1st October, 2024 to 30th September, 2029.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 197, 198 and other applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, in addition to the sitting fees paid for attending the meetings of the Board of Directors of the Company and Committees thereof, the consent of the members of the Company be and is hereby accorded for payment of ₹ 2,00,000/- (Rupees Two Lakh only) as commission to each of Mr. Deepak Sethi, Mr. Lalit Kumar Bararia and Mrs. Preeti Agrawal, Independent Directors of the Company for the financial year ended 31st March, 2024.

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

“**RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors of the Company and subject to all other sanctions, approvals and permissions, as may be required, the revision in remuneration payable to Mr. P. K. Choudhary (DIN: 00535670), Managing Director of the Company w.e.f. 1st April, 2024 for the remaining period of his current tenure as detailed in the explanatory statement attached to this Notice, be and is hereby approved.

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

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

9. To re-appoint Mr. P. K. Choudhary (DIN: 00535670) as Managing 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 Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors of the Company, the re-appointment of Mr. P. K. Choudhary as Managing Director of the Company for a further period of 3 (three) years w.e.f. 1st July, 2024 till 30th June, 2027, and upon the terms and conditions as detailed in explanatory statement annexed to the Notice, be and is hereby approved, with the authority to the Board of Directors of the Company from time to time to revise the terms and conditions with respect to his remuneration on recommendation of Nomination and Remuneration Committee and approval of Audit Committee within the limits provided in the said Schedule V or any amendment thereto for the time being in force.

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

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

10. To ratify the remuneration payable to the Cost Auditors of the Company for the financial year ended 31st March, 2024 and the financial year ending 31st March, 2025 and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (including any statutory

modification(s) or re-enactment(s) thereof, for the time being in force), as approved by the Board of Directors of the Company, the remuneration amounting to ₹ 40,000/ – (Rupees Forty Thousand only) each year plus Goods and Services Tax (GST) as applicable and out of pocket expenses, payable to M/s. Suresh Pimple & Associates, Cost Accountants, Aurangabad (Firm Registration No. 100780), the Cost Auditors who were appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for its product viz. Railway Brake Block manufactured at Aurangabad unit for the financial year ended 31st March, 2024 and for the financial year ending 31st March, 2025, be and is hereby ratified.

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

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

Arvind Purohit
Company Secretary and Compliance Officer
Membership No. A33624

Place: Mumbai
Date: 14th August, 2024

Registered Office:
 Peninsula Business Park, 'A' Tower,
 8th Floor, Senapati Bapat Marg,
 Lower Parel, Mumbai - 400 013

NOTES:

- The Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (“Act”) in respect of special business is annexed hereto and forms part of this notice. The Board of Directors of the Company has considered and decided to include Item Nos. 4 to 10 given above as Special Business in the forthcoming Annual General Meeting (“AGM”), as they are unavoidable in nature. Brief resume of directors proposed to be appointed / re-appointed and whose remuneration is being approved at the ensuing 60th AGM in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard – 2 on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India (“ICSI”) is annexed to the Notice.
- The Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 09/2023 dated 25th September, 2023 and in accordance with the requirements laid down in previous circulars issued by the MCA from time to time in this regard, permitted companies to hold its 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 Act and MCA circulars, the 60th AGM of the Company will be conducted through VC / OAVM without physical presence of the members at a common venue. The Company has engaged services of Central Depository Services (India) Limited ("CDSL") for conducting of the AGM and facilitating e-voting through electronic means i.e. remote e-voting and e-voting during the AGM.
3. Further, the Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023 read with all previous Circulars / Master Circular issued by the SEBI from time to time in this regard ("SEBI Circulars"), has given relaxation to companies from sending hard copy of Annual Report containing salient features of all the documents prescribed under Section 136 of the Act and as required under Regulation 36(1)(b) of the Listing Regulations to the members who have not registered their email addresses in case of general meetings are held through VC / OAVM. Accordingly, the Notice of the 60th AGM along with the Annual Report for the financial year 2023-24 is being sent by electronic mode to those members whose email addresses are registered with RTA / the Company / Depository Participants ('DPs') / Depository(ies).
 4. In accordance with the SS-2 read with Guidance/ Clarification dated 15th April, 2020 issued by the ICSI, the proceedings of the 60th AGM shall be deemed to be conducted at the Registered Office of the Company situated at Peninsula Business Park, 'A' Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. The members are requested to attend the 60th AGM from their respective locations through VC / OAVM and do not visit the Registered Office to attend the AGM.
 5. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. However, since this 60th AGM is being conducted pursuant to the said 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 60th AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
 6. In pursuance of Sections 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the 60th AGM through VC/OAVM and cast their vote through e-voting.
 7. Institutional / Corporate members intending to represent through their authorised representatives in the AGM through VC/OAVM and to vote through remote e-voting or vote at the AGM are requested to send to the Company, a certified copy of the Board Resolution passed in pursuance to the provisions of Section 113 of the Act, authorising their representative, at its registered office of the Company by post/hand delivery or through email at designated e-mail address of the Company i.e. investor@hindcompo.com or at the Scrutinizer's email address i.e. manish@csmanishb.in.
 8. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
 9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act and all documents referred to in the notice of 60th AGM, will be available online for inspection by the members on request by sending an e-mail to the Company at investor@hindcompo.com.
 10. Pursuant to the provisions of Section 91 of the Act and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 21st September, 2024 to Friday, 27th September, 2024 (both days inclusive).
 11. The SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/CIR/2024/37 dated 7th May, 2024 read with all previous circulars issued by the SEBI from time to time with regard to common and simplified norms for processing investors' service requests and for furnishing PAN, KYC details and Nomination, the shareholders holding shares in physical mode and whose folios are not updated with any of the KYC details viz. (i) PAN (ii) Choice of Nomination (iii) Contact Details (Address with PIN code) (iv) Mobile Number (v) Bank Account Details and (vi) Signature, are mandatorily required to update the same with the Company / RTA / Depository of the Company. The shareholders whose folio(s) do not have PAN, Choice of Nomination, Contact Details, Bank Account Details and Specimen Signature updated, shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing PAN, KYC details and Nomination and for any payment including dividend, interest or redemption payment in respect of such folios, only through electronic mode with effect from 1st April, 2024.
- Further, relevant FAQs published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf
- The forms for updation of PAN, KYC, Bank details and Nomination viz. Forms ISR-1, ISR-2, ISR-3, SH-13 and the relevant SEBI Circulars are also available on Company's website at www.hindcompo.com. In accordance with the aforementioned SEBI Master Circular read with all other circulars issued from time to time in this regard and SEBI directive vide e-mail to RTAs on 23rd January, 2024, the Company has sent communication to members holding shares in physical mode and whose folios are incomplete with respect to PAN, Address with PIN code, Mobile Number, Bank Account details, Specimen Signature and Nomination of holders of physical securities requesting them to update such details. Members who hold shares in dematerialised form and wish to update their PAN, KYC, Bank and Nomination details are requested to contact their respective DPs.

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

12. The dividend on Equity Shares as recommended by the Board of Directors for the financial year ended 31st March, 2024, if approved by the members at the ensuing 60th AGM, will be paid to those members whose names stand registered in the Register of Members / List of Beneficial Owners as on Friday, 20th September, 2024. The dividend will be paid to members only in electronic mode w.e.f. 1st April, 2024.

The dividend on Equity Shares shall be paid to members holding shares in physical mode only after the details as mentioned above in Point no. 11 are updated in their folios. Members are requested to complete their KYC details by writing to the Company's RTA, Link Intime India Pvt. Ltd., at rnt.helpdesk@linkintime.co.in. The forms for updating the same are available at RTA's website viz. <https://liiplweb.linkintime.co.in/KYC-downloads.html>.

13. Members holding shares in physical form are requested to notify any change in their address or bank details to the Company / RTA quoting their Folio Number. The members holding shares in the demat form are requested to update such details with their respective Depository Participants.
14. To comply with the provisions of Section 88 of the Act read with Rule 3 of the Companies (Management and Administration) Rule 2014, members are requested to submit their e-mail ID and other details vide e-mail updation form available on Company's website viz. 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 Company's RTA. The e-mail ID provided shall be updated, subject to successful verification of your signatures as per records available with the Company's RTA.
15. Members may note that the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, mandates that the dividend paid or distributed by a Company w.e.f. 1st 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 dividend. In order to enable us to determine the appropriate TDS rate as applicable, the members are requested to submit Form 15G/Form 15H or any other documents as applicable, if any, in accordance with the provisions of the IT Act.

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

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

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by him during financial year 2024-25 does not exceed ₹ 5,000/- and also in cases where members have provided Form 15G (applicable to individual) / Form 15H (applicable to individual aged 60 years and above), 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 with holding tax. PAN is mandatory for members providing Form 15G/15H or any other document as applicable, if any, in accordance with the provisions of the IT Act.

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

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member or details as prescribed under rule 37BC of Income-Tax Rules, 1962.
- Copy of Tax Residency Certificate (TRC) for the FY 2024-25 obtained from the revenue authorities of the country of tax residence, duly attested by member.
- Self-declaration in Form 10F.
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

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

The aforementioned documents are required to be submitted by sending email at investor@hindcompo.com upto 23.59 hrs. IST on 20th September, 2024.

16. As per Regulation 40 of the Listing Regulations, as amended, the request for transfer of securities shall not be processed unless the securities are held in dematerialised form. Further the request for transmission or transposition of securities held in physical or dematerialised form shall be affected only in dematerialised form. Hence members who hold shares in physical form are requested to dematerialize their shares, so they can transfer their shares in future, if so desire. However, members can continue to hold shares in physical form.
17. The cut-off date for the purpose of determining eligibility of members for voting in connection with the 60th AGM and payment of final dividend for the financial year 2023-24 has been fixed as Friday, 20th September, 2024 (**"Cut-off date"**).
18. The Company has transferred the unpaid or unclaimed dividend declared upto financial years 2015-16, 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 31st March, 2017 is due for transfer to the IEPF Authority in month of October, 2024. The shareholders whose dividend remained unclaimed for the financial year 2016-17 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 31st March, 2024 under "Investor Relations" section on the website of the Company viz. www.hindcompo.com. The details of unpaid and unclaimed dividend amounts lying with the Company can also be accessed on the website of Ministry of Corporate Affairs viz. 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 the IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

In accordance with the aforesaid provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred 17,100 equity shares in respect of which dividend declared for the financial year 2015-2016 or earlier financial years remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more to the DEMAT account of IEPF Authority via corporate actions through Depositories.

A member desirous to claim back his / her shares from the IEPF Authority can do so by following prescribed procedure under the said Rules. The aforesaid details are available on the website of the Company viz. www.hindcompo.com 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 2016-17 and thereafter has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.

19. The members can join the 60th AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the 60th AGM through VC / OAVM will be made available to atleast 1000 members on first come first serve basis; however this limit does not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first serve basis.
20. The attendance of the members attending the 60th AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
21. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the 60th AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Company / RTA / Depository Participants. The members may note that the Notice and Annual Report for the financial year 2023-24 will also be available on the Company's website viz. www.hindcompo.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited viz. www.bseindia.com and www.nseindia.com respectively and on the website of CDSL viz. www.evotingindia.com.
22. Non-Resident Indian members are requested to inform to the Company's Registrar and Transfer Agents, 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 / 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 their all communications to the Company's RTA and are further requested to always quote their Folio Number / DPID-Client ID in all correspondence with the Company / RTA.
25. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. Listing fees for the financial year 2024-25 have been paid to both the stock exchanges.

26. The SEBI vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated 24th January, 2022 read with Master Circular No. SEBI/HO/MIRSD/POD-1/CIR/2024/37 dated 7th May, 2024 has simplified the procedure and standardized the format of documents for transmission of securities; henceforth while processing certain prescribed service request(s) such as issue of duplicate share certificate, claim from Unclaimed Suspense Account, renewal / exchange of share certificates, endorsement, sub-division / splitting of share certificates, consolidation of share certificates / folios, transmission, and / or transposition received from the shareholder / claimant. Upon receipt of service request(s) from shareholder / claimant (in prescribed form ISR-4), the RTA of the Company shall verify and process the said request. After removing objections, if any, the RTA will intimate the shareholder / claimant about its execution / issuance of new certificate as may be applicable. The RTA shall retain the physical Share Certificate with them and shall issue 'Letter of Confirmation' to the shareholder / claimant in lieu of physical share certificate(s). The shareholder / claimant shall lodge request for dematerialization of shares along with the original Letter of Confirmation received from the RTA within 120 (One Hundred Twenty) days of issue of the Letter of Confirmation to his Depository Participant (DP). In case the shareholder / claimant fails to submit the demat request within the aforesaid period, the Company shall credit such shares to the Suspense Escrow Demat Account of the Company opened for the said purpose.
27. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated 30th May, 2022, Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated 31st July, 2023 as updated from time to time read with all other circulars issued earlier in this regard, provided an option for arbitration as a Dispute Resolution Mechanism for investors. As per the said circulars, investors can opt for arbitration with the Stock Exchanges in case of any dispute against the Company or its RTA on delay or default in processing any investor service related request. In compliance with the said Circular, the Company has sent communication intimating about the Dispute Resolution Mechanism to all the members holding shares in physical form. Further, a common Online Dispute Resolution Portal ("ODR Portal") is established for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve investors' grievances with the RTA / Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website <https://www.hindcompo.com/investor-relations/investors-information.htm>.
28. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and SS-2, 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 60th AGM dated 14th August, 2024. The members may cast their vote using electronic voting system from a place other than the venue of the meeting ("remote e-voting").
- The facility of casting the vote by the members / shareholders using an electronic voting system from a place other than venue of the AGM ("remote e-voting") and e-voting during the meeting will be provided by the Central Depository Services (India) Limited (CDSL e-voting System).
 - A person, whose name is recorded in the Register of Members or in the List of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of "remote e-voting" or e-voting during the AGM.
 - The "remote e-voting" period commences on Tuesday, 24th September, 2024 (9:00 hrs.) and ends on Thursday, 26th September, 2024 (17:00 hrs.). During this period, members / shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote by "remote e-voting". The "remote e-voting" module shall be disabled by the CDSL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
 - The voting rights of members / shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date.
- Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or 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.
- The Board of Directors of the Company has appointed CS Manish Baldeva, Proprietor M/s. M Baldeva Associates, Company Secretaries, Mumbai (FCS No.: 6180 / CP No.: 11062) as Scrutinizer to scrutinize the voting through remote e-voting process and e-voting during the 60th AGM in a fair and transparent manner. The Scrutinizer shall, within 2 working days from the conclusion of the AGM, prepare a consolidated scrutinizer's report of the votes cast in favour or against, if any, and forthwith the same to the Chairman of the meeting or a person authorized by him who shall countersign the same and declare the result of the voting.

- (f) The result declared along with the report of the Scrutinizer shall be placed on the website of the Company viz, www.hindcompo.com 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 in favour, the resolutions shall be deemed to be passed on the date of the 60th AGM i.e. Friday, 27th September, 2024.

THE PROCEDURE / INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING 60th AGM AND JOINING MEETING THROUGH VC / OAVM ARE AS UNDER:

- (i) The voting period begins on Tuesday, 24th September, 2024 (9:00 hrs.) and ends on Thursday, 26th September, 2024 (17:00 hrs.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by the CDSL for voting thereafter.
- (ii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020**, under Regulation 44 of the SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, e-voting has been enabled to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories / Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020** on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to the said SEBI Circular, Login method for e-voting and joining virtual meetings **for Individual**

shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website viz. www.cdslindia.com and click on Login icon and select New System Myeasi tab.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-Voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KFINTECH/LINKINTIME, so that the user can visit the e-voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP. on registered Mobile & Email as</p>

Type of shareholders	Login Method
	recorded in the demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IdeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under</p>

Type of shareholders	Login Method
	‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 – 4886 7000 and 022-2499 7000

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

- 1) The shareholders should log on to the e-voting website viz. www.evotingindia.com.
- 2) Click on “Shareholders” module
- 3) Now enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

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

(v) After entering these details appropriately, click on “SUBMIT” tab.

- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for HINDUSTAN COMPOSITES LIMITED on which you choose to vote.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvi) **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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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.

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

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-voting will also be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request in advance atleast 2 (two) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@hindcompo.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (Seven) days prior to

meeting mentioning their name, demat account number/ folio number, email id, mobile number at investor@hindcompo.com. These queries will be replied to by the Company during the AGM.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM on first come first serve basis.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
10. If any Votes are casted by the shareholders through e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the Company i.e. investor@hindcompo.com or to RTAs' email id rnt.helpdesk@linkintime.co.in.
2. For Demat shareholders – , Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

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

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**Item No. 4:**

Mr. Lalit Kumar Bararia was appointed by the members of the Company in 56th Annual General Meeting held on 29th September, 2020 as Non-Executive Independent Director of the Company for a term of 5 (five) consecutive years w.e.f. 13th February, 2020, accordingly his current term expires on 12th February, 2025.

As per the provisions of Section 149(10) read with Schedule IV of the Companies Act, 2013 ('the Act'), an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a company, however he shall be eligible for re-appointment by passing a special resolution by the company for another term of upto 5 (five) consecutive years on the Board of a company. Further, he will be attaining age of 75 (seventy five) years during his second term, if re-appointed, therefore his re-appointment requires approval of the members of the Company by passing special resolution pursuant to the provisions of Regulation 17(1A) read with Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In line with the aforesaid provisions of the Act and Listing Regulations and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Lalit Kumar Bararia, it is proposed to re-appoint him as Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. 13th February, 2025 to 12th February, 2030, not liable to retire by rotation.

Pursuant to the provisions of Section 160(1) of the Act, the Company has received notice in writing from a member of the Company proposing his candidature for the office of Director of the Company.

Mr. Lalit Kumar Bararia has given requisite declaration pursuant to the provisions of Section 149(7) of the Act, to the effect that he continues to meet the criteria of independence as provided under Section 149(6) of the Act read with the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, Mr. Bararia has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Mr. Bararia has also confirmed that he is not debarred from holding office of director by virtue of any SEBI order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI orders regarding appointment of directors by the listed companies.

Further, Mr. Bararia has confirmed that he is not disqualified from being appointed as director in terms of Section 164 of the Act and has given his consent to continue to act as director in

terms of Section 152 of the Act, subject to re-appointment by the members.

Mr. Bararia has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Mr. Bararia fulfils the conditions specified in the Act, rules thereunder and the Listing Regulations for re-appointment as Non-Executive Independent Director and is independent of the management. The terms and conditions of his re-appointment are uploaded on the website of the Company at <https://www.hindcompo.com/investor-relations/documents/terms-of-appointment.pdf> and will also be available for inspection by the members online. The members who wish to inspect the same can send a request to the e-mail address mentioned in the notes to the Notice.

The Board considers that his continued association would be of immense benefit to the Company, and it is desirable to continue availing services of Mr. Lalit Kumar Bararia as Non-Executive Independent Director of the Company. Accordingly, the Board recommends passing of Special Resolution as set out at item no. 4 of the Notice for your approval.

Brief resume of Mr. Lalit Kumar Bararia and other relevant details relating to his re-appointment, as required by the Act, the Listing Regulations and SS – 2 are provided in the annexure to the Notice. Mr. Lalit Kumar Bararia does not hold any shares in the Company.

Except Mr. Lalit Kumar Bararia, being appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the accompanying Notice of the AGM.

Item No. 5:

Mrs. Preeti Agrawal was appointed by the members of the Company in 56th Annual General Meeting held on 29th September, 2020 as Non-Executive Independent Director of the Company for a term of 5 (five) consecutive years w.e.f. 13th February, 2020, accordingly her current term expires on 12th February, 2025.

As per the provisions of Section 149(10) read with Schedule IV of the Companies Act, 2013 ('the Act'), an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a company, however she shall be eligible for re-appointment by passing a special resolution by the company for another term of upto 5 (five) consecutive years, on the Board of a company.

In line with the aforesaid provisions of the Act and Listing Regulations and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mrs. Preeti Agrawal, it is proposed to re-appoint her as Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. 13th February, 2025 to 12th February, 2030, not liable to retire by rotation.

Pursuant to the provisions of Section 160(1) of the Act, the Company has received notice in writing from a member of the Company proposing her candidature for the office of Director of the Company.

Mrs. Preeti Agrawal has given requisite declaration pursuant to the Provisions of Section 149(7) of the Act, to the effect that she continues to meet the criteria of independence as provided under Section 149(6) of the Act read with the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, Mrs. Preeti Agrawal has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. Mrs. Preeti Agrawal has also confirmed that she is not debarred from holding office of director by virtue of any SEBI order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI orders regarding appointment of directors by the listed companies.

Further, Mrs. Preeti Agrawal has confirmed that she is not disqualified from being appointed as director in terms of Section 164 of the Act and has given her consent to continue to act as Director in terms of Section 152 of the Act, subject to re-appointment by the members.

Mrs. Preeti Agrawal has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Mrs. Preeti Agrawal fulfils the conditions specified in the Act, rules thereunder and the Listing Regulations for re-appointment as Non-Executive Independent Director and is independent of the management. The terms and conditions of her re-appointment are uploaded on the website of the Company at <https://www.hindcompo.com/investor-relations/documents/terms-of-appointment.pdf> and will also be available for inspection by the members online. The members who wish to inspect the same can send a request to the e-mail address mentioned in the notes to the Notice.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue availing services of Mrs. Preeti Agrawal as Non-Executive Independent Director of the Company. Accordingly, the Board recommends passing of Special Resolution as set out at item no. 5 of the Notice for your approval.

Brief resume of Mrs. Preeti Agrawal and other relevant details relating to her re-appointment, as required by the Act, the Listing Regulations and revised SS – 2 are provided in the annexure to the Notice. Mrs. Preeti Agrawal does not hold any shares in the Company.

Except Mrs. Preeti Agrawal, being appointee and her relatives, none of the Directors and 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 of the accompanying Notice of the AGM.

Item No. 6:

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 ("Act") and Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17, 25, 16(1)(b) and other applicable provisions of the Listing Regulations and the Articles of Association of the Company, has recommended for appointment of Mr. Snehal Muzoomdar (DIN: 00729992) as Non-Executive Independent Director of the Company, for a term of 5 (five) consecutive years w.e.f. 1st October, 2024 to 30th September, 2029, not liable to retire by rotation, to the members of the Company.

Mr. Snehal Muzoomdar has done Chartered Accountancy, Cost And Works Accountancy and is also a law graduate. He is in active practice as a Chartered Accountant for past 44 years and is also on the Board of many companies including multinational companies in India and abroad. He is President of Indo Brazilian Chamber of Commerce and India and Head of India Chamber of Commerce, Minneapolis, US. He is the Founder President of Indo US Cultural Council and past president of Indo-American Society. He is current president of Indian Musicological Society. The Government of Maharashtra has recently appointed him as Honorary Executive Chairman of Maharashtra Rajya Gujarati Sahitya Academy.

In accordance with the provisions of the Act and Regulation 25(2A) of the Listing Regulations, an Independent Director can be appointed for a term of 5 (five) consecutive years, subject to the approval of the members of the Company by way of a Special Resolution.

The Company has received a notice under Section 160(1) of the Act from a member of the Company proposing his candidature for the office of director.

Mr. Snehal Muzoomdar has given requisite declaration pursuant to the provisions of Section 149(7) of the Act, to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act read with rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, Mr. Snehal Muzoomdar has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Mr. Snehal Muzoomdar has also confirmed that he is not debarred from holding office of director by virtue of any SEBI order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI orders regarding appointment of directors by the listed companies.

Further, Mr. Snehal Muzoomdar has confirmed that he is not disqualified from being appointed as director in terms of Section 164 of the Act and has given his consent to act as director in terms of Section 152 of the Act, if appointed.

Mr. Snehal Muzoomdar has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with

respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Mr. Snehal Muzoomdar fulfils the conditions specified in the Act, rules thereunder and the Listing Regulations for appointment as Non-Executive Independent Director and is independent of the management. The terms and conditions of his appointment are uploaded on the website of the Company at <https://www.hindcompo.com/investor-relations/documents/terms-of-appointment.pdf> and will also be available for inspection by the members online. The members who wish to inspect the same can send a request to the e-mail address mentioned in the notes to the Notice.

The Board considers that his association would be of immense benefit to the Company and it is desirable to have Mr. Snehal Muzoomdar on Board as Non-Executive Independent Director of the Company. Accordingly, the Board recommends the Special Resolution as set out at item no. 6 of the Notice for the approval of the members of the Company.

A brief profile of Mr. Snehal Muzoomdar and other relevant details relating to his appointment, as required under the Act, the Listing Regulations and SS – 2 are provided in annexure to this Notice. Mr. Snehal Muzoomdar does not hold any shares in the Company.

None of the Directors and 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 of the accompanying Notice of the AGM.

Item No. 7:

Considering the rich experience and expertise brought to the Board by Mr. Deepak Sethi, Mr. Lalit Kumar Bararia and Mrs. Preeti Vimal Agrawal, Independent Directors of the Company, it is proposed to pay a commission of ₹ 2,00,000/- (Rupees Two Lakh only) to each of the aforesaid Independent Directors for the financial year 2023-24. Such payment will be in addition to the sitting fees paid for attending Board / Committee meetings during the said financial year.

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

None of the Directors, Key Managerial Personnel or any of their relatives, except the above mentioned Independent Directors of the Company to whom the resolution relates, are concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of the accompanying Notice of the AGM.

Item Nos. 8 & 9:

Mr. P. K. Choudhary, Managing Director of the Company, has been associated with the Company since last 33 years. He is a Chartered Accountant and Company Secretary and has vast knowledge and experience in the field of Finance, Commercial Activities and General Management.

Considering his experience, knowledge and contribution made in growth of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee of the Company, the Board of Directors revised the remuneration payable to him w.e.f. 1st April 2024 for remaining period of his current tenure.

Further, the current tenure of Mr. P. K. Choudhary as Managing Director is expiring on 30th June, 2024. Considering his experience, knowledge and contribution made in growth of the Company and as recommended by the Nomination and Remuneration Committee and approved by Audit Committee of the Company, the Board of Directors of the Company has re-appointed him for a further period of 3 (three) years from 1st July, 2024 to 30th June, 2027.

The details of revised remuneration payable to him for remaining period of his current tenure and new term are as follows:

Sr. No.	Particulars	Details of revised remuneration
1.	Salary	₹ 4,50,000/- per month and special allowance of ₹ 1,15,250/- per month with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule V to the Companies Act, 2013.
2.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas and maintenance in the premises etc. not exceeding ₹ 25,000/- per month. In case no accommodation is provided, the payment of HRA, subject to the ceiling of sixty percent of the salary.
3.	Conveyance/ Motor Car	Provision of motor car and re-imbursment towards driver and other running expenses upto ₹ 97,000/- per month.
4.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding ₹ 1,250/- per month.
5.	Servant Allowance	Provision for Servant Allowance ₹ 20,000/- per month
6.	Leave Travel Concession	As per rules of the Company, not exceeding ₹ 37,500/- per month.
7.	Provident and other funds including superannuation and gratuity	As per rules of the Company's Scheme.
8.	Personal accident insurance	As per rules of the Company's Scheme.
9.	Club subscription	Reimbursement of club subscription fees of one club.
10.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.

The Board considers that his continued association would be of immense benefit to the Company, and it is desirable to continue availing services of Mr. P. K. Choudhary as Managing Director of the Company.

The Board considers that the increase in remuneration of Mr. P. K. Choudhary for remaining period of his current tenure and his reappointment on revised remuneration is commensurate to the industry standards and accordingly, recommends the Special Resolutions as set out at item nos. 8 and 9 of the Notice for the approval of the members of the Company.

Mr. P. K. Choudhary has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI order or any such authority pursuant to Circulars dated 20th June, 2018 issued by the BSE Limited and National Stock Exchange of India Limited pertaining to enforcement of SEBI orders regarding appointment of directors by the listed companies.

Further, Mr. P. K. Choudhary has confirmed that he is not disqualified from being appointed as director in terms of Section 164 of the Act and has given his consent to continue to act as Managing Director of the Company. Mr. P. K. Choudhary satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his re-appointment.

A brief profile of Mr. P. K. Choudhary and other relevant details relating to his re-appointment, as required by the Act, the Listing Regulations and SS – 2 are provided in Annexure – 1 to this Notice. Mr. P. K. Choudhary does not hold any shares in the Company.

Except Mr. P. K. Choudhary, Managing Director, being appointee and his relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item nos. 8 & 9 of the accompanying Notice of the AGM.

Item No. 10:

The Board of Directors had appointed M/s. M. R. Pandit & Co., Cost Accountants, Aurangabad (Firm Registration No. 000268) as Cost Auditors of the Company for the financial year ended 31st March, 2024. On 21st November, 2023, the Company received a letter from M/s. M. R. Pandit & Co., Cost Accountants, intimating about the dissolution of their firm. Consequently, M/s. M. R. Pandit & Co., Cost Accountants ceased to be the Cost Auditors of the Company w.e.f. 21st November, 2023.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 6(3A) of the Companies (Cost Records and Audit) Rules, 2014, the Company was required to fill the casual vacancy in the office of Cost Auditors within 30 days of such vacancy by appointing new Cost Auditors. Accordingly, to fill the casual vacancy arose in the office of Cost Auditors,

the Board of Directors, on recommendation of the Audit Committee, appointed M/s. Suresh Pimple & Associates, Cost Accountants, Aurangabad (Firm Registration No: 100780) as Cost Auditors of the Company to conduct audit of cost records maintained by the Company for its product viz. Railway Brake Block manufactured at Aurangabad unit for the financial year ended 31st March 2024 at a remuneration of ₹ 40,000/- (Rupees Forty Thousand only) plus Goods and Service Tax (GST) as applicable and out of pocket expenses incurred for the purpose of the above audit for the aforesaid financial year, subject to ratification of remuneration by the members of the Company.

Further, the Board of Directors re-appointed M/s. Suresh Pimple & Associates, Cost Accountants, Aurangabad (Firm Registration No: 100780) as Cost Auditors of the Company to conduct audit of cost records maintained by the Company for its product viz. Railway Brake Block manufactured at Aurangabad unit for the financial year ending 31st March 2025 at a remuneration of ₹ 40,000/- (Rupees Forty Thousand only) plus Goods and Service Tax (GST) as applicable and out of pocket expenses incurred for the purpose of the above audit for the aforesaid financial year, subject to ratification of remuneration by the members of the Company.

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

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

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for conducting the audit of the cost records maintained by the Company for the financial year ended 31st March, 2024 and for the financial year ending 31st March, 2025.

The Board accordingly recommends the Ordinary Resolution as set out at item no. 10 of the accompanying Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or any of their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 10 of the accompanying Notice of the AGM.

ANNEXURE – 1

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

Particulars	Name of Directors			
	Mr. P. K. Choudhary (DIN: 00535670)	Mr. Lalit Kumar Bararia (DIN: 00204670)	Mrs. Preeti Vimal Agrawal (DIN: 08693668)	Mr. Snehal Muzoomdar (DIN: 00729992)
Age	68 years	69 years	43 Years	68 Years
Qualifications	Chartered Accountant and Company Secretary	Chartered Accountant	Chartered Accountant	Chartered Accountant, Cost And Works Accountant and Law Graduate
Experience (including expertise in specific functional area) / Brief Resume	He possesses rich experience of 43 years in the field of business operation, finance, merger & acquisitions and long term business strategy.	He has over 44 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 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 19 years of experience in diversified areas.	He has done his Chartered Accountancy, Cost and Works Accountancy and Law. He is in active practice as a Chartered Accountant for the past 44 years and is also on the board of many companies including multinational companies in India and abroad.
Terms and Conditions of appointment / reappointment	Remuneration details are provided in the explanatory statement hereinabove.	Mr. Lalit Kumar Bararia is proposed to be re-appointed as Non-Executive Independent Director for a second term of 5 consecutive years, not liable to retire by rotation.	Mrs. Preeti Vimal Agrawal is proposed to be re-appointed as Non-Executive Independent Director for a second term of 5 consecutive years, not liable to retire by rotation.	Mr. Snehal Muzoomdar is proposed to be appointed as Non-Executive Independent Director for a term of 5 consecutive years, not liable to retire by rotation.
Remuneration last drawn (including Sitting fees, Commission, if any)	₹ 104.00 Lakh plus perquisites	₹ 3.00 Lakh	₹ 2.90 Lakh	Not Applicable
Remuneration proposed to be paid	₹ 114.00 Lakh plus perquisites	Sitting fees as approved and Commission as may be decided by the Board of Directors from time to time.	Sitting fees as approved and Commission as may be decided by the Board of Directors from time to time.	Sitting fees as approved and Commission as may be decided by the Board of Directors from time to time.
Date of first appointment on the Board	18 th March, 2005	13 th February, 2020	13 th February, 2020	Proposed to be appointed w.e.f. 1 st October, 2024
Shareholding in the Company (including beneficial ownership) as on 31 st March, 2024	Nil	Nil	Nil	Nil

Particulars	Name of Directors			
	Mr. P. K. Choudhary (DIN: 00535670)	Mr. Lalit Kumar Bararia (DIN: 00204670)	Mrs. Preeti Vimal Agrawal (DIN: 08693668)	Mr. Snehal Muzoomdar (DIN: 00729992)
Relationship with other Directors / Key Managerial Personnel	He is not related <i>inter-se</i> to any Director / Key Managerial Personnel of the Company within the meaning of Section 2(77) of the Companies Act, 2013	He is not related <i>inter-se</i> 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 <i>inter-se</i> 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 <i>inter-se</i> 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 2023-24	7 (Seven)	4 (Four)	7 (Seven)	Not Applicable
Directorships of other Boards as on March 31, 2024	Prabhukripa Overseas Limited	Nil	Nil	Perfect-Octave Media Projects Limited Indo Nippon Chemical Company Limited Raycon Infrastructure Private Limited Muzoomdar Associates Private Limited Prima Plastics Limited
Number of Listed Entities from which person has resigned in past three years	Nil	Nil	Nil	Nil
Membership / Chairmanship of Committees of other entities as on 31 st March, 2024	Nil	Nil	Nil	Chairman: 1. Perfect-Octave Media Projects Limited – Nomination & Remuneration Committee
				Member: 1. Prima Plastics Ltd. – Audit Committee; Nomination & Remuneration Committee; and Stakeholders Relationship Committee. 2. Perfect-Octave Media Projects Limited – Audit Committee; and Stakeholders Relationship Committee.

Particulars	Name of Directors			
	Mr. P. K. Choudhary (DIN: 00535670)	Mr. Lalit Kumar Bararia (DIN: 00204670)	Mrs. Preeti Vimal Agrawal (DIN: 08693668)	Mr. Snehal Muzoomdar (DIN: 00729992)
Summary of Performance Evaluation / Justification for choosing the appointees for appointment as Independent Directors	Not applicable	As per his expertise and experience as mentioned above.	As per her expertise and experience as mentioned above.	As per his expertise and experience as mentioned above.
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	As given in the explanatory statement.	As given in the explanatory statement.	As given in the explanatory statement.	As given in the explanatory statement.

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

**Arvind Purohit
Company Secretary and Compliance Officer
Membership No. A33624**

Place: Mumbai

Date: 14th August, 2024

Registered Office:

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

BOARD OF DIRECTORS' REPORT

To the Members,
Hindustan Composites Limited

The Board of Directors of the Company regretfully reports sad demise of Shri Raghu Nandan Mody, Chairman and Non-Executive Director of the Company on 8th February 2024 and express its heartfelt deep condolences. The Board places on record its sincere and deep appreciation for visionary leadership and invaluable guidance and contribution made by Late Shri Raghu Nandan Mody during his tenure of 37 years with the Company.

Your directors are pleased to present the Sixtieth Annual Report together with the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2024.

1. FINANCIAL HIGHLIGHTS

The Company's financial performance for the financial year ended 31st March 2024 is summarized below:

(₹ in Lakh)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	29,768.43	28,268.76	29,768.43	28,268.76
Other Income	92.59	84.62	92.59	84.62
Profit before Interest, Depreciation and Taxes	5,221.63	4,145.25	5,221.63	4,145.25
Less: Interest	8.96	12.67	8.96	12.67
Less: Depreciation (Net)	952.51	872.93	952.51	872.93
Profit Before Tax	4260.16	3,259.65	4260.16	3,259.65
Less: Provision for Tax	819.01	512.38	819.01	512.38
Profit After Tax	3,441.15	2,747.27	3,441.15	2,747.27
Other Comprehensive Income / (Loss) (Net of Tax)	3435.40	(2,093.46)	3435.40	(2,093.46)
Total Comprehensive Income	6,876.55	653.81	6,876.55	653.81

2. OPERATIONAL PERFORMANCE

On a standalone basis, the Company achieved total revenue of ₹ 29,768.43 Lakh during the financial year under review compared to ₹ 28,268.76 Lakh in the previous financial year. The net manufacturing revenue was higher by 7% from ₹ 23,469.93 Lakh to ₹ 25,016.21 Lakh.

Investment income during the financial year remained almost same at ₹ 4,699.53 Lakh compared to ₹ 4,731.54 Lakh in the previous financial year. It could be achieved with judicious deployment of funds in various asset classes, despite volatile market conditions and falling interest rates.

The gross profit of the Company was higher at ₹ 5,221.63 Lakh as against ₹ 4,145.25 Lakh in the previous financial year. After considering the interest of ₹ 8.96 Lakh and depreciation of ₹ 952.51 Lakh, Profit before tax was ₹ 4260.16 Lakh. With a tax provision of ₹ 819.01 Lakh (previous year ₹ 512.38 Lakh) Profit after tax stood at ₹ 3,441.15 Lakh as against ₹ 2,747.27 Lakh in the previous financial year. Other comprehensive income, net of tax during the financial year was ₹ 3,435.40 Lakh (previous financial year ₹ – 2,093.46 Lakh) and the total comprehensive income was ₹ 6876.55 Lakh (previous financial year ₹ 653.81 Lakh).

It was another successful year on the journey of excellence & growth and the Company posted excellent

results with highest-ever revenue and improved profitability. It aligned with the overall success of the auto industry. Growth was led by strong traction in rail friction material business.

We are also happy to report that our Company has become a green Company with elimination of Asbestos based products at its plants.

Global economy continues to present a mixed trend. Multiple factors like on-going geo-political conflicts, widespread elevation of debt, extreme weather conditions and elections in many parts of the world continue to contribute to the uncertainty of the global economic outlook. Encouragingly, inflation has softened over the highs of the previous year and is expected to continue to moderate.

Amidst these conditions, Indian economy has continued to grow with resilience. With a GDP growth of 7.8% in calendar year 2023, the fifth largest economy was the fastest growing major economy in the world. This strength is attributed to sustained domestic demand and growing working population. The sharp focus on improving productivity in both manufacturing and agriculture sectors, coupled with a promising growth outlook, bodes well for overall demand creation for both Commercial and Passenger Vehicles.

Indian Automotive industry achieved a healthy growth during the year under review. It was led by personal mobility vehicles with passenger car sales crossing

4.2 million nos. in the domestic market. Two wheelers registered double digit growth but were yet to touch the pre-covid levels. The Commercial vehicle segment overall grew marginally.

Amid the dynamic landscape of the automotive sector, our Company continued its growth trajectory and posted improved results. Our Company is deeply aware of customer expectations and has taken proactive measures to align itself towards development of high-performance products. The Company continues to emphasis on improvement in operational efficiencies, higher productivity, and prudent cost control measures.

The Company has taken several steps towards sustainability including installation of 1.4 MWp on-site Solar plant (which meets about 25% of total electricity requirement of Paithan plant), putting up recycling plant to use waste materials, elimination of asbestos products, putting up plantation around the plant.

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

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

The outlook for the financial year 2024-25 remains positive with continued growth prospectus of automotive industry in terms of underlying demand. With a clear focus on innovation and customer satisfaction, the Company is well positioned to achieve its plans and will remain a major player in its business segment. The Company also foresees a significant demand growth from its rail business.

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

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

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

4. SHARE CAPITAL OF THE COMPANY

During the financial year under review, there was no change in the share capital of the Company. The paid-up equity share capital of your Company as on 31st March, 2024 was ₹ 7,38,45,000/- (Rupees Seven Crore Thirty Eight Lakh Forty Five Thousand only) divided into 1,47,69,000 Equity Shares of ₹ 5/- (Rupees Five only) each fully paid up.

During the financial year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

5. DIVIDEND & DIVIDEND POLICY

Your directors have recommended a dividend of ₹ 2/- per share (previous financial year ₹ 2/- per share) of ₹ 5/- each, being 40% (previous financial year 40%) on equity share capital for the financial year ended 31st March, 2024. This will absorb a total cash outflow of ₹ 295.38 Lakh. The dividend, if approved, will be paid to those members whose names shall appear in the Register of Members / List of Beneficial Owners as on 20th September, 2024.

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

6. RESERVES

During the financial year under review, a sum of ₹ 4,000 Lakh (previous year ₹ 2,000 Lakh) was transferred to the General Reserve.

7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

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

No subsidiary, joint venture or associate Company was formed or ceased during the financial year under review.

8. CONSOLIDATED AUDITED FINANCIAL STATEMENTS

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

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

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

9. RISK MANAGEMENT AND AREAS OF CONCERN

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

Pursuant to the provisions of Regulation 21 of the Listing Regulations, the Company has constituted Risk Management Committee. As on 31st March, 2024, Risk Management Committee comprised of Mr. Lalit Kumar Bararia and Mrs. Preeti Vimal Agrawal, Independent Directors as its members and Mr. P. K. Choudhary as Chairman of Committee. The Company Secretary and Compliance officer of the Company acts as Secretary of the Committee.

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

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

10. ANNUAL RETURN

Annual Return of the Company as on 31st March, 2024 in accordance with the provision of Section 92(3) read with the Section 134(3)(a) of the Act will be placed on the website of the Company and can be accessed at the link <https://www.hindcompo.com/investor-relations/annual-reports.htm>.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

a) Composition

As on 31st March, 2024, the Board comprised of eight Directors including one Independent Women Director. The Board has an appropriate mix of Executive Directors, Non-Executive Directors and Independent Directors, which is in compliance with the requirements of the Act and the Listing Regulations and is also aligned with the best practices of Corporate Governance.

b) Retirement by rotation

In accordance with the provisions of Section 152(6) of the Act read with the Companies (Management

and Administration) Rules, 2014 and the Articles of Association of the Company, Mr. P. K. Choudhary (DIN: 00535670), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, recommends his reappointment as such to the members of the Company.

c) Appointment and Re-appointment

I. Details of the appointments and re-appointments made during the year under review are as follows:

Upon the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company:

- (i) Mr. Raghu Mody, who retired by rotation at previous 59th Annual General Meeting held on 29th September, 2023, was re-appointed by the members as Director of the Company in terms of provisions of Section 152(6) of the Act. He was also re-appointed as Non-Executive Non-Independent Director of the Company w.e.f. 1st October, 2023 by the members of the Company at their 59th Annual General Meeting;
- (ii) Mr. Vinay Sarin (DIN: 00090757) was appointed as an Additional Director (Non-Executive Non-Independent) of the Company w.e.f. 1st July, 2023. Further, he was appointment as Non – Executive Non-Independent Director of the Company w.e.f. 1st July, 2023 by the members of the Company at their 59th Annual General Meeting; and
- (iii) Mr. Rajan Arvind Dalal (DIN: 00546264) was appointed as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation, for a term of five (5) consecutive years commencing from 21st February, 2024 to 20th February, 2029, by the Board of Directors of the Company at their meeting held on 21st February, 2024. Further, he was appointed as such by the members of the Company by way of passing of a Special Resolution through Postal Ballot Process concluded on 27th March, 2024, result of which was declared on 29th March, 2024.

II. Details of the proposed appointments and re-appointments at the ensuing Annual General Meeting are as follows:

Upon the recommendation of Nomination and Remuneration Committee and approval of the Audit Committee, wherever applicable, the Board of Directors of the Company recommends

appointment / reappointment of following persons as directors of the Company at the ensuing Annual General Meeting:

- (i) Mr. P. K. Choudhary (DIN: 00535670) has been re-appointed as Managing Director of the Company for further period of three (3) years w.e.f. 1st July, 2024 to 30th June, 2027, by the Board of Directors in their meeting held on 29th May, 2024, subject to the approval of the members of the Company;
- (ii) Mr. Lalit Kumar Bararia (DIN: 00204670) was appointed as Independent, Non – Executive Director for a term of five (5) consecutive years w.e.f. 13th February, 2020 by the members of the Company in their 56th Annual General Meeting held on 29th September, 2020, accordingly his current tenure expires on 12th February, 2025. Pursuant to the provisions of Section 149(10) read with Schedule IV of the Act and the Listing Regulations and considering the integrity, expertise and experience of Mr. Lalit Kumar Bararia, it is proposed to re-appoint him as Independent, Non – Executive Director of the Company for another term of five (5) consecutive years to hold office from 13th February, 2025 till 12th February, 2030; and
- (iii) Mrs. Preeti Vimal Agrawal (DIN: 08693668) was appointed as Independent, Non–Executive Director for a term of five (5) consecutive years w.e.f. 13th February, 2020 by the members of the Company in their 56th Annual General Meeting held on 29th September, 2020, accordingly her current tenure expires on 12th February, 2025. Pursuant to the provisions of Section 149(10) read with Schedule IV of the Act and the Listing Regulations and considering the integrity, expertise and experience of Mrs. Preeti Vimal Agrawal, it is proposed to re-appoint her as Non–Executive Independent Director of the Company for another term of five (5) consecutive years to hold office from 13th February, 2025 till 12th February, 2030; and
- (iv) Mr. Snehal Muzoomdar (DIN: 00729992) is proposed to be appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years with effect from 1st October, 2024 to 30th September, 2029 by the members of the Company.

The resolutions seeking approval of members of the Company by passing of special resolutions for re-appointment of Mr. P. K. Choudhary as Managing Director, Mr. Lalit Kumar Bararia and Mrs. Preeti Vimal Agrawal and appointment of

Mr. Snehal Muzoomdar as Independent Directors, along with their brief resume and other relevant details as required under Regulation 36(3) of Listing Regulations and revised Secretarial Standard – 2 on General Meetings are provided in the Notice convening the 60th Annual General Meeting of the Company.

III. Appointment of Key Managerial Personnel of the Company:

Pursuant to the provisions of Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of the Listing Regulations and to fill the casual vacancy arose upon resignation of Mr. Ravi Vaishnav from the services of the Company, the Board of Directors of the Company appointed Mr. Arvind Purohit (ICSI Membership No. ACS 33624) as Company Secretary and Compliance Officer of the Company w.e.f. 29th May, 2024.

d) Cessation

- (i) Mr. Raghu Mody ceased to be the Chairman and Non-Executive Non-Independent Director of the Company w.e.f. 8th February, 2024 due to his sad demise;
- (ii) Lt. Gen. (Retd.) K. S. Brar (DIN: 01146720) and Mr. Ashok B. Vaidya (DIN: 00246208) ceased to be the Independent Directors of the Company w.e.f. the close of business hours of 31st March, 2024 upon completion of their two consecutive terms as Independent Directors of the Company. The Board of Directors of the Company places on record its appreciation for the valuable contributions and guidance provided by Lt. Gen. (Retd.) K. S. Brar and Mr. Ashok B. Vaidya during their tenure with the Company;
- (iii) Mr. Pranabh Kapoor, Company Secretary and Compliance Officer of the Company resigned from the services of the Company w.e.f. the close of business hours of 13th April, 2023; and
- (iv) Mr. Ravi Vaishnav, Company Secretary and Compliance Officer of the Company resigned from the services of the Company w.e.f. the close of business hours of 5th April, 2024.

e) Declaration from Independent Directors

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and pursuant to the provisions of Regulation 25 of the said Regulations that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with

an objective independent judgment and without any external influence. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

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

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

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

f) Annual Performance and Board Evaluation

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

The Nomination and Remuneration Committee of the Company has specified the manner of effective evaluation of the performance of Board, its committees and individual directors of the Company and has authorized the Board to carry out the evaluation. Based on the manner specified by the Committee, the Board has devised questionnaire to evaluate its performance and that of its committees and individual directors. Such questions are prepared considering the business of the Company and the expectations that the Board has from each of the directors. The performance of each committee was evaluated by the Board, based on the report on evaluation received from respective Board committees. The reports on performance evaluation of the individual directors were reviewed by the Chairman of the Board.

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

- i. Attendance at Board and Committee meetings;
- ii. Quality of contribution to Board deliberations;

- iii. Strategic perspective or inputs regarding future growth of the Company and its performance; and
- iv. Providing perspective and feedback going beyond information provided by the management.

The details of the programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <https://www.hindcompo.com/investor-relations/documents/familiarisation-programmes-for-independent-directors-2023-24.pdf>.

g) Key Managerial Personnel (KMP)

The details of Key Managerial Personnel of the Company are as follows:

Sr. No.	Name	Designation
1.	Mr. P. K. Choudhary	Managing Director
2.	Mr. Sunil Jindal	Chief Financial Officer
3.	Mr. Ravi Vaishnav	Company Secretary and Compliance Officer (W.e.f. 30 th June, 2023 to 5 th April, 2024)
4.	Mr. Arvind Purohit	Company Secretary and Compliance Officer (W.e.f. 29 th May, 2024)

12. MANAGERIAL REMUNERATION AND OTHER DETAILS

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

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

13. REMUNERATION POLICY

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

recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has adopted a policy for selection and appointment of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP), other employees 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.

14 MEETINGS OF THE BOARD

The Board met 7 (seven) times during the financial year under review, the details of which are given in the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Act and Listing Regulations.

15. COMMITTEES OF THE BOARD

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

16. AUDIT COMMITTEE AND ITS COMPOSITION

The Audit Committee is duly constituted as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations.

As on 31st March, 2024, the Audit Committee comprised of Mr. Lalit Kumar Bararia, Mr. A. B. Vaidya, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. P. K. Choudhary.

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

Mr. A. B. Vaidya and Lt. Gen. (Retd.) K. S. Brar, Independent Directors, ceased to be Directors of the Company w.e.f. closing hours of 31st March, 2024 upon completion of their two consecutive terms as Independent Directors. Accordingly, they ceased to be members of the Committee w.e.f. closing hours of 31st March, 2024. The Committee was reconstituted with effect from 1st April, 2024 as follows:

- 1) Mr. Lalit Bararia – Chairman
- 2) Mrs. Preeti Agrawal – Member
- 3) Mr. Deepak Sethi – Member
- 4) Mr. Rajan Dalal – Member
- 5) Mr. P. K. Choudhary – Member

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

17. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

18 PUBLIC DEPOSITS

During the financial year under review, the Company has not accepted or renewed any public deposit within the meaning of Sections 73 and 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014. As on 31st March 2024, there were no deposits which were unclaimed / unpaid and due for repayment.

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

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

synergy in operations, their specializations etc. and to further the Company's interests.

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

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

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

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

21. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Pursuant to the provisions of Section 135 read with the Companies (Corporate Social Responsibility) Rules, 2014, the Company has formed Corporate Social Responsibility Committee and a Policy on Corporate Social Responsibility ('CSR'). As part of its initiatives under CSR in order to support and assist the Central Government to strengthen the country's fight against the post – pandemic situation or any other kind of emergency or distressed situation, the Company contributed a sum of ₹ 85.00 Lakh to the PM CARES Fund towards its CSR obligations for the financial year under review. The policy on Corporate Social Responsibility has been placed on the website of the Company viz. www.hindcompo.com.

As required under the provisions of Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, a brief outline/salient features of the Company's CSR Policy and the Annual Report on CSR activities undertaken by the Company during the financial year under review are given in "Annexure – B", which forms part of this Annual Report.

22. WHISTLE BLOWER / VIGIL MECHANISM POLICY

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

The details of the Vigil Mechanism Policy are explained in the Corporate Governance Report and the policy has been placed on the website of the Company viz. www.hindcompo.com.

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

23. 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 58th Annual General Meeting held on 29th September, 2022 appointed M/s. Lodha & Company (Currently known as Lodha & Co. LLP), Chartered Accountants, Mumbai (Firm Registration No. 301051E), as Statutory Auditors of the Company for a term of consecutive 5 (five) years i.e. to hold office from the conclusion of 58th Annual General Meeting till the conclusion of 63rd Annual General Meeting of the Company to be held for the financial year ending 31st March, 2027.

M/s. Lodha & 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.

24. SECRETARIAL AUDITORS

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

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

25. INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014, the Board, on recommendation of the Audit Committee, re-appointed M/s. S M M P & Associates, Chartered Accountants, Mumbai, as Company's Internal Auditors for the financial year 2024-25.

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

26. COST RECORDS AND COST AUDITORS

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

As per the provisions of Section 148(2) & (3) of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company in its meeting held on 14th December, 2023 appointed M/s. Suresh Pimple & Associates, Cost Accountants,

Aurangabad (Firm Registration No. 100780) to fill the casual vacancy caused due to cessation of M/s. M. R. Pandit & Co., Cost Accountants, Aurangabad (Firm Registration No: 00268) as Cost Auditors of the Company consequent to the dissolution of the firm, to conduct audit of cost records maintained by the Company of its products viz. Railway Brake Block manufactured at Aurangabad unit for the financial year 2023-24. Further, M/s. Suresh Pimple & Associates, Cost Accountants, Aurangabad (Firm Registration No. 100780) have been re-appointed as Cost Auditors of the Company to conduct audit of cost records for the financial years 2024-25. A resolution seeking ratification of remuneration payable to the Cost Auditors by the members of the Company for the financial years 2023-24 and 2024-25 is included in the Notice of the ensuing 60th Annual General Meeting of the Company.

27. COMMENTS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS

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

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. M Baldeva Associates, Secretarial Auditors in the Secretarial Audit Report, however, a few observations are made by the Secretarial Auditors in their report and explanation by the Board on such observations are as follows:

As required under Regulation 17(1A) of the Listing Regulations, appointed Mr. Vinay Sarin as Additional Director, who was attaining age of 75 years before his appointment as director in general meeting, without taking prior approval of its members, however his appointment as Non – Executive Non-Independent Director of the Company was approved in the next Annual General Meeting by the members of the Company by passing a special resolution, held on 29th September, 2023, within three months from the date of his appointment.

Board's explanation:

The Board of Directors of the Company in its meeting held on 30th June, 2023 appointed Mr. Vinay Raj Sarin as an Additional Director of the Company (Non – Executive Non-Independent) w.e.f. 1st July, 2023 and also approved the Notice of AGM dated 30th June, 2023 seeking members' approval by way of special resolution for appointment of Mr. Vinay Raj Sarin as Non – Executive Non-Independent Director and on the date of appointment by the Board of Directors, the age of Mr. Vinay Raj Sarin was below 75 years, his appointment as Non – Executive Non-Independent Director of the Company was approved in the next annual general meeting by the members of the Company by passing a special resolution, held on 29th September, 2023, within three months from the date of appointment.

The Hon'ble Securities Appellate Tribunal ('SAT') in the matter of 20 Micron Limited vs. SEBI & Ors., decided on 28th November 2023, held that:

'Regulation 17(1A) and 17(1C) has to be read harmoniously with the provisions of Section 152(2) and 161(1) of the Act which will make it clear that a person above the age of 75 years can be appointed by the Board of Directors. Such appointment is required to be approved subsequently within the prescribed period by a special resolution in the next general meeting by the members of the Company which in the instant case was done within the prescribed period. In view of the aforesaid, no penalty could have been imposed by the BSE and NSE for violation of Regulation 17(1A) of the LODR Regulations'.

Further, The Hon'ble Securities Appellate Tribunal ('SAT') in the matter of Nectar Life Sciences Ltd. vs. SEBI & Ors., Appeal no. 185/2023 decided on 27th April, 2023, held that:

'This Tribunal considered the provisions of Regulations 17(1A) with other provisions and held that the word "unless" as depicted in Regulation 17(1A) does not mean "prior approval" nor the requirement of passing a special resolution was a qualifying condition for appointment as a director.'

In view of the facts and circumstances of the matter and above SAT judgements, the Company believes that it has not violated the provisions of Regulation 17(1A) the Listing Regulations, and took its members' approval in the next Annual General Meeting held on 29th September, 2023. However, under protest, the Company made payment of fines imposed by the BSE and NSE and preferred necessary applications before both the BSE Ltd. (designated Stock Exchange) and NSE for waiver of fines imposed.

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

28. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

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

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

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

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

30. INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

31. INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124(5) 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 Authority established by the Government of India after the completion of seven years. Further, according to provisions of Section 124(6) of the Act read with the said Rules, the shares on which dividend remains unpaid or unclaimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, during the financial year under review, the Company transferred 17,100 equity shares to the demat account of the IEPF Authority on which the dividend remained unclaimed / unpaid upto financial year 2015-16.

In terms of the provisions of Sections 124(5) and 125 of the Act and said Rules, during the financial year under review, an amount of ₹ 2,01,887/- being remained unpaid / unclaimed dividend for the financial year 2015-16 was transferred to the IEPF Authority.

Further, the unpaid and unclaimed dividend amount lying with the Company for financial year 2016 – 17 is due to transfer to the IEPF in the month of October, 2024. The details of the same are available on the Company's website viz. www.hindcompo.com.

During the financial year under review, Mr. Ravi Vaishnav, Company Secretary and Compliance Officer of the Company was appointed as Nodal Officer to ensure compliance with the IEPF Rules. Upon resignation of Mr. Ravi Vaishnav, Mr. P. K. Choudhary, Managing Director was appointed as the Nodal Officer and Mr. Arvind Purohit, the then Deputy Company Secretary as Deputy Nodal Officer to ensure compliance with the IEPF Rules w.e.f. 11th May, 2024.

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

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

33. CREDIT RATINGS:

On 7th June, 2024, the Acuite Ratings & Research Limited upgraded the following credit ratings for Company's long term and short term instruments:

Scale	Amount (₹ Cr)	Rating
Long Term Instruments (Bank Loan Ratings)	16.00	ACUITE A Stable Upgraded (from ACUITE A-)
Short Term Instruments (Bank Loan Ratings)	9.00	ACUITE A1 Upgraded (from ACUITE A2+)
Total	25.00	

34. COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

The Company has complied with the provisions relating to the constitution of the Internal Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year under review, there was no complaint filed before the said Committee and there was no complaint pending at the beginning or end of the financial year under review.

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

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

37. VALUATION OF ASSETS

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

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

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

39. APPRECIATION

Your directors would like to place on record their sincere appreciation for the continued co-operation, guidance,

support and assistance extended during the financial year under review by our bankers, customers, suppliers and Government agencies. The Board also wishes to express its appreciation for the valuable contribution made by the employees at all levels during the financial year under review.

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

**Place: Mumbai
Date: 14th August, 2024**

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

**Lalit Kumar
Bararia
Independent
Director
DIN: 00204670**

ANNEXURE A

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 2023-24 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 2023-24
1.	Mr. Raghu Mody ¹	Chairman & Non-Executive Director	NA
2.	Mr. P. K. Choudhary	Managing Director	21:1
3.	Mr. Deepak Sethi ²	Independent Director	0.40:1
4.	Mr. Lalit Kumar Bararia ²	Independent Director	0.40:1
5.	Mrs. Preeti Vimal Agrawal ²	Independent Director	0.40:1
6.	Mr. Vinay Sarin*	Non-Executive Director	NA
7.	Mr. Rajan Dalal**	Independent Director	NA
8.	Mr. Ashok B. Vaidya ¹	Independent Director	-
9.	Lt. Gen. (Retd.) K. S. Brar ¹	Independent Director	-

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, are as under:

Sr. No.	Name of the Director / KMP	Designation	% increase in Remuneration in the Financial Year 2023-24
1.	Mr. Raghu Mody ¹	Chairman & Non-Executive Director	NA
2.	Mr. P. K. Choudhary	Managing Director	7.60
3.	Mr. Deepak Sethi ²	Independent Director	NIL ³
4.	Mr. Lalit Kumar Bararia ²	Independent Director	NIL ³
5.	Mrs. Preeti Vimal Agrawal ²	Independent Director	NIL ³
6.	Mr. Vinay Sarin*	Non-Executive Director	NA
7.	Mr. Rajan Dalal**	Independent Director	NA
8.	Mr. Ashok B. Vaidya ¹	Independent Director	-
9.	Lt. Gen. (Retd.) K. S. Brar ¹	Independent Director	-
10.	Mr. Sunil Jindal	Chief Financial Officer	8.60
11.	Mr. Pranabh Kapoor***	Company Secretary and Compliance Officer	NA
12.	Mr. Ravi Vaishnav****	Company Secretary and Compliance Officer	NA

Note: 1. Mr. Raghu Mody ceased to be Chairman & Non-Executive Director of the Company with effect from 8th February, 2024 due to his sad demise. Mr. Ashok B. Vaidya and Lt. Gen. (Retd.) K. S. Brar ceased to be Independent Directors of the Company w.e.f. the closing business hours of 31st March, 2024 upon completion of their 2nd term as Independent Directors. Hence, no payment of remuneration including Commission was made to Mr. Raghu Mody, Mr. Ashok B. Vaidya and Lt. Gen. (Retd.) K. S. Brar for the Financial Year 2023-24.

2. Payment of Commission for Financial year 2023-24, paid in Financial year 2024-25, is taken as Remuneration to Independent Directors as above mentioned.

3. ₹ 2 lakh was paid as commission to eligible Independent Directors as above mentioned in the previous financial year and the financial year under review, hence percentage increase in remuneration of Independent Directors is not applicable.

- * Mr. Vinay Sarin was appointed as Non-Executive Director w.e.f. 1st July, 2023. In accordance with the internal guidelines of the Company, commission is not paid to the Non-Executive Director other than Independent Director.
- ** Mr. Rajan Dalal was appointed as Independent Director w.e.f. 21st February, 2024.
- *** Mr. Pranabh Kapoor resigned from the services of the Company w.e.f. the closing business hours of 13th April, 2023.
- **** Mr. Ravi Vaishnav was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 30th June, 2023 and he resigned from services of the Company w.e.f. closing business hours of 5th April, 2024.
3. The percentage increase in the median remuneration of employees in the financial year: 7.45%
 4. There were 556 permanent employees on the rolls of Company as on 31st March, 2024;
 5. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2023-24 was 1.57% whereas the Increase in the managerial remuneration for the same financial year was 14.18%.
 6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Managerial Personnel and other Employees.

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

**Place: Mumbai
Date: 14th August, 2024**

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

**Lalit Kumar Bararia
Independent Director
DIN: 00204670**

ANNEXURE B

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

1. Brief outline on CSR Policy of the Company:

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

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

2. Composition of CSR Committee as on 31st March, 2024:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the financial year	Number of meetings of CSR Committee attended during the financial year
1.	Lt. Gen. (Retd.) K. S. Brar ¹	Chairman / Independent Director	1	1
2.	Mr. P. K. Choudhary	Member / Managing Director	1	1
3.	Mrs. Preeti Agrawal	Member / Independent Director	1	1

Note:

1. Ceased to be the Non-Executive Independent Director of the Company w.e.f. the close of business hours on 31st March, 2024, upon completion of his tenure as Independent Director of the Company, accordingly he ceased to be member of the Committee w.e.f. that date.

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

- (i) The Composition of CSR Committee of the Company can be viewed at: <https://www.hindcompo.com/investor-relations/committees-of-board.htm>
- (ii) The CSR Policy of the Company can be viewed at: <https://www.hindcompo.com/investor-relations/documents/csr-policy.pdf>
- (iii) The CSR projects approved by the Board of the Company can be viewed at: <https://www.hindcompo.com/investor-relations/documents/csr-annual-action-plan-2023-24.pdf>

4. Provide the executive summary along with web-link of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

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

5. (a) Average net profit of the Company as per section 135(5): ₹ 4,030.48 Lakh
- (b) Two percent of average net profit of the Company as per section 135(5): ₹ 80.60 Lakh
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: Nil
- (e) Total CSR obligation for the financial year [5(b)+5(c)-5(d)]: ₹ 80.60 Lakh
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 85.00 Lakh
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: Nil
- (d) Total amount spent for the Financial Year [6(a)+6(b)+6(c)]: ₹ 85.00 Lakh
- (e) CSR amount spent or unspent for the financial year:

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

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

Sr. No.	Particular	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the Company as per Section 135(5)	80.60
(ii)	Total amount spent for the Financial Year	85.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4.40
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4.40 (will not carry forward for set off in succeeding financial years)

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (₹ in Lakh)	Balance Amount in Unspent CSR Account under Section 135(6) (₹ in Lakh)	Amount spent in the Financial Year (₹ in Lakh)	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years (₹ in Lakh)	Deficiency, if any
					Amount (₹ in Lakh)	Date of transfer		
Nil								

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

If Yes, enter the number of Capital assets created/ acquired: Not applicable.

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

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

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

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

Place: Mumbai
Date: 14th August, 2024

P. K. Choudhary
Managing Director
DIN: 00535670

Vinay Sarin
Chairman of the CSR Committee
DIN: 00090757

ANNEXURE C

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024**

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

To,
The Members,
Hindustan Composites Limited

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended **31st March, 2024** ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (not applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (not applicable during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (not applicable to the Company during the Audit Period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (not applicable to the Company during the Audit Period); and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As informed and certified by the management of the Company, there are no laws that are specifically applicable to the business activities carried on by the Company based on its section / industry.

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

During the Audit Period, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, however, *as required under Regulation 6 of the Listing Regulations, the Company did not have Company Secretary and Compliance Officer during the period from 14th April, 2023 to 29th June, 2023; except that as required under Regulation 17(1A) of the Listing Regulations, appointed Mr. Vinay Sarin as Additional Director, who was attaining age of 75 years before his appointment as director in general meeting, without taking prior approval of its members, however his appointment as Non- Executive Non-Independent*

Director of the Company was approved in the next Annual General Meeting by the members of the Company by passing a special resolution, held on 29th September, 2023, within three months from the date of his appointment.

I further report that

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

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

All decisions at Board meetings and Committee meetings were taken unanimously as recorded in the minutes of the respective meetings.

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

I further report that during the audit period there was no specific event or action in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the company's affairs.

For M Baldeva Associates
Company Secretaries

CS Manish Baldeva
Proprietor

M. No. FCS 6180; C.P. No. 11062

Peer Review No. 1436/2021

UDIN: F006180F000487421

Place: Mumbai

Date: 29th May, 2024

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.

'Annexure I'

To,
The Members,
Hindustan Composites Limited

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

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

For M Baldeva Associates
Company Secretaries

CS Manish Baldeva
Proprietor

M. No. FCS 6180; C.P. No. 11062

Peer Review No. 1436/2021

UDIN: F006180F000487421

Place: Mumbai

Date: 29th May, 2024

ANNEXURE - D

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A Conservation of energy	
(i) the steps taken or impact on conservation of energy	<ol style="list-style-type: none"> 1. Installation of VFD on all motors above 25 HP and optimisation motor speeds to reduce energy consumption. 2. Change-over of CFL lighting to LED lights at shop floor. 3. Modification of mould heating by replacing punch heaters with platen heating in moulding presses. 4. Introduction of centralized spray system in the hot moulding section for mould release/lubrication. 5. Connected capacitors in parallel with induction motors to improve power factor and reduce current. 6. Rectified water leakages across all plants and initiated actions to further reduce water consumption.
(ii) the steps taken by the company for utilizing alternative sources of energy	<ol style="list-style-type: none"> 1. Installation of 1.4MW ground mounted Solar plant at Paithan plant. 2. Renewable energy now contributes to approximately 25% of overall energy consumption at Paithan.
(iii) the capital investment on energy conservation equipment	₹ 524.00 Lakh
B Technology absorption	
(i) the efforts made towards technology absorption	<ol style="list-style-type: none"> 1. Development of high-performance CV liners for Bus/Tipper/Traller application. 2. Development of high-performance Roll lining, Flat sheet and Disc for Industrial applications. 3. Development of Railway Brake Block for overseas customer. 4. Stopage of Asbestos-based products and development of technically superior Asbestos-Free products. 5. Acquisition of latest data logger & software for noise measurement on dynamometer. 6. Upgradation of prototype manufacturing facility at R&D centre. 7. Upgradation of dynamometers with new software and also to test GMPD tractor brake disc. 8. Introduction of New generation raw material to upgrade product and optimize the cost. 9. Engagement of services of overseas/domestic technical consultants for product improvement and new product development.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	<ol style="list-style-type: none"> 1. Generation of additional Business in OEM/Trade/Export segment 2. Cost optimisation will help in the improvement of profitability.
(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	Capital ₹ 26.89 Lakh (Previous Year ₹ Nil) Revenue ₹ 240.36 Lakh (Previous Year ₹ 225.77 Lakh)
C Foreign exchange earnings and outgo	
(i) The foreign exchange earned (actual inflows)	₹ 736.97 Lakh (Previous year ₹ 809.53 Lakh)
(ii) The foreign exchange outgo (actual outflows)	₹ 330.63 Lakh (Previous year ₹ 382.18 Lakh)

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

Place: Mumbai
Date: 14th August, 2024

P. K. Choudhary
Managing Director
DIN: 00535670

Lalit Kumar Bararia
Independent Director
DIN: 00204670

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. Industry Structure and Development**

The global economy demonstrated remarkable resilience during the Calendar Year 2023. The year was marked by significant events, including supply-chain disruptions, a conflict in Ukraine leading to a global energy and food crisis, increased uncertainties in the Middle East impacting the shipping lines in the Red Sea area and a substantial surge in inflation, prompting coordinated monetary policy tightening worldwide.

The world economy was expected to grow by 3.0% in 2023. A disproportionate share of global growth in 2023-24 should continue to come from Asia, despite the weaker-than-expected recovery in China. Headline inflation has come down in many countries, driven by the decline of food and energy prices in the first half of 2023. However, core inflation – inflation excluding the most volatile components, energy and food – hasn't significantly slowed. It remains well above central banks' targets.

As per the Global Outlook published by World Bank, the baseline forecast for the world economy to continue growing at 3.2% during 2024 and 2025, mostly at the same pace as in 2023. Global inflation is forecast to decline steadily, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

Global equity markets ended 2023 on a high note, with major global equity benchmarks delivering double-digit returns. This outperformance was led by a decline in global inflation, slide in the dollar index, declining crude and higher expectations of rate cuts by the US Fed and other Central banks.

The recent conflict in the Middle East, coming on top of the Russian Federation's invasion of Ukraine, has heightened geopolitical risks. Conflict escalation could lead to surging energy prices, with broader implications for global activity and inflation. Other risks include financial stress related to elevated real interest rates, persistent inflation, weaker-than-expected growth in China, further trade fragmentation, and climate change-related disasters.

Indian economy

The Indian economy was estimated to grow 7.8% in the 2023-24 fiscal against 7.2% in 2022-23. India retained its position as the fifth largest economy. The Indian rupee has demonstrated resilience compared to the preceding year, outperforming many other Asian currencies.

The robust performance of the manufacturing and construction sectors fuelled India's GDP growth with double-digit expansion in manufacturing and solid growth in construction. However, the agriculture sector

contracted by 0.8% in the December quarter. This can be attributed to poor monsoon conditions and El Nino impact. Also, the country saw improved capital inflows to bolster private investment.

The nation's foreign exchange reserves surged to a record high of US\$ 645.6 billion as of March 2024 surpassing the previous high of US\$ 642.49 billion recorded in March 2023. The credit quality of Indian companies remained strong between October 2023 and March 2024 following deleveraged Balance Sheets, sustained domestic demand and government-led capital expenditure. Rating upgrades continued to surpass rating downgrades in H2 FY24. UPI transactions in India posted a record of 56% rise in volume and 43% rise in value in FY24.

India's net direct tax collection increased 17.7% to ₹ 19.58 Lakh Crore in FY24. Gross GST collection amounted to ₹ 20.20 Lakh Crore, marking an 11.7% increase, with an average monthly collection of ₹ 1.68 lakh Crore, surpassing the previous year's average of ₹ 1.50 lakh Crore.

India's Nifty 50 index grew 30% in FY 2023-24 and India's stock market emerged as the world's fourth largest with a market capitalization of US\$ 4 trillion. Foreign investment in Indian government bonds jumped in the last three months of 2023.

India withstood global headwinds in 2023 and is likely to remain the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rates and robust foreign exchange reserves. The Indian economy is anticipated to surpass US\$ 4 trillion in 2024-25.

Indian Automotive Industry Overview

India is the world's third-largest automobile market, accounting for the highest production of three-wheelers, passenger vehicles, and tractors, while also ranking as the second-largest producer of two-wheelers. By 2030, India is expected to lead in shared mobility, presenting opportunities for the adoption of electric and autonomous vehicles. The nation's focus is increasingly directed towards electric vehicles to combat emissions, with the government committing to ensuring that 30% of all new vehicle sales in India are electric by 2030. Between April 2000 and September 2023, the automobile sector in India attracted a cumulative equity Foreign Direct Investment (FDI) inflow of approximately US\$ 35.40 billion.

Amid a robust economic expansion of 7.6%, the Indian Automobile industry exhibited a commendable performance, witnessing a domestic industry growth of 12.5% during the last fiscal year. Data from the Society for Indian Automobile Manufacturers (SIAM) reveals that total vehicle sales, encompassing all categories, touched 23.8 million units, up from 21.2 million units in the previous fiscal year. The fiscal year saw passenger

vehicle sales surge by 8.4%. This was primarily driven by the SUV category as preference for SUVs continued and the SUV segment registered a stellar growth of over 25% and today exceeds 50% of the total market. Increase also seen in three-wheeler sales (0.7 million units), soaring by 41.5% and two-wheeler sales, rising by 13.3% to 17.8 million units.

One of the prominent trends observed in the two-wheeler category was escalating demand for executive and premium-range vehicles, particularly those exceeding 110 cc and 150 cc.

Additionally, the surge in sales of Electric two-wheelers, recording a remarkable 33.3% increase in the fiscal year, underscored the evolving preferences of consumers towards sustainable mobility solutions.

The Medium and Heavy Commercial Vehicle (CV) segment saw a good start of the year in H1; however, the latter half of the year saw a slowdown due to reasons such as higher base effect, elections in five states and general elections in Q1 FY25.

The Light CV category continued to grow at a healthy clip of 4.3% CAGR, contributing to 70% of the CV industry. The Pick-up has been the fastest-growing segment within this category. Further, in the LCV, the Passenger segment (Buses) has seen significant growth, with public transportation back in full swing this year. Additionally, LCV Tippers have seen a tremendous spike, gaining popularity, especially in locations with geographical constraints and narrow roads. Overall, the CV segment saw a marginal 0.6% increase to 0.97 million units from 0.96 million units in FY23.

The domestic sale of Automobiles during the financial year 2023-24 vis-a-vis 2022-23 experienced a decent recovery across segments except two-wheelers as under:

Segment	2023-24 Nos.	2022-23 Nos.	Growth
Passenger Vehicle	42,18,746	38,90,114	8.45%
M & H Commercial vehicle	3,73,194	3,59,003	4.00%
Light Commercial Vehicle	4,18,374	4,10,483	2.00%
Small Light Commercial Vehicle	1,76,310	1,92,982	-8.64%
3 wheelers	6,91,749	4,88,768	41.53%
2 Wheelers	1,79,74,365	1,58,62,087	13.32%

(Source – SIAM data)

Indian auto components industry overview

Significant demand for automobiles also led to the emergence of more original equipment and auto components manufacturers. As a result, India developed

expertise in automobiles and auto components, which helped boost international demand for Indian automobiles and auto components. Hence, the Indian automobile industry has a considerable impact on the auto component industry.

India's auto component industry is an important sector driving macro-economic growth and employment. The industry comprises players of all sizes, from large corporations to micro entities, spread across clusters throughout the country. The auto components industry accounted for 2.3% of India's GDP and provided direct employment to more than 1.5 million people. By 2026, the automobile component sector will contribute 5-7% of India's GDP. The Automotive Mission Plan (2016- 26) projects to provide direct incremental employment to 3.2 million by 2026.

The Indian auto-component industry achieved an unprecedented turnover of INR 5.6 trillion (US\$ 69.7 billion) in FY24, marking a remarkable growth. India is emerging as a global hub for auto component sourcing and the industry exports over 25% of its production annually. Auto component exports are expected to grow and reach US\$ 30 billion in FY26

By FY28, the Indian auto industry aims to invest US\$ 7 billion to boost localization of advanced components like electric motors and automatic transmissions, reducing imports and leveraging 'China Plus One' trend. (Source: ibef)

Indian Railway Infrastructure:

India has the fourth largest railway system in the world, following the US, Russia and China. The railway sector has seen some rapid developments, investments and support from the Government in the recent past. Indian railways run 13,523 passenger trains and 9,146 freight trains daily on its network with passenger trains running at an average speed of 51 kmph and freight trains at 24 kmph. 750 Crore people travel by train every year as per the statistics of 2024 and has targeted to take this figure to 1000 Crore people per year. The Railway carries 1500 Million Ton of goods per annum and aims to take this to 3000 Million Ton by 2030.

The government's focus on railway is very clear, with a thrust on investment in infrastructure, the Union Ministry of Railways has been allocated ₹ 2.52 Lakh Crore for the financial year 2024-25, up by nearly 5% from the previous year's allocation of ₹ 2.41 Lakh Crore. Over 85% of the CAPEX budget was successfully achieved in 2023-24 by the Railway, proving their commitment to rail development. The Railways primary focus is on safety, enhancement of capacity and induction of new modern technologies.

The Indian Railway network continues its expansion, boasting a total route length of more than 68,000 Kms and a total track length of more than 132,000 Kms. In the last 10 years Railway has added 31000 Kms of new

tracks. In the financial year 2023-24 itself, Railway has added 5200 Kms of tracks to its network, and it has a vision to go on adding 5000 + Kms on yearly basis for the next 6-8 years.

The Railway has successfully built the Dedicated Freight Corridor line of 2513 Kms. Eastern Corridor stretching from Ludhiana in Punjab to Dankuni in West Bengal, spans 1,377 Kms and is now fully operational. As for the Western Corridor, 1,176 Kms out of the total 1,506 Kms stretch from JL Nehru Port in Mumbai to Dadri in Uttar Pradesh has been completed.

New generation of trains viz. Vande Bharat, Vande Metro, Vande Sleepers, Amrit Bharat, Namoo Bharat are being developed and rolled out rapidly. 40000 coaches are expected to be upgraded by 2030.

Metro rail systems are rapidly transforming the urban landscape of over 20 cities across India. 850 + Kms of Metro route is already operational and as on date 2000 + Kms are under construction / approval / proposal stage. Delhi Metro being the largest Metro Network in India with 347 Kms is in operations.

With all these initiatives and actions, opportunities for the railway industry are set to expand exponentially in the coming years to support the growing infrastructural needs of the Railway in India.

2. Opportunities and threat

India reached a pivotal phase in its S-Curve, characterized by acceleration in urbanization, industrialization, household incomes and energy consumption. The India has emerged as the fifth largest economy with a GDP of US\$ 3.6 Trillion and nominal per capita income of ₹ 123,945 in 2023-24. This was possible with the strong thrust of government on infrastructure development.

The Interim Union Budget 2024-25 retained its focus on capital expenditure spending, comprising investments in infrastructure, solar energy, tourism, medical ecosystem and technology. In 2024-25, the top 13 ministries in terms of allocation accounted for 54% of the estimated total expenditure. Of these, the Ministry of Defence reported the highest allocation at ₹ 6,21,541 Crore, accounting for 13% of the total budgeted expenditure of the central government. Other ministries with high allocation included Road, Transport and Highways (5.8%), Railway (5.4%) and Consumer Affairs, Food and Public Distribution (4.5%).

One of the factors contributing to the stellar growth in the economy has been evolving consumer spending trends, particularly the growth of the middle-income demographic. These consumers are willing to pay more for vehicle advanced safety features, superior comfort and advanced information system. In response to this trend, automakers are introducing premium models and variants of their popular passenger vehicles models, effectively catering to India's growing demand.

The Commercial vehicle industry will continue to get substantial boost by implementing government policies including adoption of electric vehicles, vehicle scrappage programs and regulations regarding load carrying capacity etc. The India commercial vehicles market size is expected to reach USD 48.27 billion in 2024, and expected to reach USD 62.95 billion by 2029, growing at a CAGR of 5.45% during the forecast period (2024-2029). The surge in the exports is anticipated to continue, particularly in electric vehicles, supported by the production-linked incentive (PLI) scheme tailored for the automobile and parts industry.

The Railway has proposed development of three new corridors under PM Gati Shakti to increase multi modal connectivity by developing Energy Metal Cement Corridor (help reduce pollution on road and reduce cost of logistics), Port Connectivity Corridor and High Traffic Density Corridors (Amrit Chaturbhuj). ₹ 11 Lakh Crore approximately is the investment planned initially for these three corridors. Entire golden quadrilateral network of Railway will be made 4 lane and 6 lanes, thereby transforming the entire rail network in India. There is a clear focus on increasing the passenger as well as freight capacity.

With strong focus for government with substantial investments in road construction, bridges, highways, freight corridors, rail connections, airports and ports, there is a significant increase in demand for automobile and components related to auto & rail applications.

Considering above factors, demand for the Company's products used in segments like Commercial Vehicles, passenger cars, tractors, railway and industry should improve considerably. Our Company will remain a part of this change with appropriate products and solutions for customers. The Company will continue to put a thrust on new product development to meet the changed requirement of customers, provide better customer service and continue to work towards up-gradation of technology, improvement in quality, cost rationalization, cash preservation and digitalization. Besides, the Company will aggressively pursue opportunities for new OEM approvals, improve market share in OE and aftermarket. The Company will continue to work with Indian Railway to develop superior friction material for its requirements.

Industry is facing a few threats:

- Rising geo-political tensions over the past few years resulting supply chain disruption and high levels of inflation.
- Weakening of Indian rupee, though lower than many other currencies
- High interest rate and rising fuel costs may act as dampener.
- High GST rates for few components which encourage spurious goods

- Global slowdown may contract the export business for automotive ancillary players.

We have taken necessary steps to minimize the impact of price rise with coverage of major raw materials, maintaining higher inventory. We have chosen areas of opportunity within the larger framework of the current challenges. The Company has significantly improved its position in OEM, aftermarket and rail segment and reported a sales growth of 9% over the last year.

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

3. Segment-wise or product-wise performance

The Company operates in two segments viz. composite products and investment. During the year under review, the revenue from composite products stood at ₹ 25,068 Lakh (previous F.Y. ₹ 23,537 Lakh) and in the investments segment, this stood at ₹ 4,700 Lakh (previous F.Y. ₹ 4,732 Lakh).

The segment result before unallocable expenses, interest and tax from Composite products was ₹ 2,035 Lakh (previous F.Y. ₹ 1064 Lakh) and Investments was ₹ 3,518 Lakh (previous F.Y. ₹ 3,603 Lakh).

4. Outlook

With continued government focus on manufacturing and infra development, automotive industry is poised for significant growth. We are optimistic about the prospects of Indian economy and the automotive & rail segments. Indian Auto component industry has emerged as a strong growth driver and expected to become the third largest in the world by 2025 and component exports are expected to grow by five times in 10 years. Keeping pace with the automotive industry, India's auto component industry has been flourishing and some favorable trends are as under:

- Growing income levels and overall improved employment trends will help increase the consumer base.
- India's EV markets have also seen strong growth with electric 2W volumes witnessing exponential growth in the recent years.
- Allocation of large amount towards Semiconductor Mission will help develop on indigenous semiconductor manufacturing base and reduce import dependence.
- Government of India's Automotive Mission Plan 2006-26 has been instrumental in ensuring growth for the sector.

- Introduction of PLI Scheme in auto and auto component with an approved financial outlay over a 5-year period.
- Huge spending by Government toward infrastructure in all segments viz. road, rail, water and other sectors.
- Introduction of high-speed trains and dedicated freight corridors (DFC)
- NBFCs are stepping up the funding of used vehicles.

Considering above, outlook and demand for Company's products remain positive. However, potential challenges such as a global economic slowdown and higher interest rates could temporarily impact demand. Yet, our ability to innovate and adapt changes will be pivotal as it continues to evolve, ensuring its resilience and sustained growth in the long run.

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 and 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.

6. Internal control systems and their adequacy

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

7. Discussion on financial performance with respect to operational performance

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

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

The thrust of the Company's human resource development is to create a responsive and market-driven organization with emphasis on performance. Continuous appraisal of personnel competence in line with job requirements, is 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. As on 31st March, 2024, total 556 permanent employees on the rolls of Company were employed in the Company.

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

Particulars	Standalone		% of Change	Consolidated		% of Change
	2023-24	2022-23		2023-24	2022-23	
Debtors Turnover Ratio	6.51	6.08	7%	6.56	6.14	7%
Inventory Turnover Ratio	18.01	17.38	4%	18.01	17.37	4%
Interest Coverage Ratio*	476.46	258.27	84%	476.46	258.27	84%
Current Ratio	2.24	2.50	-10%	2.16	2.40	-10%
Debt Equity Ratio	0.00	0.00	-	0.00	0.00	-
Operating Margin Ratio	14.30%	11.54%	24%	14.30%	11.54%	24%
Net Profit Margin	11.56%	9.72%	19%	11.56%	9.72%	19%
Return on Net Worth**	7.19%	0.71%	914%	7.21%	0.71%	914%

* Due to increase in profit / Decrease in interest.

** Due to changes in fair valuation.

Note: Previous years' ratios have been recalculated wherever necessary to conform to current years' classification.

10. Cautionary Statement

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

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

Place: Mumbai
Date: 14th August, 2024

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

**Lalit Kumar Bararia
Independent Director
DIN: 00204670**

REPORT ON CORPORATE GOVERNANCE

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

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

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

2. Corporate Ethics:

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

2.1 Code of Conduct of Board Members and Senior Management:

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

2.2 Code of Conduct for Prevention of Insider Trading:

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

2.3 Vigil Mechanism:

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

2.4 Safety, Health & Environment (SHE) System:

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

3. Company Secretary's Responsibility Statement:

The Company Secretary confirms that the Company has during the financial year ended 31st March, 2024:

- 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.
- Complied with the Secretarial Standards (SS-1 and SS-2) w.r.t. Board Meetings and General Meetings respectively issued by the Institute of Company Secretaries of India ("ICSI").
- Issued all notices as required to be given for convening the meetings of the Board of Directors, Committees thereof, General Meeting of the shareholders and conducting Postal Ballot process within the time limits as prescribed by the Act.
- Conducted the meetings of the Board of Directors, Committees thereof, Annual General Meeting ("AGM") and Postal Ballot process as per the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- Complied with all the requirements relating to the minutes of the proceedings of the meetings of the Board of Directors, Committees thereof, Shareholders and of the Postal Ballot process conducted.
- Made due disclosures as required under the Act including the requirements in pursuance to the disclosures made by the Directors and Key Managerial Personnel.
- Obtained necessary approvals of the Board of Directors, Committees thereof, Shareholders and other authorities as per the statutory requirements.
- Given loans and made investments in accordance with the provisions of the Act.
- Not exceeded the limits of borrowing powers of the Company.
- Registered all the particulars relating to creation / modification / satisfaction of the charges with the ROC, Mumbai, Maharashtra.
- Apprised the Board and Senior Management on Regulations, Rules and Standards and any further developments from time to time.
- Correct procedures have been followed to ensure correctness, authenticity and comprehensiveness of the information, statements and reports filed by the Company under Listing Regulations.

- Effected share transfers and dispatched the Letter of Confirmations in lieu of Share Certificate within the time prescribed under the Act and Listing Regulations and the rules made thereunder. Please refer to point no. 14 (m) of this report for more details.
- Complied with all the requirements of the Listing Regulations, as amended from time to time.

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

4. Board of Directors:

- **Composition:**

As on 31st March, 2024, the Board of Directors comprised of eight directors. The composition of the Board, attendance at Board meetings held during the financial year and at the last AGM of the Company, number of directorships held in other companies and Chairmanship / Membership in Committees are given below:

Name of Director	Category	No. of Board Meetings held	Attendance particulars		No. of other Directorship(s)	Committee Positions (including Company)	
			Board Meetings	Last AGM		Member-ship	Chairman-ship
Late Mr. Raghu Mody ¹	Non-Executive Chairman, Promoter	7	2	No	NA	NA	NA
Mr. P. K. Choudhary	Executive, Managing Director	7	7	Yes	1	2	-
Mr. Vinay Sarin ²	Non-Executive, Non-Independent Director	7	5	Yes	-	-	-
Mr. A. B. Vaidya ³	Non-Executive, Independent Director	7	7	Yes	-	2	1
Mr. Deepak Sethi	Non-Executive, Independent Director	7	7	Yes	-	1	-
Lt. Gen. (Retd.) K. S. Brar ⁴	Non-Executive, Independent Director	7	7	Yes	-	2	-
Mr. Lalit Kumar Bararia	Non-Executive, Independent Director	7	4	Yes	-	1	1
Mrs. Preeti Agrawal	Non-Executive, Independent Director	7	7	Yes	-	-	-
Mr. Rajan Dalal ⁵	Non-Executive, Independent Director	7	0	N.A.	2	3	2

- The directorship and number of Committee positions held by directors as mentioned above does not include directorships and committee positions in private companies / high value debt listed entities / companies incorporated under Section 8 of the Act / foreign companies / nominee directorship as on 31st March, 2024.
- Membership / Chairmanship of only the Audit Committee and Stakeholders’ Relationship Committee of all public companies / subsidiary of public companies, as provided under Regulation 26(1)(b) of the Listing Regulations, have been considered and membership includes positions as chairmanship of the committee.

Note:

1. Ceased to be the Chairman & Director (Non- Executive Non Independent) of the Company w.e.f. 8th February, 2024 due to sad demise.
2. Appointed as Director (Non-Executive Non-Independent) of the Company w.e.f. 1st July, 2023.
3. Ceased to be the Director (Non-Executive Independent) of the Company w.e.f. the close of business hours on 31st March, 2024, upon completion of his second term of appointment as Independent Director.
4. Ceased to be the Director (Non-Executive Independent) of the Company w.e.f. the close of business hours on 31st March, 2024, upon completion of his second term of appointment as Independent Director.
5. Appointed as Director (Non-Executive Independent) of the Company w.e.f. 21st February, 2024.

- **Directorship details including the category of directorships as on 31st March, 2024:**

Sr. No.	Name of the Director	Name of the Listed Entity	Directorship Details
1.	Mr. P. K. Choudhary	Hindustan Composites Limited	Executive, Managing Director
2.	Mr. Vinay Sarin	Hindustan Composites Limited	Non-Executive, Non-Independent 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

Sr. No.	Name of the Director	Name of the Listed Entity	Directorship Details
7.	Mrs. Preeti Agrawal	Hindustan Composites Limited	Non-Executive, Independent Director
8.	Mr. Rajan Dalal	Hindustan Composites Limited	Non-Executive, Independent Director
		Sutlej Textiles and Industries Limited	Non-Executive, Independent Director
		Century Textiles and Industries Limited	Non-Executive, Independent Director

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

Seven Board meetings were held during the financial year 2023-24. The dates on which the meetings were held are as follows:

Date of Board meeting	Strength of the Board	No. of Directors present
26 th May, 2023	7	7
30 th June, 2023	7	5
11 th August, 2023	8	7
08 th November, 2023	8	8
14 th December, 2023	8	6
13 th February, 2024	7	7
21 st February, 2024	8	6

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

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

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

As on 31st March, 2024, Mr. Vinay Sarin, Non-Executive Non-Independent Director of the Company, held 30 (thirty) Equity Shares of ₹ 5/- each of the Company. No other Non-Executive Directors held any share / convertible instruments in the Company on that date.

• **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-2023-24.pdf>

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

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

The Company also through its investment activities invests in various equity instruments, government securities, debentures and bonds etc.

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. P. K. Choudhary	Mr. Vinay Sarin	Mr. A. B. Vaidya	Mr. Deepak Sethi	Lt. Gen. (Retd.) K. S. Brar	Mr. Lalit Kumar Bararia	Mrs. Preeti Agrawal	Mr. Rajan Dalal
Sales & Marketing: Experience in developing strategies to grow sales and market share and marketing management based on understanding of the auto components goods industry.	✓	✓	-	✓	-	✓	✓	✓
Global Business experience: 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.	✓	✓	✓	✓	-	✓	✓	✓

Core skills / Competencies / Expertise and Description	Name of Directors							
	Mr. P. K. Choudhary	Mr. Vinay Sarin	Mr. A. B. Vaidya	Mr. Deepak Sethi	Lt. Gen. (Retd.) K. S. Brar	Mr. Lalit Kumar Bararia	Mrs. Preeti Agrawal	Mr. Rajan Dalal
General Management / Governance: Strategic thinking, decision making and protect interest of all stakeholders.	✓	✓	✓	✓	✓	✓	✓	✓
Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.	✓	✓	✓	✓	✓	✓	✓	✓
Technical Skills: Technical skills and professional skills and knowledge including legal and regulatory aspects.	✓	-	✓	✓	✓	✓	✓	✓

• **Declaration by the Board:**

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

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

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

• **Resignation of Independent Director:**

None of the Independent Directors resigned during the financial year 2023-24.

5. **Audit Committee:**

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

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

The broad terms and reference of Audit Committee are to review the financial statements before submission to Board, review reports of the Internal Auditors, review the weakness in internal controls reported by Internal and Statutory Auditors and 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 Listing Regulations read with Section 177 of the Act.

• **Composition:**

As on 31st March 2024, the Audit Committee comprised of Mr. Lalit Kumar Bararia, Mr. A. B. Vaidya, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. P. K. Choudhary as its members. Mr. Lalit Kumar Bararia, Non-executive Independent Director of the Company is Chairman of

the Committee, and he was present at the 59th AGM of Company held on 29th September, 2023. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comprehensive experience and background. The partners / authorised representatives of Statutory Auditors and Internal Auditors are invited to the meetings of Audit Committee, as and when required.

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

• **Meetings and attendance:**

During the financial year 2023-24, the Audit Committee met six times on 26th May, 2023, 30th June, 2023, 11th August, 2023, 08th November, 2023, 14th December, 2023 and 13th February, 2024. The attendance at the Committee meetings was as follows:

Sr. No.	Name of Directors	Category	Status	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. Lalit Kumar Bararia	Non-Executive, Independent Director	Chairman	6	4
2.	Mr. A. B. Vaidya ¹	Non-Executive, Independent Director	Member	6	6
3.	Mr. Deepak Sethi	Non-Executive, Independent Director	Member	6	6
4.	Lt. Gen. (Retd.) K.S. Brar ¹	Non-Executive, Independent Director	Member	6	6
5.	Mr. P. K. Choudhary	Managing Director	Member	6	6

Note:

1. Ceased to be members of the Committee with effect from close of business hours of 31st March, 2024, upon completion of their second term as Independent Directors of the Company.

6. **Nomination and Remuneration Committee:**

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board of Directors has duly constituted the Nomination

and Remuneration Committee. The Nomination and Remuneration Committee, inter alia, recommends for appointment / re-appointment of directors, key managerial personnel (KMP) and senior management personnel (SMP) and other employees of the Company and for the remuneration payable to them.

- **Brief description of terms of reference:**

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

- **Composition:**

As on 31st March 2024, the Nomination and Remuneration Committee comprised of Mr. Lalit Kumar Bararia, Mr. A. B. Vaidya and Lt. Gen. (Retd.) K. S. Brar as its members. Mr. Lalit Kumar Bararia, Non-executive Independent Director of the Company is Chairman of the Committee, and he was present at the 59th AGM of the Company held on 29th September, 2023.

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

- **Meetings and attendance:**

During the financial year 2023-24, the Nomination and Remuneration Committee met three times on 26th May, 2023, 30th June, 2023 and 21st February, 2024. The attendance at the Committee meetings was as follows:

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

Note:

1. Ceased to be members of the Committee with effect from close of business hours of 31st March, 2024 upon completion of their second term as Independent Directors of the Company.

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

Pursuant to the provisions of Section 178(2) of the Act read with Regulation 17(10) of the Listing Regulations, the Board of Directors of the Company has evaluated

the performance of each Independent Directors and fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management. The questionnaires are prepared considering the business of the Company. The evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

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

7. **Stakeholders' Relationship Committee:**

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

- **Brief description of terms of reference:**

The Committee is empowered to oversee the redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates / letter of confirmation, transfer / transmission / demat / remat of shares and other miscellaneous complaints and service requests. The Committee is also responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. In addition, the terms of reference of this Committee include as laid down under Regulation 20 and Schedule II Part D (B) of the Listing Regulations read with Section 178 of the Act.

- **Composition:**

As on 31st March 2024, the Stakeholders' Relationship Committee comprised of Mr. A. B. Vaidya, Lt. Gen. (Retd.) K. S. Brar and Mr. P. K. Choudhary as its members. Mr. A. B. Vaidya, Non-Executive, Independent Director of the Company was Chairman of the Committee and he was present at the 59th AGM of Company held on 29th September, 2023.

Mr. Pranabh Kapoor was Company Secretary and Compliance Officer of the Company up to 13th April, 2023. Upon his resignation, Mr. Ravi Vaishnav was appointed as Company Secretary and Compliance Officer w.e.f. 30th June, 2023.

Mr. Ravi Vaishnav was Company Secretary and Compliance Officer of the Company up to 5th April, 2024. Upon his resignation, Mr. Arvind Purohit has been appointed as Company Secretary and Compliance Officer w.e.f. 29th May, 2024.

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

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

Opening balance at the beginning of the financial year : Nil
 Received during the financial year : 08
 Disposed during the financial year : 08
 Closing balance at the end of the financial year : Nil

8. Risk Management Committee:

Pursuant to the provisions of Regulation 21 of the Listing Regulations, the Company has constituted Risk Management Committee and has also adopted the Risk Management Policy and has framed a Risk Management Committee Charter, in accordance with the provisions of the Listing Regulations.

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

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

• **Composition:**

As on 31st March, 2024, the Risk Management Committee comprised of Mr. P. K. Choudhary, Mr. Lalit Kumar Bararia and Mrs. Preeti Vimal Agrawal as its members. Mr. P. K. Choudhary, Managing Director of the Company is Chairman of the Committee.

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

• **Meetings and attendance:**

During the financial year 2023-24, the Risk Management Committee met twice on 21st July, 2023 and 15th January, 2024. The attendance at the Committee meetings was as follows:

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

9. Corporate Social Responsibility (CSR) Committee:

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

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

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

• **Composition:**

As on 31st March 2024, the CSR Committee comprised of Lt. Gen. (Retd.) K. S. Brar, Mr. P. K. Choudhary and Mrs. Preeti Vimal Agrawal as its members. Lt. Gen. (Retd.) K. S. Brar, Non-Executive, Independent Director of the Company was Chairman of the Committee.

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

• **Meetings and attendance:**

During the financial year 2023-24, the CSR Committee met once on 26th May, 2023. The attendance at the Committee meeting was as follows:

Sr. No.	Name of Directors	Category	Status	No. of meetings entitled to attend	No. of meetings attended
1.	Lt. Gen. (Retd.) K. S. Brar ¹	Non-Executive, Independent Director	Chairman	1	1
2.	Mr. P. K. Choudhary	Executive, Managing Director	Member	1	1
3.	Mrs. Preeti Vimal Agrawal	Non-Executive, Independent Director	Member	1	1

Note:

1. Ceased to be member of the Committee with effect from close of business hours of 31st March, 2024 upon completion of his second term as Independent Director of the Company.

10. Senior Management:

Particulars of Senior Management including the changes therein since the close of the previous financial year are as follows:

Sr. No.	Name of the Senior Management Personnel	Designation	Changes since the close of previous Financial Year
1.	Mr. Varunn Mody	President - Treasury	No Change
2.	Mr. Amit Goenka	V.P. – Treasury	No Change
3.	Mr. Kuldip Balasia	V.P. – Corporate & Treasury	No Change
4.	Mr. Sunil Jindal	Chief Financial Officer	No Change
5.	Mr. Nakul Chatterjee	Sr. V. P. – Sales	No Change
6.	Mr. Rajiv Goel	V.P. – Purchase	No Change
7.	Mr. G. M. Indapawar	Sr. V.P. – Works	No Change
8.	Mr. T. N. Venkatramani	V.P. – R & D	No Change
9.	Mr. V. Meenaxi Sundaram	V.P. – R & D	No Change
10.	Mr. Mohan Parashar	GM Accounts	No Change
11.	Mr. Vijay Jain	Sr. Manager Corporate Affairs	No Change

Sr. No.	Name of the Senior Management Personnel	Designation	Changes since the close of previous Financial Year
12.	Mr. Pranabh Kapoor	Company Secretary & Compliance Officer	Resigned w.e.f. 13 th April, 2023
13.	Mr. Ravi Vaishnav	Company Secretary & Compliance Officer	Appointed w.e.f. 30 th June, 2023

11. Remuneration to Directors:

- a. The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2023-24.
- b. Non-Executive Directors do not draw any remuneration from the Company. Sitting fee to Non-Executive Directors is being paid at the rate of ₹ 10,000/- for each meeting of the Board and Committees (excluding CSR Committee meetings) attended by them. Within the ceiling of the Act, Independent Directors are also paid a commission, the amount whereof is determined by the Board and approved by the shareholders of the Company.

Details of remuneration / fees paid / payable to the directors during / for the financial year 2023-24 are as under:

(₹ in Lakh)

Name	Salary	Perquisites or Allowances	Contribution to PF & others	Commission	Sitting fees	Total
Mr. Raghu Mody	-	-	-	-	0.20	0.20
Mr. P. K. Choudhary	87.99	14.30	5.49	-	-	107.78
Mr. Vinay Sarin	-	-	-	-	0.50	0.50
Mr. A. B. Vaidya	-	-	-	-	2.00	2.00
Mr. Deepak Sethi	-	-	-	2.00	1.30	3.30
Lt. Gen. (Retd.) K. S. Brar	-	-	-	-	2.00	2.00
Mr. Lalit Kumar Bararia	-	-	-	2.00	1.00	3.00
Mrs. Preeti Vimal Agrawal	-	-	-	2.00	0.90	2.90
Mr. Rajan Dalal	-	-	-	-	-	-

1. The above details of remuneration or fees paid include all elements of remuneration package of individual director summarized under major groups.
2. Apart from the above mentioned remuneration or fees paid, there are no other fixed component and performance linked incentives based on the performance criteria;
3. There are no separate service contracts with any of the directors. The tenure of office of the Managing Director is for three years from the date 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.
4. No stock options are offered to any of the Directors of the Company.

12. General Body Meetings:

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

Financial Year	Time	Date	Location
2020-21	11:45 a.m.	29 th September, 2021	Conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
2021-22	11:45 a.m.	29 th September, 2022	Conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
2022-23	11:45 a.m.	29 th September, 2023	Conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

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

AGM	Particular of Special Resolutions
29 th September, 2021	No Special Resolution was passed in this meeting.
29 th September, 2022	No Special Resolution was passed in this meeting.
29 th September, 2023	<ol style="list-style-type: none"> 1. Special Resolution passed for the re-appointment of Mr. Raghu Mody (DIN: 00053329) as Non-Executive Non-Independent Director of the Company. 2. Special Resolution passed for the appointment of Mr. Vinay Sarin (DIN: 00090757) as Non-Executive Non-Independent Director of the Company w.e.f. 1st July, 2023

- **Postal Ballot:**

During the year under review, the Company conducted postal ballot process one time. The details of the postal ballot process are as follows:

The Postal Ballot notice dated 21st February, 2024 containing proposed resolutions along with the explanatory statement pursuant to the provisions of Section 102 and Regulation 36 of Listing Regulations was dispatched on 26th February, 2024 through email to all those members of the Company who had registered their e-mail address with the Company or Registrar &

Transfer Agent ('RTA') or Depository Participants and were entitled to cast their votes as on the cut-off date i.e. Friday, 16th February, 2024, for seeking their approval by passing of resolutions through Postal Ballot process for following Special Business:

Sr. No.	Particulars
1.	Special Resolution under Section 186 of the Act for enhancing the monetary limits for making investments, giving loans or guarantee and providing securities;
2.	Special Resolution under Section 14 of the Act for adoption of new set of the Articles of Association of the Company; and
3.	Special Resolution under Sections 149, 150 and 152 of the Act for appointment of Mr. Rajan Arvind Dalal (DIN: 00546264) as Non-Executive Independent Director of the Company for a period of 5 (five) consecutive years w.e.f.21 st February, 2024.

The postal ballot process was conducted in accordance with the provisions of Section 108 and 110 of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulations 30 and 44, and other applicable Regulations of the Listing Regulations and SS-2 and General Circular No. 09/2023 dated 25th September, 2023 issued by the Ministry of Corporate Affairs read with all Circulars issued in this regard from time to time.

CS Manish Baldeva (FCS 6180), Proprietor, M/s. M Baldeva Associates, Company Secretaries, Thane, was appointed as Scrutinizer to conduct postal ballot process in fair and transparent manner.

The last date for remote e-voting was Wednesday, 27th March, 2024 (5:00 p.m.).

CS Manish Baldeva, Scrutinizer submitted his report on 28th March, 2024 on postal ballot process conducted through remote e-voting to Mr. P. K. Choudhary, Managing Director of the Company, as authorised by the Board of Directors of the Company.

On the basis of the report of the Scrutinizer, Mr. P. K. Choudhary, Managing Director of the Company, declared the results of the postal ballot through e-voting, on Friday, 29th March, 2024 and the resolutions as mentioned here-in-below were considered as duly passed on the last date for e-voting, i.e. Wednesday, 27th March, 2024, in compliance with SS-2:

Special Resolutions	No. of Shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of votes – in favour	No. of votes-against	% of votes in favour on votes polled	% of Votes against on votes polled
Enhancing the monetary limits for making investments, giving loans or guarantee and providing securities pursuant to the provisions of Section 186 of the Companies Act, 2013	14769000	11084242	75.0507	11083440	802	99.9928	0.0072
Adoption of new set of the Articles of Association of the Company	14769000	11084207	75.0505	11083517	690	99.9938	0.0062
Appointment of Mr. Rajan Arvind Dalal (DIN: 00546264) as Non-Executive Independent Director of the Company	14769000	11084242	75.0507	11083750	492	99.9956	0.0044

Number of invalid votes: Nil

Result: The Special Resolutions were passed with requisite majority.

None of the business proposed to be transacted at the ensuing AGM is required to be transacted through Postal Ballot.

13. Means of communication:

The Company has published its quarterly / half yearly / annual financial results as per the details mentioned below:

Newspapers	Date of Board Meetings	Date of Publication
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	26-05-2023	27-05-2023
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	11-08-2023	12-08-2023
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	08-11-2023	09-11-2023
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	13-02-2024	14-02-2024

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 financial year 2023-24 are available on the website of the Company.

During the financial year 2023-24, the Company has not made any presentation to institutional investors or analysts.

14. General Shareholders' information:

- Annual General Meeting:** Friday, 27th September, 2024 at 11.45 a.m. through Video Conferencing (VC)/ Other Audio Visual Means ("OAVM").
- Financial Year:** April 1 to March 31;

c) Dividend Payment Date: The dividend of ₹ 2/- on per Equity Share of ₹ 5/- each, as recommended by the Board, if declared at the AGM, will be credited / paid directly in members' bank accounts, subject to deduction of income-tax at source wherever applicable, between Friday, 4th October, 2024 and Tuesday, 22nd October, 2024.

d) Book Closure: The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, 21st September, 2024 to Friday, 27th September, 2024 (both days inclusive).

e) 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. Friday, 20th September, 2024. Remote e-voting shall remain open from Tuesday, 24th September, 2024 (9.00 a.m.) and ends on Thursday, 26th September, 2024 (5.00 p.m.).

f) Listing on Stock Exchanges:
Equity Shares

a) BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

b) National Stock Exchange of India Limited

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

g) Listing Fees:

The Company has paid the listing fees for the financial year 2024-25 to all the stock exchanges where the shares are listed.

h) Stock Code:

BSE: 509635

NSE: HINDCOMPOS

ISIN: INE310C01029

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

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

Month	Share price of the Company on BSE (₹)*		BSE Sensex (Points)*	
	High	Low	High	Low
April, 2023	294.95	245.25	61,209.46	58,793.08
May, 2023	323.00	284.95	63,036.12	61,002.17
June, 2023	390.15	311.95	64,768.58	62,359.14
July, 2023	398.80	339.90	67,619.17	64,836.16
August, 2023	465.45	361.80	66,658.12	64,723.63
September, 2023	494.10	401.10	67,927.23	64,818.37
October, 2023	434.90	384.00	66,592.16	63,092.98
November, 2023	492.55	391.35	67,069.89	63,550.46
December, 2023	479.85	412.70	72,484.34	67,149.07
January, 2024	494.00	430.40	73,427.59	70,001.60
February, 2024	469.65	400.05	73,413.93	70,809.84
March, 2024	444.00	372.05	74,245.17	71,674.42

*Source: www.bseindia.com

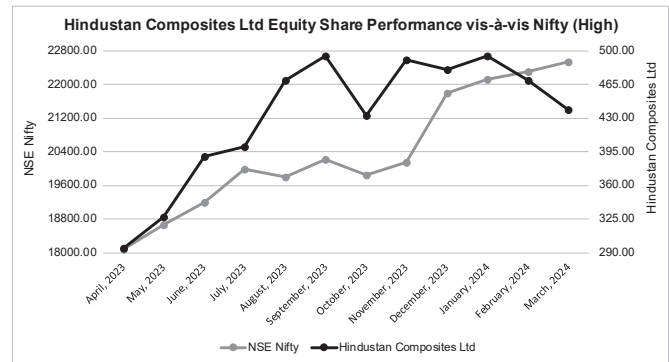
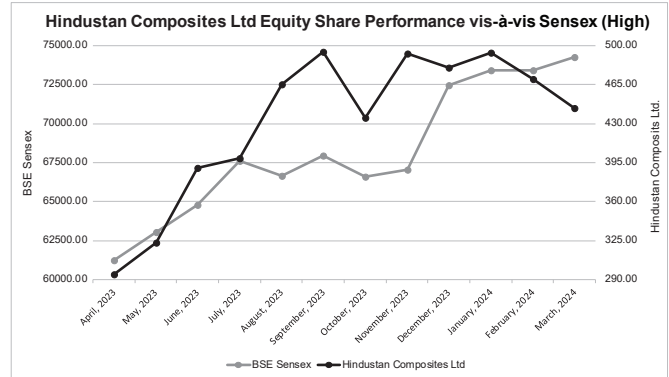
The monthly high / low quotations of shares traded on the National Stock Exchange of India Limited during each month in last financial year and performance in comparison to NSE Sensex are as follows:

Month	Share price of the Company on NSE (₹)**		NSE NIFTY 50 (Index)**	
	High	Low	High	Low
April, 2023	295.00	243.50	18,089.15	17,312.75
May, 2023	326.90	285.05	18,662.45	18,042.40
June, 2023	390.50	311.05	19,201.70	18,464.55
July, 2023	399.90	340.00	19,991.85	19,234.40
August, 2023	468.80	363.45	19,795.60	19,223.65
September, 2023	494.15	401.00	20,222.45	19,255.70
October, 2023	432.45	385.95	19,849.75	18,837.85
November, 2023	490.45	391.25	20,158.70	18,973.70
December, 2023	480.00	420.65	21,801.45	20,183.70
January, 2024	494.45	430.05	22,124.15	21,137.20
February, 2024	469.00	399.00	22,297.50	21,530.20
March, 2024	439.20	375.00	22,526.60	21,710.20

**Source: www.nseindia.com

j) Stock Performance in comparison to broad based indices:

The chart below shows the comparison of the Company's shares price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty during the financial year 2023-2024.



k) Trading of Securities: The securities of the Company were not suspended from trading during the financial year 2023-2024.

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

m) Share Transfer System:

In terms of Regulation 40(1) of the Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be affected only in dematerialized form.

Further, the SEBI has vide its Circular No.: SEBI/HO/ MIRSD / MIRSD_RTAMB / P / CIR / 2022/ 8 dated 25th January, 2022 ('SEBI Circular'), mandated the issue of share(s) in dematerialized form only while processing the shareholder's service request(s) received for issue of duplicate share certificates, claim from Unclaimed Suspense Account, renewal / exchange of share certificates, endorsement, subdivision / splitting of share certificates, consolidation of share

certificates / folios, transmission and transposition. Upon receipt of any service request(s) from the shareholder / claimant, Link Intime India Private Limited, Registrar and Transfer Agent ('RTA') of the Company shall verify and process the said request(s) and thereafter issue a 'Letter of Confirmation' in lieu of physical share certificate(s) to the shareholder / claimant, if documents are found in order and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholder fails to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. The Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

In case of any query(ies) or issue(s) regarding process of the service request(s), shareholder / claimant can contact RTA (Cont. No.: (022) – 4918 6000 / 270) or write e-mail at rnt.helpdesk@linkintime.co.in.

n) Distribution of Shareholding as on 31st March, 2024:

Shares having nominal value of ₹ 5/- From To	No. of holders	%	No. of shares	%
1 – 500	14992	95.6916	1136329	7.6940
501 – 1000	397	2.534	290479	1.9668
1001 – 2000	152	0.9702	218686	1.4807
2001 – 3000	56	0.3574	141598	0.9588
3001 – 4000	16	0.1021	53717	0.3637
4001 – 5000	7	0.0447	32833	0.2223
5001 – 10000	16	0.1021	116628	0.7897
10001 and above	31	0.1979	12778730	86.5240
TOTAL	15667	100.0000	14769000	100.0000

o) Dematerialization of Shares:

As on 31st March, 2024, 97.67% of the total shares of the Company were held in dematerialized form.

p) Convertible instruments:

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

q) Commodity price risk or foreign exchange risk and hedging activities:

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

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

r) Plant Locations:

Paithan: D-2/1, MIDC Industrial Area, Paithan, Dist. Aurangabad – 431107, Maharashtra, India.

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

s) Registered Office & Address for Correspondence:

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

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

Sr. No.	Name of the Credit Rating Agency	Details of Credit Ratings obtained including revisions, if any, during the financial year		
		Scale	Amount (₹ Cr)	Rating*
1	Acuite Ratings & Research Limited (formerly known as SMERA Ratings Limited)	Long Term Instruments (fund based facilities)	16.00	ACUITE A- / Stable
		Short Term Instruments (non - fund based facilities)	9.00	ACUITE A2+
		Total	25.00	

*There was no revision in credit ratings during the financial year 2023-24.

15. Other disclosures:

i. Related Party Transactions:

During the financial year 2023-24, 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 Accounts. The policy on dealing with Related Party Transactions is available on Company's 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 Listing Regulations as well as other regulations and guidelines issued by the SEBI from time to time. No strictures or penalties were

imposed either by the SEBI or Stock Exchanges or any other statutory authorities for non-compliance of any matter related to the capital markets during the last three financial years, except fine imposed by BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') for appointment of Mr. Vinay Sarin as an Additional Non-Executive Non-Independent Director of the Company, who was attaining the age of 75 years before his appointment as director in general meeting, without passing special resolution by the members of the Company as required under Regulation 17(1A) of the Listing Regulations.

The Board of Directors of the Company in its meeting held on 30th June, 2023 appointed Mr. Vinay Raj Sarin as an Additional Director of the Company (Non- Executive Non-Independent) w.e.f. 1st July, 2023 and also approved the Notice of AGM dated 30th June, 2023 seeking members' approval by way of special resolution for appointment of Mr. Vinay Raj Sarin as Non-Executive Non-Independent Director and on the date of appointment by the Board of Directors, the age of Mr. Vinay Raj Sarin was below 75 years, his appointment as Non- Executive Non-Independent Director of the Company was approved in the next annual general meeting by the members of the Company by passing a special resolution, held on 29th September, 2023, within three months from the date of appointment.

The Hon'ble Securities Appellate Tribunal ('SAT') in the matter of 20 Micron Limited vs. SEBI & Ors., decided on 28th November 2023, held that:

'Regulation 17(1A) and 17(1C) has to be read harmoniously with the provisions of Section 152(2) and 161(1) of the Act which will make it clear that a person above the age of 75 years can be appointed by the Board of Directors. Such appointment is required to be approved subsequently within the prescribed period by a special resolution in the next general meeting by the members of the Company which in the instant case was done within the prescribed period. In view of the aforesaid, no penalty could have been imposed by the BSE and NSE for violation of Regulation 17(1A) of the LODR Regulations'.

Further, the Hon'ble Securities Appellate Tribunal ('SAT') in the matter of Nectar Life Sciences Ltd. vs. SEBI & Ors., Appeal no. 185/2023 decided on 27th April, 2023, held that:

'This Tribunal considered the provisions of Regulations 17(1A) with other provisions and held that the word "unless" as depicted in Regulation 17(1A) does not mean "prior approval" nor the requirement of passing a special resolution was a qualificatory condition for appointment as a director.'

In view of the facts and circumstances of the matter and above SAT judgements, the Company

believes that it has not violated the provisions of Regulation 17(1A) the Listing Regulations. However, under protest, the Company has made payment of fines imposed by the BSE and NSE and preferred necessary application before the BSE Ltd. (designated stock exchange) and NSE for waiver of fines 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 provides for direct access to the Chairman of the Audit Committee in the exceptional cases. We affirm that during the financial year 2023-24, no director or employee was denied access to the Audit Committee.

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

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

- (a) Audit Qualification - The Company is in the regime of unmodified audit opinion on financial statements.
- (b) Separate posts of Chairman and CEO – The Company does not have any regular Chairperson after demise of Late Mr. Raghu Mody the then Non-Executive Director and Chairman of the Company.
- (c) Reporting of Internal Auditors – The Internal Auditors report directly 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 the Listing Regulation:

During the financial year 2023-24, the Company has not raised any funds through preferential allotment or qualified institutions placement.

vii. Certificate from Practicing Company Secretary:

A certificate received from M/s. M Baldeva Associates,

Company Secretaries, Mumbai is attached to this report stating that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

viii. Recommendation by Committees:

The Board has accepted all recommendations received from its Committees, which are mandatorily required, during the financial year 2023-24.

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

Details relating to fees paid to the Statutory Auditors are given in Note 33 in the appended Standalone Financial Statements and Consolidated Financial Statements.

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

Sr. No.	Particulars	No. of complaints
1.	Complaints pending at the beginning of the financial year	0
2.	Complaints filed during the financial year	0
3.	Complaints disposed of during the financial year	0
4.	Complaints pending at the end of the financial year	0

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

Details relating to loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount are given in Note 48 in the appended Standalone Financial Statements and Consolidated Financial Statements.

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

The Company does not have any subsidiary.

16. Compliance of the requirement of Corporate Governance Report:

During the financial year 2023-24, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of the Listing Regulations.

17. Disclosure of the compliance with Corporate Governance

During the financial year 2023-24, the Company has complied with the Regulations 17-23, 24A, 25-27 and Clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Listing Regulations. Regulation 24 of the Listing Regulations is not applicable to the Company.

18. 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.

19. Related Party Disclosures:

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

20. Disclosure with respect to demat suspense account / unclaimed suspense account

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

Sr. No.	Particulars	Number of shareholders	Number of Equity Shares
A	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 st April, 2023	290	30931
B	Transferred during the financial year	-	-
C	Shareholders who approached the Company for transfer of shares from suspense account during the year	5	375
D	Shareholders to whom shares were transferred from the suspense account during the year	4	300
E	Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	67	6411
F	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 st March, 2024 (A – D – E = F)	219	24220

21. Compliance Certificate for Code of Conduct:

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

22. Compliance Certificate by Statutory Auditors:

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

23. Disclosure of certain types of agreements binding listed entities

Information required under Clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations:

No agreements are entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

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

Place: Mumbai	P. K. Choudhary	Lalit Kumar Bararia
Date: 14th August, 2024	Managing Director	Independent Director
	DIN: 00535670	DIN: 00204670

Declaration – Code of Conduct

As per Regulation 17 and Schedule V of the Listing Regulations, I, P. K. Choudhary, Managing Director of the Company do hereby declare that all the Board members and the Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year ended 31st March, 2024.

For Hindustan Composites Limited

Place: Mumbai
Date: 14th August, 2024

P. K. Choudhary
Managing Director
DIN: 00535670

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
HINDUSTAN COMPOSITES LIMITED

We have examined the compliance of conditions of corporate governance by **HINDUSTAN COMPOSITES LIMITED** ('the Company') for the year ended March 31, 2024 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 representations made by the management, in our opinion, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations during the year ended March 31, 2024.

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 **Lodha & Co. LLP**
Firm Registration No. – 301051E/E300284
Chartered Accountants

R.P. Baradiya
Partner
Membership No. **044101**
UDIN : **24044101BKCLXF9429**

Place: Mumbai
Date: August 14, 2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below during the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of initial appointment in the Company
1	Mr. Raghu Nandan 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
8	Mr. Vinay Raj Sarin	00090757	01.07.2023
9	Mr. Rajan Arvind Dalal	00546264	21.02.2024

*Upto 8th February, 2024, due to sad demise

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

For M Baldeva Associates
Company Secretaries

CS Manish Baldeva
Proprietor

Place: Mumbai
Date: 14th August, 2024

M. No. FCS: 6180 C.P. No. 11062
Peer Review No. 1436/2021
UDIN: F006180F000979834

Independent Auditors' Report

To The Members of
Hindustan Composites Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Hindustan Composites Limited** ("the Company"), which comprises of Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Classification, Valuation and Impairment of unquoted equity instruments /debt Investments: (Refer note 3 & 8 of the standalone financial statements)</p> <p>The Company's - substantial assets are quoted and unquoted investments in equity/debt Instruments. Out of total investments held as on March 31, 2024, unquoted investments in equity/debt Instruments comprises of ₹ 35,583.70 Lakhs (representing 40.80%). These Investments are classified and measured at Fair value through profit or loss /fair value through other comprehensive income.</p> <p>Due to their unique structure and terms which involve the use of judgmental assumptions in valuation/impairment and not on quoted prices in active markets. Therefore, there is significant measurement uncertainty involved in this valuation/impairment. As a result, the valuation/impairment of these instruments was significant to our audit.</p>	<p>We focused on valuation of these instruments/investments and have carried out the following key audit procedures: •</p> <ul style="list-style-type: none"> - Understood the Company's process and procedures and tested controls to ensure proper classification and valuation/impairment of investments. - Tested recording of investments on sample basis and verified classification of investments. - Assessed valuation of these investments to examine whether the same is in accordance with the Company's accounting policies. - Tested impairment/provision of investments (including reversal) - In respect of unquoted investments, we evaluated the Company's valuation methodology and assumptions and corroborated these with internal Investment policies including those related to impairment.

Key Audit Matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> - For any changes in ratings of the investee company, we examined the Company's assessment with the internal Investment policies for reclassification and valuation. - Also obtained external evidence of existence of investment by getting holding statement from the custodian /statement from the fund houses as well through publicly available filings from time to time. - We have also perused the relevant internal audit reports on investments. <p>Based on the work carried out, we did not come across any significant matter which suggests that the investments were not properly classified or valued.</p>

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

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report, Business responsibility report, Corporate Governance report and Management Discussion and Analysis, but does not include the standalone financial statement and our auditor's report thereon. As explained, the other information is under preparation by the management till the date of this auditor's report.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 (as amended).
 - (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
 - (e) On the basis of the written representation received from the directors as on March 31, 2024, taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2024 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) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197(16) of the Act.
- (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 34 to standalone financial statements]
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. [Refer note no. 54(e) to standalone financial statements].
 - b) The management has represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. [Refer note no. 54(f) to standalone financial statements]
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.
 - v. The final dividend paid by the Company during the year declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The Board of Directors of the Company has proposed final dividend for the financial year 2023-24 which is subject to the approval of the Members at the ensuing annual general meeting. The dividend recommended by the Board is in accordance with Section 123 of the Act to the extent it applies to the recommendation of dividend [Refer note no. 47(b) to standalone financial statements].

- vi Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data in the underlying database and in the application when using certain privileged access rights. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software. (Refer note no. 57 to standalone financial statements)

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Lodha & Co. LLP
Firm Registration No. 301051E/E300284
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 044101
UDIN: 24044101BKCLSW5393

Place: Mumbai
Date: May 29, 2024

Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the Members of Hindustan Composites Limited for the year ended March 31, 2024:

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

- i. a. In respect of Company’s Property, Plant and Equipment (PPE) and Intangible Assets:
 - A. The Company has maintained proper records, showing full particulars, including quantitative details and situation of PPE.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, it has a phased program for physical verification of the PPE for all locations. According to which, the Company has carried out physical verification of all its PPE. In our opinion, the frequency of verification is reasonable considering the size of the Company and nature of its PPE. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements included under property, plant and equipment (other than properties where the company is lessee and lease agreements are duly executed in favour of the Company), are held in the name of the Company.
- d. The Company has not revalued any of its PPE (including right- of-use assets) and intangible assets during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- e. According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, neither any proceedings have been initiated during the year nor are pending as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable to the Company. [Refer note no. 54(a) to standalone financial statements]
- ii. a. The inventories have been physically verified by the management at reasonable intervals during the year except for goods in transit and those lying with third parties which have been verified with subsequent receipts. The procedures of physical verification of the inventories followed by the management and its coverage is reasonable and adequate in relation to the size of the Company and nature of its business. As per the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification of inventories as compared to book records.
- b. According to the information and explanations given to us on the basis of our examination of the books and records of the Company, the Company has not been sanctioned working capital limit in excess of ₹ 5 crores on the basis of security of current assets, in aggregate, at any point of time during the year from banks and financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. During the year, in respect of Investment made, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, following loans have been given:

₹ in lakhs

Particulars	Aggregate amount during the year	Balance Outstanding as at March 31, 2024
A subsidiaries, joint ventures and associates	200.00	Nil
B Other than subsidiaries, joint ventures and associates	475.00	375.00

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

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the investment made and loans given are in the ordinary course of business and accordingly in our opinion, prima facie, not prejudicial to the Company’s interest. The Company has not provided any guarantee and security given.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the

- Company has not renewed or extended the loan repayment period which has fallen due during the year or granted fresh loans to settle the overdues of existing loans given to same party and hence reporting under clause 3(iii)(e) of the Order is not applicable to the Company
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable with respect to the investments made and loans given. The Company has not provided any guarantee and security.
- v. According to the information and explanations given to us and based on our examination of the records of the Company, no deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 have been accepted by the Company and hence reporting under clause 3(v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to rules made by the central government for the maintenance of cost records under sub section 1 of Section 148 of the Act in respect of company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we are not required and therefore, we have not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom Duty, Duty of Excise, Value Added Tax, Cess and other statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no statutory dues mentioned in clause vii (a) above which have been not deposited on account of any dispute.
- viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the order is not applicable to the Company. [Refer note no. 54(d) to standalone financial statements]
- ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders and hence reporting under clause 3(ix) of the Order is not applicable to the Company
- (b) On the basis of information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender. [Refer note no. 54(g) to standalone financial statements]
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not taken any term loan during the year and hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and based on our examination of the records of the Company, during the year, funds raised on short term basis have not been utilized for long term purposes.
- (e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company. The Company does not have an associate or subsidiary.
- (f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its joint venture and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company. The Company does not have an associate or subsidiary.
- x. (a) The Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment, private placement of shares or fully or partly convertible debentures during the year or in the recent past and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management

- (b) During the year, no report under sub section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on our audit procedures performed and according to the information and explanations given to us, no whistle blower complaints were received by the Company during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standard. (Refer note no. 48 to the standalone financial statements)
- xiv. (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the "Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses during the financial year covered by our audit and as also in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and hence reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our examination of the records of the Company, there are no amounts unspent in respect of corporate social responsibility towards ongoing or other than ongoing projects and hence reporting under clause 3(xx) (a) and (b) of the Order is not applicable to the Company. (Refer note no. 55 to the standalone financial statements)
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of Standalone Financial Statements and hence no comment in respect of the said clause has been included in this report.

For Lodha & Co. LLP
Firm Registration No. 301051E/E300284
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 044101
UDIN: 24044101BKCLSW5393

Place: Mumbai
Date: May 29, 2024

Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the Members of Hindustan Composites Limited for the year ended March 31, 2024:**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, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity’s assets that could have a material effect on the standalone financial statements; and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the 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, 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lodha & Co. LLP
Firm Registration No. 301051E/E300284
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 044101
UDIN: 24044101BKLSW5393

Place: Mumbai
Date: May 29, 2024

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2024

		(₹ In Lakhs)	
Particulars	Note No.	As at 31 st March, 2024	As at 31 st March, 2023
I ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	13,652.26	11,031.59
(b) Capital Work in Progress	1.1	-	19.65
(c) Intangible assets	2	98.03	73.99
(d) Intangible assets under development	2.1	-	9.18
(e) Financial assets			
(i) Investments	3	83,313.00	77,272.88
(ii) Loans	4	-	225.00
(iii) Other financial assets	5	50.66	56.83
(f) Other non-current assets	6	52.39	35.22
Total non-current assets		97,166.34	88,724.34
Current assets			
(a) Inventories	7	1,427.44	1,350.44
(b) Financial assets			
(i) Investments	8	3,904.07	3,434.69
(ii) Trade receivables	9	3,725.08	3,965.80
(iii) Cash and cash equivalents	10	69.74	68.93
(iv) Bank Balances other than (iii) above	11	93.39	83.92
(v) Loans	12	375.00	675.00
(vi) Other financial assets	13	989.26	1,221.64
(c) Current tax assets (Net)	14	-	205.40
(d) Other current assets	15	376.41	297.40
Total current assets		10,960.39	11,303.22
Total Assets		1,08,126.73	1,00,027.56
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	738.45	738.45
(b) Other Equity	17	98,135.17	91,554.00
Total equity		98,873.62	92,292.45
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	2.98	11.52
(b) Provisions	19	254.83	305.98
(c) Deferred tax liabilities (Net)	45	4,003.13	2,795.83
(d) Other non current liabilities	20	109.69	103.89
Total non-current liabilities		4,370.63	3,217.22
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	8.54	89.21
(ii) Trade payables	22		
- total outstanding dues of micro and small enterprises		740.33	54.21
- total outstanding dues of creditors other than micro and small enterprises		3,742.38	3,861.55
(iii) Other financial liabilities	23	65.30	92.93
(b) Other current liabilities	24	146.30	236.49
(c) Provisions	25	178.85	183.50
(d) Current tax liabilities (Net)	26	0.78	-
Total current liabilities		4,882.48	4,517.89
Total Equity and Liabilities		1,08,126.73	1,00,027.56
Material accounting policies	A		
See accompanying notes to the standalone financial statements	B (1 - 58)		

As per our attached report of even date

For Lodha & Co LLP
Chartered Accountants
Firm Registration No. - 301051E/E300284

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: 29th May, 2024

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

P.K. Choudhary
Managing Director
(DIN 00535670)

Sunil Jindal
Chief Financial Officer

Lalit Kumar Bararia
Independent Director
(DIN 00204670)

Arvind Purohit
Company Secretary
Membership No. A33624

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2024

		(₹ In Lakhs)	
Particulars	Note No.	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
I	Revenue from operations	27	29,768.43
II	Other income	28	92.59
III	Total Income (I + II)		29,861.02
IV	Expenses		
	Cost of materials consumed	29	13,077.62
	Changes in inventories of finished goods and work-in-progress	30	78.05
	Employee benefits expense	31	3,909.95
	Finance costs	32	8.96
	Depreciation and amortisation expense	1 & 2	952.51
	Other expenses	33	7,573.77
	Total Expenses		25,600.86
V	Profit before tax (III - IV)		4,260.16
VI	Tax Expense:	45	
	Current tax		923.64
	Deferred tax		(144.19)
	Tax expense relating to earlier years		39.56
	Total Tax Expense		819.01
VII	Profit for the year		3,441.15
VIII	Other Comprehensive Income		
A.	(i) Items that will not be reclassified to profit or loss		5,223.48
	(ii) Income tax relating to items that will not be reclassified to profit or loss	45	(1,392.59)
B.	(i) Items that will be reclassified to profit or loss		(431.21)
	(ii) Income tax relating to items that will be reclassified to profit or loss	45	35.72
IX	Total Comprehensive Income for the year (VII + VIII)		6,876.55
	Earnings per equity share of ₹ 5 each (Basic and Diluted) (₹)	38	23.30
	Material accounting policies	A	
	See accompanying notes to the standalone financial statements	B (1 - 58)	

As per our attached report of even date

For Lodha & Co LLP
 Chartered Accountants
 Firm Registration No. - 301051E/E300284

R.P. Baradiya
 Partner
 Membership No. 44101

Place: Mumbai
 Date: 29th May, 2024

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

P.K. Choudhary
 Managing Director
 (DIN 00535670)

Sunil Jindal
 Chief Financial Officer

Lalit Kumar Bararia
 Independent Director
 (DIN 00204670)

Arvind Purohit
 Company Secretary
 Membership No. A33624

STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2024

Particulars	(₹ In Lakhs)	
	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
A Cash flow from operating activities:		
Net profit before tax	4,260.16	3,259.65
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	952.51	872.93
Fair valuation of investments through profit and loss	(410.58)	(251.67)
Profit on sale of investments carried at fair value through profit and loss (net)	(772.90)	(811.86)
Interest Income	(3,284.02)	(3,342.92)
Interest Income on Income Tax Refund	(22.72)	(18.96)
Dividend Income	(232.03)	(232.54)
Profit on Sale of Property, Plant and Equipment	(5.60)	(58.98)
Loss on Sale/discard of Property, Plant and Equipment	72.07	29.96
Remeasurements of defined benefit plans	(11.19)	(61.48)
Interest expenditure	8.96	12.66
Operating profit before working capital changes:	554.66	(603.21)
Adjustment for		
(Increase)/Decrease in trade receivable	240.73	(215.95)
(Increase)/Decrease in Other Financial Assets	6.17	10.92
(Increase)/Decrease in Other Non Current Assets	(17.17)	55.68
(Increase)/Decrease in other receivable	(9.47)	(44.43)
(Increase)/Decrease in Inventories	(76.98)	0.80
(Increase)/Decrease in Other Current Financial Assets	94.06	(57.77)
(Increase)/Decrease in Other Current Assets	(79.01)	(7.74)
(Decrease)/Increase in trade payables	566.93	(329.22)
(Decrease)/Increase in long term Provisions	(51.15)	(40.98)
(Decrease)/Increase in short term Provisions	(4.64)	33.46
(Decrease)/Increase in other current financial liabilities	(27.63)	27.49
(Decrease)/Increase in other current liabilities	(90.19)	87.64
(Decrease)/Increase in other non current liabilities	5.79	11.20
Cash generated from/(used in) operations	1,112.10	(1,072.11)
Add/(Deduct):		
Dividend Received	232.03	232.54
Interest Received	3,422.32	3,224.69
Direct taxes paid (net)	(739.67)	(815.55)
Net cash generated from/(used in) operating activities	4,026.78	1,569.57
B Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(3,645.12)	(707.10)
Proceeds on sale of Property, Plant and Equipment	10.25	178.49
Purchase of Investments	(14,456.70)	(18,500.21)
Proceeds on sale of Investments	14,080.13	15,603.05
Inter-Corporate Deposits Placed	(775.00)	(800.00)
Inter-Corporate Deposits Redeemed	1,300.00	2,125.00
Net cash generated from/(used in) investing activities	(3,486.44)	(2,100.77)
C Cash flow from financing activities		
Proceeds/(repayment) from long-term borrowings (net)	(8.54)	(7.95)
Proceeds/(repayment) from short-term borrowings (net)	(80.68)	78.36
Dividend paid	(295.38)	(295.38)
Interest paid	(8.96)	(12.66)
Net Cash generated from/(used in) financing activities	(393.56)	(237.63)
D Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	146.78	(768.83)
Cash and Cash equivalents		
At the beginning of the year	628.93	1,397.76
At the end of the year (Refer note below)	775.71	628.93

Note : The Closing Cash and Cash Equivalents include investment in Liquid Mutual fund units at cost of ₹ 705.96 lakhs (Previous Year ₹ 559.97 lakhs)

Material accounting policies

See accompanying notes to the standalone financial statements

A
B (1 - 58)

As per our attached report of even date

For Lodha & Co LLP

Chartered Accountants

Firm Registration No. - 301051E/E300284

R.P. Baradiya

Partner

Membership No. 44101

For and on behalf of the Board of Directors of**Hindustan Composites Limited****P.K. Choudhary**

Managing Director

(DIN 00535670)

Lalit Kumar Bararia

Independent Director

(DIN 00204670)

Sunil Jindal

Chief Financial Officer

Arvind Purohit

Company Secretary

Membership No. A33624

Place: Mumbai

Date: 29th May, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

(a) Equity Share Capital

(₹ In Lakhs)

Particulars	Amount
Balance as at 31st March, 2022	738.45
Changes in equity share capital due to prior period errors	-
Restated balance as at 31 st March, 2022	738.45
Changes in equity share capital during the year	-
Balance as at 31st March, 2023	738.45
Changes in equity share capital due to prior period errors	-
Restated balance as at 31 st March, 2023	738.45
Changes in equity share capital during the year	-
Balance as at 31st March, 2024	738.45

(b) Other Equity

(₹ In Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income			Total
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Actuarial gain/ (loss)	
Balance as at 31st March, 2022	57.70	64,050.13	10,353.38	1,908.88	15,144.00	(318.52)	91,195.57
Profit for the year	-	-	2,747.27	-	-	-	2,747.27
Other comprehensive income for the year (Net)	-	-	-	(1,614.04)	(428.44)	-	(2,042.48)
Remeasurements of net defined benefit plans (Net)	-	-	-	-	-	(50.98)	(50.98)
Amount transferred in respect of realised gain (Net)	-	-	1,183.10	-	(1,183.10)	-	-
Dividend paid during the year	-	-	(295.38)	-	-	-	(295.38)
Transfer to General reserve	-	2,000.00	(2,000.00)	-	-	-	-
Balance as at 31st March, 2023	57.70	66,050.13	11,988.37	294.84	13,532.46	(369.50)	91,554.00
Profit for the year	-	-	3,441.15	-	-	-	3,441.15
Other comprehensive income for the year (Net)	-	-	-	(395.49)	3,840.12	-	3,444.63
Remeasurements of net defined benefit plans (Net)	-	-	-	-	-	(9.23)	(9.23)
Amount transferred in respect of realised gain (Net)	-	-	1,001.95	-	(1,001.95)	-	-
Dividend paid during the year	-	-	(295.38)	-	-	-	(295.38)
Transfer to General reserve	-	4,000.00	(4,000.00)	-	-	-	-
Balance as at 31st March, 2024	57.70	70,050.13	12,136.09	(100.65)	16,370.63	(378.73)	98,135.17

Refer note 17 for nature and purpose of the reserves.

Material accounting policies
A
See accompanying notes to the standalone financial statements
B (1 - 58)

As per our attached report of even date

For Lodha & Co LLP

Chartered Accountants

Firm Registration No. - 301051E/E300284

R.P. Baradiya

Partner

Membership No. 44101

Place: Mumbai

 Date: 29th May, 2024

For and on behalf of the Board of Directors of
Hindustan Composites Limited
P.K. Choudhary

Managing Director

(DIN 00535670)

Sunil Jindal

Chief Financial Officer

Lalit Kumar Bararia

Independent Director

(DIN 00204670)

Arvind Purohit

Company Secretary

Membership No. A33624

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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 BSE Limited and National Stock Exchange of India Limited.

The registered office of the Company is located at Peninsula Business Park, A Tower, 8th 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 investments.

The Standalone Financial Statements has been approved in the board meeting held on 29th May, 2024.

A. MATERIAL ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

a) Basis of Preparation of Financial Statements:

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

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

- i) Certain financial assets and liabilities are measured at Fair value (refer note no. 44 financial instruments)
- ii) Defined benefit employee plan (refer note no. 43)

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

b) Use of estimates and judgments:

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

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

Critical accounting judgements and key source of estimation uncertainty

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

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

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

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

(ii) 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.

(iii) 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.

(iv) 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.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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.

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

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

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

Assets held for sale

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

- (i) decision has been made to sell.
- (ii) the assets are available for immediate sale in its present condition.

- (iii) the assets are being actively marketed and
- (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

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

d) As a lessee

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 in liquid mutual funds. 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

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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, other than equity instruments, 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 model 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 dates 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 on specified dates that are 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:

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised in Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

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. The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVTOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis. 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 to retained earnings as a reclassification adjustment in other equity. On derecognition of debt instruments, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in other equity is recognised in profit or loss as if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

Derivative financial instruments:

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

h) Fair Value Measurement

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

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

- ✓ In the principal market for the asset or liability, or
 - ✓ In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

i) Borrowings:

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

j) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

k) Provisions and contingent liabilities:

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

l) Revenue recognition:

i) 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. Exportsales 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 are accounted for, on final settlement.

ii) Rendering of services:

Revenue from sale of services are recognized when the services are rendered.

iii) Investment 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.

iv) Other operating Income:

Export incentives are accounted in the year of export.

v) 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 standalone selling prices. If standalone 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.

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 Transactions:

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

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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.

Notes of the Standalone Financial Statements for the year ended 31st March, 2024

1 Property, Plant and Equipment

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
(₹ in Lakhs)								
Gross Carrying Amount :								
Balance as at 31st March, 2022	282.11	1.56	9,343.74	5,100.78	799.76	392.30	190.38	16,110.63
Additions	-	-	2.85	461.46	96.68	56.91	33.16	651.06
Adjustments / Disposals	-	-	-	278.01	1.55	11.85	23.62	315.03
Assets held for sale	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	282.11	1.56	9,346.59	5,284.23	894.89	437.36	199.92	16,446.66
Additions	-	-	1,994.24	1,334.38	40.19	245.12	17.61	3,631.54
Adjustments / Disposals	-	-	18.50	879.57	52.88	4.41	58.46	1,013.82
Assets held for sale	-	-	-	-	-	-	-	-
Balance as at 31st March, 2024	282.11	1.56	11,322.33	5,739.04	882.20	678.07	159.07	19,064.38
Accumulated Depreciation :								
Balance as at 31st March, 2022	-	0.14	1,173.40	2,811.49	472.72	242.21	133.80	4,833.76
Depreciation charge for the year	-	0.02	174.65	547.23	73.77	39.69	24.52	859.88
Adjustments / Disposals	-	-	-	246.69	1.01	8.97	21.90	278.57
Assets held for sale	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	-	0.16	1,348.05	3,112.03	545.48	272.93	136.42	5,415.07
Depreciation charge for the year	-	0.02	214.71	595.43	57.08	42.75	24.05	934.04
Adjustments / Disposals	-	-	14.41	819.04	47.44	1.63	54.47	936.99
Assets held for sale	-	-	-	-	-	-	-	-
Balance as at 31st March, 2024	-	0.18	1,548.35	2,888.42	555.12	314.05	106.00	5,412.12
Net Carrying Amount :								
As at 31st March, 2023	282.11	1.40	7,998.54	2,172.20	349.41	164.43	63.50	11,031.59
As at 31st March, 2024	282.11	1.38	9,773.98	2,850.62	327.08	364.02	53.07	13,652.26

Notes:

- (i) Lease period in respect of Leasehold Land having cost of ₹ 0.80 lakhs is valid till 31/01/2079 and having cost of ₹ 0.76 lakhs is valid till 30/04/2081.
- (ii) Buildings include seven flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.
- (iii) Refer Note No. 35(a) for Capital Commitment and Note No. 36(i) for assets given as security.
- (iv) The title deeds of all immovable properties are in the name of the Company.
- (v) All lease agreements are duly executed in favour of the Company.

1.1 Capital Work in Progress

Description	Capital Work in Progress ageing for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
(₹ in Lakhs)				
As at 31st March , 2023				
Projects in progress - Plant and Machinery under installation	19.65	-	-	19.65
Projects temporarily suspended	-	-	-	-
Total	19.65	-	-	19.65
As at 31st March , 2024				
Projects in progress - Plant and Machinery under installation	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	-	-	-	-

Notes:

There are no capital work in progress where completion is overdue against original planned timelines or where estimated cost exceeds its original planned cost as on 31st March 2024 and 31st March 2023.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

2 Intangible assets

(₹ In Lakhs)

Particulars	Computer Software	Total
Gross Carrying Amount :		
Balance as at 31st March, 2022	76.44	76.44
Additions	27.22	27.22
Adjustments / Disposals	0.05	0.05
Balance as at 31st March, 2023	103.61	103.61
Additions	43.92	43.92
Adjustments / Disposals	9.12	9.12
Balance as at 31st March, 2024	138.41	138.41
Accumulated Depreciation :		
Balance as at 31st March, 2022	16.57	16.57
Amortisation for the year	13.05	13.05
Adjustments / Disposals	-	-
Balance as at 31st March, 2023	29.62	29.62
Amortisation for the year	18.47	18.47
Adjustments / Disposals	7.71	7.71
Balance as at 31st March, 2024	40.38	40.38
Net Carrying Amount :		
Balance as at 31st March, 2023	73.99	73.99
Balance as at 31st March, 2024	98.03	98.03

2.1 Ageing of Intangible assets under development

(₹ in lakhs)

Description	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2023					
Projects in progress - Computer Software	9.18	-	-	-	9.18
Projects temporarily suspended	-	-	-	-	-
Total	9.18	-	-	-	9.18
As at 31st March, 2024					
Projects in progress - Computer Software	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Notes: There are no intangible assets under development, where completion is overdue or has exceeds its cost compared to its original plan.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

B. NOTES ON ACCOUNTS :

		(₹ in Lakhs)	
Particulars	As at 31 st March, 2024	As at 31 st March, 2023	
3 Non Current Investments (Refer note no. 40)			
Equities			
Equity instruments	44,213.93	37,522.08	
Debt			
Preference shares	-	1,192.75	
Government securities	4,519.50	3,433.85	
Debentures and bonds	28,127.35	28,214.30	
Real estate and debt funds	6,452.22	6,909.90	
Total	83,313.00	77,272.88	
4 Non Current Loans			
Secured, considered good			
Inter corporate deposits to related party * (Refer note no. 48 & 49)	-	225.00	
Total	-	225.00	
* Secured against mortgage of a property valued of ₹ 35.52 crore valued by an International Property Consultant			
5 Non Current Other Financial Assets			
Electricity deposits	21.40	20.27	
Rent deposits	9.13	8.38	
Other deposits*	18.63	23.68	
Fixed Deposit with Banks having original maturity for more than twelve months	1.50	4.50	
Total	50.66	56.83	
* Includes water deposits, telephone deposits, gas deposits, MIDC and other deposits etc.			
6 Other Non Current Assets			
Capital advance	33.05	25.45	
Prepaid expenses	19.34	9.77	
Total	52.39	35.22	
7 Inventories (Refer note no. A (f) for accounting policy on inventory)			
Raw materials	974.02	809.75	
Raw materials - Goods in transit	2.06	1.11	
Work-in-progress	151.91	213.08	
Finished goods	201.09	217.97	
Stores and spares	98.36	108.53	
Total	1,427.44	1,350.44	
8 Current Investments (Refer note no. 41)			
Debt			
Preference shares	1,192.75	502.16	
Debentures and bonds	2,004.37	2,326.71	
Real estate and debt funds	-	45.73	
Mutual funds units	706.95	560.09	
Total	3,904.07	3,434.69	
9 Trade Receivables *			
Unsecured, considered good			
Due from a Related Party (Refer note no. 48)	26.28	31.64	
Other Trade Receivables	3,698.80	3,934.16	
Total	3,725.08	3,965.80	

* Refer note no. 45 (c) for credit risk

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Information about major customers

Revenue from Composite Products to largest customers (greater than 10% of total sales) is ₹ 18,830.11 Lakhs from 12 customers (Previous Year ₹ 16,466.26 Lakhs from 10 customers)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2024#

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	2,915.49	792.18	12.29	5.12	-	-	3,725.08
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	2,915.49	792.18	12.29	5.12	-	-	3,725.08
Less: Provision for doubtful debts	-	-	-	-	-	-	-
Total	2,915.49	792.18	12.29	5.12	-	-	3,725.08

#There are no unbilled dues

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2023#

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	3,185.34	755.54	1.63	23.29	-	-	3,965.80
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	3,185.34	755.54	1.63	23.29	-	-	3,965.80
Less: Provision for doubtful debts	-	-	-	-	-	-	-
Total	3,185.34	755.54	1.63	23.29	-	-	3,965.80

#There are no unbilled dues

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
10 Cash and Cash Equivalents		
Balances with Banks	66.97	67.69
Cash on hand	2.77	1.24
Total	69.74	68.93
11 Other Bank Balances		
Fixed deposit with banks	56.76	50.00
Other Balances		
In Dividend Accounts	36.63	33.92
Total	93.39	83.92

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
12 Current Loans		
Unsecured, considered good		
Inter corporate deposits (Refer note no. 49 (b))	375.00	675.00
Total	375.00	675.00
13 Other Current Financial Assets		
Interest accrued on investments	801.15	920.54
Interest accrued on inter corporate / other deposits	1.78	20.69
Receivable on sale / redemptions of current investments	167.06	233.95
Security Deposits	-	36.00
Earnest Money Deposits	11.82	6.16
Other receivables*	7.45	4.30
Total	989.26	1,221.64
* Includes Export Incentive, ECGC Premium etc.		
14 Current tax assets (Net)		
Advance Income Tax (Previous year net of provision of ₹ 116.37 lakhs)	-	205.40
Total	-	205.40
15 Other Current Assets		
Balance with Government authorities	2.56	3.03
Advance to suppliers	295.66	220.18
Prepaid expenses	78.19	74.19
Total	376.41	297.40
16 Equity Share Capital		
AUTHORISED		
16,000,000 Equity Shares of ₹ 5 each	800.00	800.00
ISSUED, SUBSCRIBED AND PAID-UP		
14,769,000 Equity Shares of ₹ 5 each, fully paid-up	738.45	738.45
Total	738.45	738.45

(i) Details of shareholding more than 5%

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	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) Details of shares held by promoters

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of Shares	%	No. of Shares	%
(Class of Shares - Equity Shares) *				
Rasoi Ltd.	61,51,722	41.65%	61,51,722	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	24,75,582	16.76%
J L Morison (India) Ltd.	11,07,702	7.50%	11,07,702	7.50%
Surdas Trading & Mfg Co Limited	2,52,000	1.71%	2,52,000	1.71%
Goodpoint Advisory Services LLP	1,98,000	1.34%	1,98,000	1.34%

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of Shares	%	No. of Shares	%
Lotus Udyog LLP	1,89,720	1.28%	1,89,720	1.28%
Pallawi Resources Private Limited (Formerly known as Pallawi Resources Limited)	1,80,000	1.22%	1,80,000	1.22%
Pallawi Trading and Mfg Co Limited	1,74,000	1.18%	1,74,000	1.18%
Axon Trading & Mfg Co Limited	1,08,000	0.73%	1,08,000	0.73%
Looklink Advisory Services LLP	96,000	0.65%	96,000	0.65%
Silver Trading and Services Limited	84,000	0.57%	84,000	0.57%
Noble Business Solutions Limited	56,304	0.38%	56,304	0.38%

* There is no change in % of holding during the current and previous financial year.

(iii) Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 5 each (Previous Year ₹ 5 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

(iv) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	(No. of Shares)	
	As at 31 st March, 2024	As at 31 st March, 2023
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

(v) For a period of 5 years immediately preceding the balance sheet date, the company has:

Particulars	As at 31 st March				
	2024	2023	2022	2021	2020
Allotted shares on account of split in face value from ₹10 per share to ₹ 5 per share.	-	-	-	-	-
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Bonus shares issued during the year	-	-	-	-	-
Bought back any shares issued	-	-	-	-	-

17 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 st March, 2024	As at 31 st March, 2023
Capital Redemption Reserve	57.70	57.70
General Reserve	70,050.13	66,050.13
Retained Earnings	12,136.09	11,988.37
Items of Other Comprehensive Income		
- Fair value of Debt instruments through OCI	(100.65)	294.84
- Fair value of Equity instruments through OCI	16,370.63	13,532.46
- Remeasurements of defined benefit plans	(378.73)	(369.50)
Total	98,135.17	91,554.00

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024
B. Nature and purpose of reserves

- (a) **Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of equity shares from its General Reserve. The Capital Redemption Reserve can be utilised for issue of bonus shares
- (b) **General Reserve:** The Company has transferred a portion of the net profit before declaring dividend to general reserve.
- (c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and realised gain on equity instrument transferred from Other Comprehensive Income.
- (d) **Debt Instruments through Other Comprehensive Income:** The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.
- (e) **Equity Instruments through Other Comprehensive Income:** This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income and subsequently not reclassified to the Statement of Profit and Loss, net of amount reclassified to retained earnings when such assets are disposed off.
- (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 subsequently not reclassified to the Statement of Profit and Loss.

		(₹ in lakhs)	
Particulars	As at 31 st March, 2024	As at 31 st March, 2023	
18 Non Current Borrowings (Refer note no. 36)			
Term Loans			
Secured			
From Banks – Vehicle Loan	2.98	11.52	
Total	2.98	11.52	
19 Non Current Provisions			
Provision for compensated absences	206.87	205.91	
Provision for defined benefit plan – gratuity	47.96	100.07	
Total	254.83	305.98	
20 Other Non Current Liabilities			
Security Deposits	109.69	103.89	
Total	109.69	103.89	
21 Current Borrowings (Refer note no. 36)			
Term Loans			
Secured			
From Banks			
– Vehicle Loan	8.54	7.95	
– Working Capital Loan	-	81.26	
Total	8.54	89.21	
22 Trade Payables			
Total Outstanding Dues of Micro and small enterprises	740.33	54.21	
Total Outstanding Dues of Creditors other than Micro and small enterprises	3,742.38	3,861.55	
Total	4,482.71	3,915.76	

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Dues to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows :

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(a) Principal amount remaining unpaid to any supplier at the end of accounting year;	740.33	54.21
(b) Interest accrued and due to any supplier at the end of accounting year;	Nil	1.67
(c) Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year;	1.67	2.11
(d) Amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year;	Nil	Nil
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

Note : The information has been given in respect of such vendors to the extent they could be identified as " Micro and Small enterprises" on the basis of information available with Company.

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2024

(₹. in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues – MSME	740.33	-	-	-	-	740.33
Undisputed dues – Others	3,370.82	279.52	92.04	-	-	3,742.38
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-
Total	4,111.15	279.52	92.04	-	-	4,482.71

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues – MSME	-	54.21	-	-	-	54.21
Undisputed dues – Others	3,683.82	177.73	-	-	-	3,861.55
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-
Total	3,683.82	231.94	-	-	-	3,915.76

(₹ in lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
23 Other Financial Liabilities		
Unclaimed / Unpaid dividends	36.63	33.92
Capital Creditors	28.67	59.01
Total	65.30	92.93

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
24 Other Current Liabilities		
Statutory Dues	146.30	236.49
Total	146.30	236.49
25 Current Provisions		
Provision for compensated absences	40.86	29.04
Provision for defined benefit plan – gratuity	137.99	154.46
Total	178.85	183.50
26 Current tax liabilities (Net)		
Provision for income Tax (Net of Advance Tax ₹ 1,175.05 lakhs)	0.78	–
Total	0.78	–

(₹ in lakhs)

Particulars	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
27 Revenue From Operations		
Sale of Products		
Manufactured goods	25,016.21	23,469.93
Investment Income		
Dividend	232.03	232.54
Interest	3,284.02	3,342.92
Net gain on sale / Fair valuation of investments through profit/(loss) *	1,183.48	1,156.08
	4,699.53	4,731.54
Other Operating Income		
Export Incentives	17.33	12.61
Marketing Fees & Royalty Income	8.41	10.30
Insurance Claim	0.13	7.96
Scrap Sale	24.09	35.47
Others	2.73	0.95
	52.69	67.29
Total	29,768.43	28,268.76
* Includes fair value gain / (loss) for the year ended 31 st March, 2024 amounting to ₹ 410.58 lakhs, (Previous Year ₹ 251.67 lakhs)		
28 Other Income		
Foreign Exchange Gain (Net)	2.39	6.68
Profit on sale of Property, Plant and Equipment	5.60	58.98
Interest Income on Income Tax Refund	22.72	18.96
Excise refund relating to earlier year	61.88	–
Total	92.59	84.62
29 Cost of Materials Consumed		
Raw materials and Components		
Opening Stock	809.75	727.55
Purchases	12,873.24	13,008.80
Less: Closing Stock	974.02	809.75
	12,708.97	12,926.60
Stores and Spare parts consumed		
Opening Stock	108.53	124.24
Purchases	358.48	336.69
Less: Closing Stock	98.36	108.53
	368.65	352.40
Total	13,077.62	13,279.00

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

		(₹ in lakhs)	
Particulars	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023	
30	Changes in Inventories of Finished Goods and Work-In-Progress		
	Opening Stock :-		
	Work-in-progress	213.08	323.97
	Finished goods	217.97	175.11
	Total	431.05	499.08
	Closing Stock :-		
	Work-in-progress	151.91	213.08
	Finished goods	201.09	217.97
	Total	353.00	431.05
	Changes in inventories	78.05	68.03
31	Employee Benefits Expense		
	Salaries, wages and incentives	3,517.10	3,505.42
	Contributions to provident and other funds	228.95	228.56
	Staff welfare expenses	163.90	145.34
	Total	3,909.95	3,879.32
32	Finance Cost		
	Interest expense	6.48	8.31
	Other borrowing costs	2.48	4.36
	Total	8.96	12.67
33	Other Expenses		
	Packing materials consumed	542.53	528.31
	Power and Fuel	1,277.27	1,338.68
	Rent	59.91	71.42
	Rates and taxes	34.09	44.99
	Insurance (including transit insurance)	74.84	65.13
	Freight and Forwarding	999.16	862.38
	Repairs & Maintenance:		
	Plant & Machinery	347.59	202.87
	Buildings	109.23	99.47
	Others	99.53	70.00
	Job work charges	1,963.67	1,643.10
	Travelling & Conveyance	387.88	401.58
	Sales Promotion Expenses	136.40	159.29
	Bad debts written off	-	72.95
	Provision for doubtful debts – withdrawn	-	(72.95)
	Postage, Printing & Stationery	32.13	32.63
	Communication Expenses	20.30	22.55
	Loss on sale/discarding / fire of property, plant and equipment	72.07	29.96
	Investment management and other expenses	251.30	292.16
	Legal & Professional Expenses	470.75	484.35
	Remuneration to Auditors:		
	Audit fees (including limited review fees)	11.00	10.50
	Reimbursement of out of pocket expenses	0.73	0.73
	Contribution towards Corporate Social Responsibility (CSR) (Refer Note No. 55)	85.00	70.00
	Charity and donations other than CSR	370.97	378.02
	Miscellaneous Expenses	227.42	173.66
	Total	7,573.77	6,981.78

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**34 Contingent Liabilities:**

- (a) Contingent Liabilities not provided for in respect of :
Disputed labour matter related to ex-workmen - amount unascertainable.
- (b) The Company's litigations comprises of claims related to property disputes and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required.

35 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 31st March 2024 for ₹ 269.20 lakhs (net of advance of ₹ 30.05 lakhs); Previous Year (₹ 92.07 lakhs (net of advance of ₹ 25.45 lakhs)).
- (b) In respect of investments made with private equity funds / debt funds, the Company is further committed to invest as at 31st March 2024 for ₹ 2,567.15 lakhs; Previous Year (₹ 4,590.10 lakhs).

36 Secured Loans:

- (a) Interest Rate on Working capital loans as at 31st March 2024 is Repo Rate 6.50% plus Spread 3.50% (Previous Year Repo Rate 6.25% plus Spread 3.95%). Fund based limit is utilised as at 31st March 2024 of ₹ Nil lakhs (Previous Year ₹ 81.26) and Non Fund based limit is utilised as at 31st March 2024 of ₹ 239.94 lakhs (Previous Year ₹ 271.40 lakhs) are secured by lien over investment of ₹ 2093.69 lakhs (Previous Year ₹ 1987.29 lakhs) - Refer note no.41.
- (b) Vehicle loan (repayable within two years) is secured by way of hypothecation of vehicles purchased thereagainst and carry Interest in the range of 7.10% (Previous Year 7.10%).

- 37 The accounts of Trade receivable, Trade payable, Loans and Advances are subject to formal confirmations / reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial statements due to the same.

38 Earnings Per Share

(₹ in lakhs except EPS and No. of equity shares)

Particulars	Year Ended	Year Ended
	31 st March, 2024	31 st March, 2023
Net Profit as per Profit & Loss Account	3,441.15	2,747.27
Weighted average number of equity shares outstanding	1,47,69,000	1,47,69,000
Basic and Diluted EPS (Face value of ₹ 5 each)	23.30	18.60
39 Research and Development Expenditure		
Addition to Property, Plant and Equipment	26.89	—
Debited to respective expenses heads in the Statement of Profit & Loss	240.36	225.77

(₹ in Lakhs)

40 Segment Reporting:

Particulars	Year Ended	Year Ended
	31 st March, 2024	31 st March, 2023
Segment Revenue		
Composite Products	25,068.90	23,537.22
Investment	4,699.53	4,731.54
Total	29,768.43	28,268.76
Segment Expenses		
Composite Products	23,034.17	22,473.57
Investment	1,181.73	1,128.65
Total	24,215.89	23,602.22
Segment Results		
Profit/(Loss) before Interest, Tax and Exceptional Items from each segment		
Composite Products	2,034.73	1,063.65
Investment	3,517.80	3,602.89
Total	5,552.54	4,666.54
Unallocated Expenses	1,377.00	1,478.62
Interest Expenses	8.96	12.67

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

40 Segment Reporting:		Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
Particulars			
Other Income		(92.59)	(84.62)
Tax Expenses		819.01	512.38
Profit after taxation		3,440.16	2,747.49
Segment Assets			
Composite Products		9,994.53	9,223.20
Investment		93,055.18	87,240.73
Unallocated Assets		5,077.03	3,563.63
Total		1,08,126.74	1,00,027.56
Segment Liabilities			
Composite Products		5,204.91	4,843.79
Investment		2,829.35	1,698.09
Unallocated Liabilities		1,218.85	1,193.26
Total		9,253.11	7,735.14
Other Information:			
Capital Expenditure – Composite Products		3,675.46	678.28
Depreciation & Amortisation		952.51	872.93

Operating Segments: – The managing director has identified two operating segments viz., Composite products and Investments.

Identification of Segments:

The managing director 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 grographical segment applicable.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

41 Non-Current Investments: (Non Trade & Fully paid up)

(A) Investments carried at fair value through OCI

Equity Instruments

(₹ in Lakhs)

Particulars	Face Value ₹	Nos.	As at 31/03/2024	Nos.	As at 31/03/2023
Equity Shares					
– Quoted					
J.L.Morison (India) Ltd.	10	–	–	272,800	5,019.52
ZF Steering Gear (I) Ltd.	10	–	–	100	0.43
Total			–		5,019.95
– Unquoted					
Rasoi Ltd.	200	19,300	7,105.93	19,300	7,443.26
J.L.Morison (India) Ltd.	10	272,800	5,514.24		
Prabhukripa Overseas Ltd.	10	231,053	17.31	231,053	23.34
GFM Retail Private Limited CCPS	100	4	–	4	122.68
Total			12,637.48		7,589.28
Total Equity Shares			12,637.48		12,609.22
Equity PMS (Quoted) \$					
ASK IEP PMS	-	–	1,970.09		1,464.11
Ambit Coffee Can PMS	-	–	1,227.36		2,175.04
Total Equity PMS			3,197.46		3,639.15
Index Funds/REIT/ InvIT (Quoted)					
ICICI Prudential Nifty ETF	10	3,436,725	8,454.69	2,969,104	5,603.59
ICICI Prudential Nifty Next 50 ETF	1	4,700,000	2,973.69	4,700,000	1,828.77
Motilal Oswal NASDAQ 100 ETF	1	229,000	342.08	229,000	239.05
Brookfield India Real Estate Trust REIT	100	159,600	406.50	159,600	446.61
Power Grid Investment Trust InvIT	100	–	–	315,600	386.99
Mindspace Business Park REIT	100	175,000	604.43	175,000	573.86
Shrem InvIT	100	200,000	236.00	200,000	228.00
National Highways Infra Trust InvIT	100	600,000	757.50	600,000	696.60
Embassy Office Parks REIT	100	161,702	597.67	–	–
Data Infrastructure Trust InvIT	100	400,000	400.00	–	–
India Grid Trust	100	381,679	506.91	–	–
Indinfravit Trust InvIT	100	600,000	626.10	–	–
Total Index Funds/REIT/ InvIT			15,905.57		10,003.47

Investment in Joint Venture (49% stake) (fully provided for and also refer note no. 50)

Compo Advics (India) Pvt. Ltd. (Unquoted Equity Shares)	10	4,900,000	–	4,900,000	–
Compo Advics (India) Pvt. Ltd. (Unquoted Convertible Preference Shares)	10	4,900,000	–	4,900,000	–
Total Investment in Joint Venture			–		–

Private Equity (Unquoted) *

India Business Excellence Fund – I	–	–	–	–	–
KKR India Debt Opportunities Fund II	1,000	6,262.00	0.39	–	0.66
TVS Shriram Growth Fund – 1B	1,000	–	–	–	–
India Business Excellence Fund – II	1,000	–	763.01	–	966.50
Indiareit Apartment Strategy Fund	–	–	–	–	102.88
Edelweiss Stressed & Troubled Assets Revival Fund – I	10,000	–	–	–	–
Multiples Private Equity Fund II LLP	1,000	70,906.74	2,151.13	–	1,861.54
IIFL Special Opportunities Fund	10	4,530,294.53	72.00	4,530,295	303.42
IIFL Special Opportunities Fund – Series 4	10	4,913,990.86	252.76	4,913,991	329.03
India Business Excellence Fund – III	1,000	98,000.00	2,252.76	–	2,235.81

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)					
Particulars	Face Value ₹	Nos.	As at 31/03/2024	Nos.	As at 31/03/2023
TVS Shriram Growth Fund – 3	1,000	45,400.00	642.06	42,900	593.74
Aventus Future Leaders Fund I	100,000	831.28	1,453.22	871	1,423.15
Multiple Private Equity Fund III	100	930,417.00	1,013.88	–	882.21
Kotak Pre IPO Opportunities Fund	1,000	84,652.91	826.20	64,949	637.33
India Business Excellence Fund IV	1,000	99,000.00	1,062.90	–	660.75
Sixth Sense India Opportunitites III	1,000	100,000.00	1,198.88	–	899.35
Fireside Investments Venture Funds III	100,000	300.00	240.89	150	116.32
Total Private Equity			11,930.08		11,012.69
Index Fund (Unquoted)					
Motilal Oswal S&P 500 Index Fund – Direct – Growth	10	1,693,091	340.68	1,693,090.93	257.55
SBI Nifty50 Equal Weight Index Fund – Direct Plan – Growth	10	1,952,945	202.67	–	–
Total Equity Mutual Funds			543.35		257.55
* The Maturity of above funds range between 2 years to 8 years					
Total Equity Instruments			44,213.93		37,522.08
Preference Shares					
Particulars (Unquoted)					
7.50% Tata Capital Preference Shares (Tranche V)	1,000	–	–	67,000	696.55
7.33% Tata Capital Preference Shares (Tranche Y)	1,000	–	–	50,000	496.20
Total			–		1,192.75
Total Preference Shares			–		1,192.75
Government Securities (Quoted)					
Secured-					
9.20% GOI – 30 Sep 2030	100	500,000	553.40	500,000	554.05
8.30% GOI – 02 July 2040	100	500,000	555.10	500,000	542.00
8.83% GOI – 12 Dec 2041	100	1,000,000	1,172.90	1,000,000	1,141.90
9.23% GOI – 23 Dec 2043	100	1,000,000	1,219.10	1,000,000	1,195.90
7.30% GOI – 19 June 2053	100	500,000	511.30	–	–
7.25% GOI – 12 June 2063	100	500,000	507.70	–	–
Total Government securities			4,519.50		3,433.85

(₹ in Lakhs)					
Particulars	Face Value ₹	Nos.	As at 31/03/2024	Nos.	As at 31/03/2023
Debentures and Bonds					
Quoted					
Secured-					
8.56% HUDCO Tax Free Bond – Sep 2028	1,000,000	1	11.35	1	11.47
8.76% HUDCO Tax Free Bond – Jan 2034	1,000	–	–	50,000	643.57
8.66% IIFCL Tax Free Bonds – Jan 2034	1,000	–	–	50,000	637.72
7.40% IIFCL Tax Free Bonds – Jan 2033	1,000	–	–	50,000	575.95
8.67% NHPC Tax Free Bonds – Nov 2033	1,000	–	–	48,315	609.85
8.76% NHB Tax Free Bond – Jan 2034	5,000	–	–	10,000	641.80
8.68% NHB Tax Free Bonds – Mar 2029	5,000	–	–	6,384	372.28

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

Particulars	Face Value ₹	Nos.	As at 31/03/2024	Nos.	As at 31/03/2023
8.93% NHB Tax Free Bonds Series 2A – Mar 2029	5,000	–	–	10,000	583.15
8.30% PFC Tax Free Bonds – Feb 2027	1,000	7,120	77.23	7,120	78.18
7.37% NTPC Tax Free Bonds SR-3A – Oct 2035 #	1,000	9,369	112.34	9,369	110.37
7.25% IRFC Tax Free Bonds SR-104 – Dec 2035	1,000	–	–	15,100	176.59
8.55% Cholamandalam Investment And Finance Company Ltd Nov 2026	1,000,000	50	501.37	50	500.90
8.65% Aditya Birla Finance Ltd Series C1 – Jun 2024	1,000,000	–	–	50	503.21
8.70% Aditya Birla Finance Ltd Series D1 – July 2029	1,000,000	50	513.22	50	514.61
8.70% LIC Housing Finance Ltd-Mar 2029	1,000,000	100	1,038.54	100	1,027.98
6.83% HDFC Ltd – Jan 2031 #	1,000,000	100	954.50	100	938.77
6.92% Bajaj Finance Limited Sr-270 Dec-2030	1,000,000	50	475.49	50	471.46
6.88% HDFC Ltd – June 2031 #	1,000,000	100	951.22	100	938.15
7.02% Bajaj Finance Limited – April 2031	1,000,000	100	955.28	100	940.70
6.88% HDFC Ltd – Sep 2031	1,000,000	50	474.95	50	468.82
7.05% HDFC Ltd – Dec 2031	1,000,000	200	1,917.28	200	1,882.60
7.10% Tata Capital Financial Services Limited – Sep 2031	1,000,000	100	956.80	100	933.20
7.15% Bajaj Finance Ltd – Dec 2031	1,000,000	50	479.72	50	476.02
7.05% Embassy Office Parks REIT SR V TR B NCD 18-OCT-2026	1,000,000	100	979.11	100	983.51
8.45% HDFC LTD. 2026	10,000,000	5	504.95	5	505.76
7.78% HDFC LTD 2027	10,000,000	5	498.71	5	497.90
7.82% Bajaj Finance Limited SR 286 TR 7 – 08/09/2032	1,000,000	50	498.49	50	494.15
8.15% L&T Finance Limited SR 2028	100,000	500	502.40	500	502.50
10% ATS InfraBuild Pvt. Ltd. Jun 2024	1,000,000	–	–	30	300.00
8.32% Toyota Financial Services India Limited 2029 NCD	100,000	500	508.57	–	–
HDB Financial Services Limited 10/05/2027 NCD	100,000	500	502.75	–	–
9.61% 360 One Prime 18-Jan-2027 NCD	1,000	50,000	504.46	–	–
8.60% Cholamandalam Investment & Finance Co. Ltd. 15/03/2029 NCD	100,000	500	500.00	–	–
Total Secured			14,418.73		17,321.18
Unsecured-					
7.74% SBI Perpetual Bonds Sr – 1	1,000,000	150	1,492.59	150	1,487.02
8.50% SBI Perpetual Bonds Series II	1,000,000	–	–	50	498.50
6.65% Food Corporation of India – Oct 2030 (Government Guaranteed)	1,000,000	100	958.50	100	934.23
7.09% Food Corporation of India – Aug 2031 (Government Guaranteed)	1,000,000	50	483.65	50	477.86
7.95% Bank of Baroda Perpetual Bond	10,000,000	10	986.90	10	994.21
7.72% SBI Perpetual Bonds 2026	10,000,000	5	493.62	5	489.42
7.05% MTNL – 2030 (Government Guaranteed)	1,000,000	100	968.99	100	959.29
6.85% NABARD (GOI Fully Service) 2031 (Government Guaranteed)	1,000,000	50	485.80	50	479.78

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

Particulars	Face Value ₹	Nos.	As at 31/03/2024	Nos.	As at 31/03/2023
8.22% NABARD 13/12/2028 – Series PMAYG PB-2 (Government Guaranteed)	1,000,000	100	1,029.15	100	1,029.00
8.18% NABARD 26/12/2028 – Series PMAYG-PB-3 (Government Guaranteed)	1,000,000	100	1,026.00	100	1,028.10
7.84% HDFC Bank Perpetual Bonds	10,000,000	5	494.73	5	493.38
7.84% HDFC Bank Limited NCD 16/12/2032	10,000,000	5	500.37	–	–
7.55% SBI Perpetual Bond	10,000,000	5	491.41	–	–
Total Unsecured			9,411.68		8,870.78
Unquoted					
Secured-					
11% Zuari Industries Limited 11 LOA 28-Sep-2026	1,000,000	100	1,014.87	–	–
Total Secured			1,014.87		
Unsecured-					
9.10% TATA International Limited Perpetual Bonds	1,000,000	100	1,012.50	100	1,004.73
Total Unsecured			1,012.50		1,004.73
Total			25,857.78		27,196.68

(B) Investments carried at fair value through profit or loss

Debentures (Quoted)					
Secured-					
IIFL Finance Limited SR D14 BR NCD 07SP2024 MLD	1,000,000	–	–	23	259.2
IIFL Finance Limited SR D19 BR NCD 02SP2024 MLD	1,000,000	–	–	24	244.9
HDB Financial Services Limited NCD Series 189	1,000,000	100	1,120.62	50	513.5
Muthoot Finance Limited MLD 11 Mar 2026	100,000	500	545.83	–	–
Kotak Mahindra Investments Limited Sr. III ZCB	1,000,000	70	603.12	–	–
Total Debentures			2,269.57		1,017.62
Total Debentures and Bonds			28,127.35		28,214.30

Pledged with bank to avail fund and non fund based limit (Refer Note No. 35(I)(a))

Real Estate and Debt Fund

– Unquoted

India Realty Excellance Fund II LLP	–	–	76.17	–	110.36
IIFL Real Estate Fund (Domestic) Series – 2	10	–	–	9,186,729	222.29
ICICI Prudential PMS India Real Estate Securities Portfolio-Series XII	–	–	72.77	–	97.73
IIFL Real Estate Fund (Domestic) Series – 3	10	4,983,975	114.70	4,983,975	114.37
Investcorp Score Fund (Formerly known as IDFC Score Fund)	1,000	–	154.07	–	251.59
Annuities in Senior Secured Estate Transcations 2 Asset – 2	100	–	300.91	–	376.53
Edelweiss Real Estate Opportunities Fund	10,000	619	67.45	1,120	112.39

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)					
Particulars	Face Value ₹	Nos.	As at 31/03/2024	Nos.	As at 31/03/2023
Aventus Structured Credit Fund – I	500,000	–	–	–	16.88
India Housing Fund	10	2,263,994	130.55	2,263,994	168.54
UTI Structured Debt Opportunities Fund I	100	161,067	126.76	169,273	144.41
Edelweiss Infrastructure Yield Plus Fund	10,000	9,159	1,077.23	6,215	808.58
India Realty Excellence Fund IV	100	812,000	858.26	–	1,071.40
EISAF II Onshore Fund	10,000	2,153	515.92	7,880	1,182.22
BPEA Credit India Fund III Scheme F	100	1,002,500	1,077.80	582,500	578.52
Emerging India Credit Opportunities Fund I	100,000	1,350	1,381.64	1,298	1,297.50
Aventus Structured Credit Fund II	100,000	471	498.00	357	356.59
Total			6,452.22		6,909.90
Total Real Estate and Debt Fund			6,452.22		6,909.90
* The Maturity of above funds range between 2 years to 8 years					
Total Non Current Investments			83,313.00		77,272.88
Aggregate amount of quoted investment and market value thereof			49,722.50		49,305.99
Aggregate amount of unquoted investments			33,590.50		27,966.89
Aggregate amount of impairment			–		–
§ The Company invests through Portfolio Managers who provide Portfolio Management Services which are in the nature of investment administrative management services and include the responsibility to manage, invest and operate the fund as per the agreement(s) entered with them.					

42 Current Investments: (Non Trade & Fully paid up)

(A) Investments carried at fair value through OCI

(₹ in Lakhs)					
Preference Shares					
Particulars	Face Value ₹	Nos.	As at 31/03/2024	Nos.	As at 31/03/2023
(Quoted)					
8.10% Kotak Mahindra Bank Limited Preference Shares	5	-	-	10,000,000	502.16
Total			-		502.16
(Unquoted)					
7.50% Tata Capital Preference Shares (Tranche V)	1,000	67,000	696.55		
7.33% Tata Capital Preference Shares (Tranche Y)	1,000	50,000	496.20		
Total			1,192.75		-
Total Preference Shares			1,192.75		502.16
Debentures and Bonds					
Particulars	Face Value ₹	Nos.	As at 31/03/2024	Nos.	As at 31/03/2023
Quoted					
Secured –					
9% Muthoot Finance Limited – Apr 2023	1,000			20,000	199.99
10% ATS Infra Build Pvt. Ltd. Jun 2022	1,000,000	30	300.00	-	-
Total			300.00		199.99
Unsecured –					
10% Resco Global Wind 2025 NCD Bond	100,000	500	501.54	-	-
Total			501.54		-
Total Quoted			801.54		199.99

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	Face Value ₹	Nos.	As at 31/03/2024	Nos.	As at 31/03/2023
(Quoted)					
Unquoted – Secured					
Shashwati Realty Pvt. Ltd.	1,000,000	30	93.50	30	150.05
Zuari Global Investment	1,000,000	-	-	100	1,000.00
Total Unquoted			93.50		1,150.05
Total			895.04		1,350.04

(B) Investments carried at fair value through profit or loss

Debentures and Bonds

Debentures (Quoted)					
Secured-					
Motilal Oswal Finvest SR M1 BR 14MAR24 MLD	1,000,000	-	-	50.00	547.15
IIFL Wealth Prime Limited SR IFGD IV BR 14FEB2024 MLD	100,000	-	-	300.00	429.52
8% Motilal Oswal Finvest Limited 03Feb25	1,000,000	50	561.48	-	
IIFL Finance Limited SR D14 BR NCD 07SP24 MLD	1,000,000	23	277.82		
IIFL Finance Limited SR D19 BR NCD 02SP24 MLD	1,000,000	24	270.03		
Total			1,109.33		976.67
Total Debentures and Bonds			2004.37		2326.71

Real Estate and Debt Fund

- Unquoted					
Annuities in Senior Secured Estate Transactions Asset – 1	100	-	-	58,368	45.73
Total			-		45.73
Total Real Estate Fund			-		45.73

Mutual Funds

Liquid Mutual Funds (Unquoted) *					
AXIS Overnight Fund Direct Plan Growth	1,000	-	-	47,242.363	560.09
Mirae Asset Overnight Fund – Direct – Growth	1,000	57,585	706.95	-	-
Total			706.95		560.09
Total Mutual Funds			706.95		560.09
Total Current Investments			3,904.07		3,434.68
Aggregate amount of quoted investment and market value thereof			1,910.87		1,678.83
Aggregate amount of unquoted investments			1,993.20		1,755.86
Aggregate amount of impairment			-		-

* Liquid mutual fund has been shown as cash and cash equivalents in cash flow statement.

43 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 ₹ 162.98 lakhs (March 31, 2023 ₹ 157.50 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.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

	Present Value of Obligation	Fair Value of plan assets	(₹ In Lakhs) Net amount
As at March 31, 2022	971.64	743.50	228.14
Current service cost	49.76	–	49.76
Interest expense/(income)	69.47	53.16	16.31
Total amount recognised in statement of profit and loss	119.23	53.16	66.07
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	5.12	–	5.12
Net actuarial (gain)/loss			–
Change in experience	18.49	–	18.49
Change in demographic assumptions	–	–	–
Change in financial assumptions	38.16	–	38.16
Total amount recognised in other comprehensive income	61.77	–	61.77
Employer Contribution	–	106.88	(106.88)
Benefits payment	(100.93)	(60.22)	(40.71)
As at March 31, 2023	1,051.71	843.32	208.39
As at March 31, 2023	1,051.71	843.32	208.39
Current service cost	52.53	–	52.53
Interest expense/(income)	78.56	62.99	15.57
	131.09	62.99	68.10
Total amount recognised in statement of profit and loss	131.09	62.99	68.10
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	6.95	–	6.95
Net actuarial (gain)/loss			–
Change in experience	(14.33)	–	(14.33)
Change in demographic assumptions	–	–	–
Change in financial assumptions	16.26	–	16.26
Total amount recognised to comprehensive income	8.88	–	8.88
Employer contribution	–	110.00	(110.00)
Benefits payment	(86.97)	(69.14)	(17.83)
As at March 31, 2024	1,104.71	947.17	157.54

The net liability disclosed above relates to funded and unfunded plans are as follows:

	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Present value of funded obligations	(1,104.71)	(1,051.71)
Fair value of plan assets	947.17	843.32
Deficit of funded plan *	(157.54)	(208.39)

* Excluding provision made in respect of employees who are out of coverage under the policy ₹ 57.13 lakhs (Previous year ₹ 46.13 lakhs)

Significant estimates: actuarial assumptions and sensitivity

	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Financial assumption:		
Discount rate	7.21%	7.47%
Salary escalation rate	7.00%	7.00%

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)		
	As at March 31, 2024	As at March 31, 2023
Demographic assumption:		
Mortality rate	IALM (2012-14) Urban	IALM (2012-14) Urban
Attrition rate	2%	2%
Retirement age	58 & 60 Years	58 & 60 Years
Sensitivity analysis		
The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:		
	As at March 31, 2024	As at March 31, 2023
Discount rate		
a) Discount rate – 100 basis points	66.97	60.60
b) Discount rate + 100 basis points	(60.45)	(54.35)
Salary escalation rate		
a) Rate – 100 basis points	(61.10)	(55.06)
a) Rate + 100 basis points	66.46	60.29

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

(₹ in Lakhs)		
	As at March 31, 2024	As at March 31, 2023
The major categories of plan asset are as follows:		
Equities	0%	0%
Bonds	0%	0%
Gilts	0%	0%
Pooled assets with an insurance company	100%	100%
Other	0%	0%
	100%	100%

(₹ in Lakhs)		
	As at March 31, 2024	As at March 31, 2023
The defined benefit obligations shall mature after year end March 31, 2024 as follows:		
Year 1	40.62	161.80
Year 2	69.91	60.93
Year 3	230.27	119.85
Year 4	151.95	133.13
Year 5	91.10	140.01
Years 6-10	644.89	510.38
Years 11 and above	608.37	624.10

The weighted average duration of the defined benefit obligation is 7 years (Previous Year 2023: 7 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.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Interest risk:- A decrease in the bond interest will increase in plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to best estimate of the mortality of plan participants both during and at the end of employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such an increase in salary of the plan participants will increase the plan liability.

The Code on Social Security :

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

44 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 41 and 42.

Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

a. Financial assets

	Instruments carried at fair value			(₹ In Lakhs)		
	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL	Instruments carried at amortized cost	Total carrying value	Total fair value
As at 31st March, 2023						
Investments	37,522.08	33,675.48	9,510.00	–	80,707.56	80,707.56
Trade receivables	–	–	–	3,965.80	3,965.80	3,965.80
Cash and cash equivalents	–	–	–	68.93	68.93	68.93
Other Bank balances	–	–	–	83.92	83.92	83.92
Loans	–	–	–	900.00	900.00	900.00
Other financial assets	–	–	–	1,278.47	1,278.47	1,278.47
Total	37,522.08	33,675.48	9,510.00	6,297.12	87,004.68	87,004.68
As at 31st March, 2024						
Investments	44,213.93	32,465.06	10,538.08	–	87,217.07	87,217.07
Trade receivables	–	–	–	3,725.08	3,725.08	3,725.08
Cash and cash equivalents	–	–	–	69.74	69.74	69.74
Other Bank balances	–	–	–	93.39	93.39	93.39
Loans	–	–	–	375.00	375.00	375.00
Other financial assets	–	–	–	1,039.92	1,039.92	1,039.92
Total	44,213.93	32,465.06	10,538.08	5,303.13	92,520.20	92,520.20

(₹ In Lakhs)

b. Financial liabilities

	Fair value through profit & loss	At amortized cost	Total carrying amount	Total fair value
As at 31st March, 2023				
Borrowings	–	100.73	100.73	100.73
Trade payables	–	3,915.76	3,915.76	3,915.76
Other financial liabilities	–	92.93	92.93	92.93
Total	–	4,109.42	4,109.42	4,109.42
As at 31st March, 2024				
Borrowings	–	11.52	11.52	11.52
Trade payables	–	4,482.71	4,482.71	4,482.71
Other financial liabilities	–	65.30	65.30	65.30
Total	–	4,559.53	4,559.53	4,559.53

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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.

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, 2024, and March 31, 2023 measured at fair value:

	(₹ In Lakhs)			
As at 31 st March, 2023	Level 1	Level 2	Level 3	Total
Assets at fair value				
Equities				
Equity instruments	18,920.12	18,601.96	–	37,522.08
Debt				
Preference shares	–	–	1,694.91	1,694.91
Government Bonds	3,433.85	–	–	3,433.85
Debentures and bonds	28,086.23	2,004.73	450.05	30,541.01
Real estate and debt funds	–	6,955.63	–	6,955.63
Mutual fund	560.09	–	–	560.09
Total	51,000.28	27,562.32	2,144.96	80,707.56

	(₹ In Lakhs)			
As at 31 st March, 2024	Level 1	Level 2	Level 3	Total
Assets at fair value				
Equities				
Equity instruments	19,646.37	24,567.56	–	44,213.93
Debt				
Preference shares	–	–	1,192.75	1,192.75
Government Bonds	4,519.50	–	–	4,519.50
Debentures and bonds	27,710.85	2,027.37	393.50	30,131.72
Real estate and debt funds	–	6,452.22	–	6,452.22
Mutual fund	706.95	–	–	706.95
Total	52,583.67	33,047.16	1,586.24	87,217.07

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

45 Income Tax

A. Components of Income tax Expense

(₹ In Lakhs)

Particulars	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
(a) Tax expense recognised in the Statement of Profit and Loss		
i) Current tax		
Current year	923.64	515.99
Total current tax	923.64	515.99
ii) Deferred tax		
Relating to origination and reversal of temporary difference	(144.19)	(24.16)
Total deferred income tax expense/(credit)	(144.19)	(24.16)
Total i) + ii)	779.45	491.83
(b) Tax on Other Comprehensive Income		
i) Tax relating to items that will not be reclassified to profit or loss		
Tax on realized gain of equity instruments	215.02	264.14
Tax on remeasurements of net defined benefit plans	(1.95)	(10.79)
Tax on equity instrument through other comprehensive income	1,179.52	(243.98)
Deferred Tax liability of earlier periods on equity instrument through other comprehensive income*	-	-
	1,392.59	9.37
ii) Income tax on items that will be reclassified to profit or loss		
Tax on debt instrument through other comprehensive income	(35.72)	(233.52)
Deferred Tax liability of earlier periods debt instrument through other comprehensive income*	-	-
	(35.72)	(233.52)
Total i) + ii)	1,356.87	(224.15)

B. Reconciliation of tax expenses and the accounting profit for the year

Particulars	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :		
Profit before tax	4,260.16	3,259.65
Enacted income tax rate in India	29.12%	29.12%
Expected income tax expense during the year at statutory rate	1,240.56	949.21
Differences due to:		
Expenses not deductible for tax purposes	0.61	17.91
Exempt Income	(28.99)	(96.14)
Tax Rate Difference on account of Capital Gain / MAT Credit utilisation etc.	(432.72)	(379.14)
Effective tax expenses	779.45	491.83

C. The movement in deferred tax assets and liabilities *

(₹ In Lakhs)

Movement during the year ended March 31, 2023	As at 31 st March, 2022	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income*	As at 31 st March, 2023
Deferred tax assets/(liabilities)				
On expenses allowable for tax purposes when paid	(12.89)	46.96	-	34.07
On depreciation	(1,231.74)	(20.20)	-	(1,251.94)
On fair valuation of financial assets	(2,025.85)	-	447.89	(1,577.96)
	(3,270.48)	26.76	447.89	(2,795.83)

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Movement during the year ended March 31, 2024	As at 31 st March, 2023	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 st March, 2024
On expenses allowable for tax purposes when paid	34.07	16.63	–	50.70
On depreciation	(1,251.94)	(16.82)	–	(1,268.76)
On fair valuation of financial assets	(1,577.96)	–	(1,207.11)	(2,785.07)
Total	(2,795.83)	(0.19)	(1,207.11)	(4,003.13)

Note: * Deferred Tax Assets on account of minimum alternate tax credit available for ₹ 666.03 lakhs (previous year ₹ 859.19 lakhs) is not recognised in books of account.

46 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.

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

Exposure	(₹ In Lakhs)			
Nature of Investments	As at 31 st March 2024		As at 31 st March 2023	
	Amount	%	Amount	%
Equity instruments	44,213.93	50.69%	37,522.08	46.49%
Preference Shares	1,192.75	1.37%	1,694.91	2.10%
Government Bonds	4,519.50	5.18%	3,433.85	4.25%
Debentures and bonds	30,131.72	34.55%	30,541.01	37.84%
Real estate and debt funds	6,452.22	7.40%	6,955.63	8.62%
Mutual fund	706.95	0.81%	560.09	0.69%
Total	87,217.07	100.00%	80,707.56	100.00%

Investments in Equity Instruments and Equity mutual funds (including investment through Private Equity funds)

The Company's quoted equity instruments are subject to the market price risk arising from the fluctuation in the market price of those instruments. This risk arises from instruments which are classified as Fair value through P&L or Fair value through OCI. The Company's investment in equity instruments mainly consists of Investments in certain of its group companies wherein the price fluctuations, based on the historical trends, are not very significant.

Sensitivity

The table below summarises the impact of Increase/decrease of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5% or decrease by 5% with all other variables held constant and that all the Company's equity instruments moved in line with the index.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ In Lakhs)

Impact on total comprehensive income	For the year ended March 31, 2024	For the year ended March 31, 2023
BSE Sensex - Increase 5% -Gain/(loss)	2,210.70	1,876.10
BSE Sensex - Decrease 5% -Gain/(loss)	(2,210.70)	(1,876.10)

(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:

- Actual or expected significant adverse changes in business.
- Actual or expected significant changes in the operating results of the counterparty.
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- Significant increase in credit risk on other financial instruments of same counterparty

(i) Expected credit loss for trade receivables under simplified approach (Refer Note 9 for ageing of Trade Receivable)**Commodity Risk**

The Company is exposed to the risk of price fluctuation of raw materials proactively managed through forward booking, inventory management and proactive vendor development practices.

(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)

	As at 31 st March 2024	As at 31 st March 2023
Secured working capital credit facility from Banks	1,500.00	1,520.00

(₹ In Lakhs)

(ii) The following is the contractual maturities of the financial liabilities:

	Carrying amount	Total	Payable on demand	Less than 1 month	1-12 months	More than 12 months
As at 31st March, 2023						
Non-derivative liabilities						
Borrowings	100.73	100.73	–	6.87	82.34	11.52
Trade payables	3,915.76	3,915.76	–	2,818.51	1,097.25	–
Other financial liabilities	92.93	92.93	33.92	59.01	–	–
As at 31st March, 2024						
Non-derivative liabilities						
Borrowings	11.52	11.52	–	–	8.54	2.98
Trade payables	4,482.71	4,482.71	–	4,111.15	371.56	–
Other financial liabilities	65.30	65.30	36.63	28.67	–	–

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(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.

(₹ In Lakhs)

Foreign currency Exposure

Particulars	Currency	As at 31 st March 2024	As at 31 st March 2023
Trade payable	USD	1.02	1.02
Trade receivables	USD	–	0.58
Trade receivables	EURO	–	0.02
Net Exposure – [Receivable/(Payable)]		(1.02)	(0.42)

The Company's exposure to the foreign currency risk is not significant considering the nature and size of the operations.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's Long term borrowings have fixed rate of interest and carried at amortized costs and short term borrowings have variable rate of interest. The Company also has significant investments in Bonds i.e. Government securities; Debentures; Preference shares and Debt funds. These investments are subject to the Market risk - Interest rate risk.

(₹ In Lakhs)

Exposure to Interest rate risk - Financial liabilities

Particulars	As at 31 st March 2024	As at 31 st March 2023
Total borrowings	11.52	100.73
% of borrowings out of above bearing variable rate of interest and short term in nature	100.00%	100.00%

Hence, the Company is not significantly exposed to the interest rate risk as working capital facility are, as per contractual terms, primarily of short term in nature.

Exposure to Interest rate risk - Financial assets - Investments in Government Bonds, Bonds, Debentures, Debt funds and Preference Shares

Market price risk for government bonds, debentures, Preference shares and other bonds is movement in the interest rate and impact thereof on the yield. The Company's major part of investments is in Bonds/Debentures, which exposes Company to a price risk and consequently impact on the profitability and value of instruments

Sensitivity

The table below summarises the impact of increase/decrease in the interest rate over the value of bonds/debentures. The analysis is based on the assumption that the Interest rate has increased by 100 bps or decrease by 100bps with all other variables held constant.

(₹ In Lakhs)

Impact on profit before tax	As at 31 st March 2024	As at 31 st March 2023
Increase of 100 bps -Gain/(loss)	1,732.56	1,698.74
Decrease of 100 bps-Gain/(loss)	(1,732.56)	(1,698.74)

(iii) Price Risk

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. To manage its price risk arising from its investments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company in accordance with the guidelines provided by the Board of directors of the Company.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024
47 Capital Risk Management

(a) The Company's objectives when managing capital are to :

- ◆ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which includes capital and other strategic investments. The Company's intention is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

Particulars	(₹ In Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Total equity	98,873.62	92,292.46
Net Debt	(58.22)	31.80
Total Capital (Borrowings and Equity)	98,815.40	92,324.26
Gearing Ratio	-0.06%	0.03%

(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

	(₹ In Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Equity Shares		
Final dividend for the year ended March 31, 2023 of ₹ 2.00 per share (March 31, 2022 - ₹ 2.00) per fully paid share	295.38	295.38

In addition to the above dividend, since year end the directors have recommended the payment of a final dividend of ₹ 2.00 fully paid equity share (31st March, 2023 – ₹ 2.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

48 Related party disclosure with whom transactions have been entered during the year in the ordinary course of the business :
(A) Relationships:
(i) Joint ventures in which the entity is a joint venturer:

Compo Advics (India) Pvt. Ltd.

(ii) Key Management Personnel (KMP):

Mr. P. K. Choudhary - Managing Director

Mr. Sunil Jindal - Chief Financial Officer (CFO)

Mr. Vikram Soni - Company Secretary and Compliance Officer (resigned w.e.f. 08th October 2022)

Mr. Ravi Motilal Vaishnav - Company Secretary and Compliance Officer (during the period from 30th June 2023 to 05th April 2024)

Mr. Pranabh Kapoor - Company Secretary and Compliance Officer (resigned w.e.f. 13th April 2023)

(iii) Relatives of Key Managerial Personnel / Directors:

Mrs. Shashi Mody (Daughter-in-law of Late Raghu Mody, Non Executive Chairman)

(iv) Non Executive Directors:

Mr. Raghu Mody - Non Executive Chairman (Deceased on 8th February, 2024)

Mr. Ashok B Vaidya, Independent Director (up to 31st March, 2024)

Lt. Gen. (Retd.) K. S. Brar, Independent Director (up to 31st March, 2024)

Mr. Deepak Sethi, Independent Director

Mr. Rajan Arvind Dalal, Independent Director (w.e.f. 21st February, 2024)

Mr. Vinay Raj Sarin, Independent Director (w.e.f. 1st July, 2023)

Mr. Lalit Kumar Bararia, Independent Director

Mrs. Preeti Vimal Agrawal, Independent Director

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(v) **Other Related Parties: (promoter/promoter group and their relatives)**

Rasoi Ltd., *

Leaders Healthcare Ltd. *

J.L. Morison (India) Ltd.

Pallawi Resources Pvt. Ltd. (Formerly known as Pallawi Resources Ltd.)

Rasoi Express Pvt. Ltd.

Mode Enterprises LLP

Mr. Varunn Mody - President Treasury

Mrs. Sakshi Mody

* 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 March 31, 2024	Year Ended March 31, 2023
(i) Inter Corporate Deposits Given		
Leaders Healthcare Ltd.	200.00	-
(ii) Inter Corporate Deposits Refund Received		
Leaders Healthcare Ltd.	200.00	-
(iii) Rent Paid		
J.L. Morison (India) Ltd.	15.97	14.52
Mr. Varunn Mody	26.70	23.80
Pallawi Resources Pvt. Ltd.*	4.67	4.67
* Including GST		
(iv) Income		
Royalty		
– Compo Advics (India) Pvt. Ltd.	8.41	10.30
Interest		
– Pallawi Resources Pvt. Ltd.	6.16	56.98
– Leaders Healthcare Ltd.	4.57	-
Dividend		
J.L. Morison (India) Ltd.	-	2.73
Particulars	Year Ended	Year Ended
	March 31, 2024	March 31, 2023
(v) Inter Corporate Deposit Received Back		
Pallawi Resources Pvt. Ltd.	225.00	1,525.00
(vi) Purchase of Fixed Assets		
Rasoi Ltd.*	1,800.00	-
*After valuation by International Property Consultant.		
(vii) Salary and other employee benefits to Whole Time Directors and KMP		
Mr. Raghu Mody	-	137.22
Mr. P.K. Choudhary	107.78	100.18
Mr. Sunil Jindal	30.42	28.02
Mr. Ravi Motilal Vaishnav	16.56	-
Mr. Vikram Soni	-	10.92
Mr. Pranabh Kapoor	0.70	5.57

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024
B. Transactions carried out with related parties referred in (A) above, in ordinary course of business: (₹ In Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
(viii) Salary and other employee benefits to relatives of Directors & Key Managerial Personnel		
Mrs. Shashi Mody	29.33	29.33
(ix) Directors sitting fees and commission to independent and non executive directors		
Mr. Raghu Mody	0.20	0.10
Mr. Ashok B Vaidya	2.00	3.50
Lt. Gen. (Retd.) K. S. Brar	2.00	3.50
Mr. Deepak Sethi	3.30	2.90
Mr. Lalit Kumar Bararia	3.00	3.20
Mr. Vinay Raj Sarin	0.50	-
Mrs. Preeti Vimal Agarwal	2.90	2.70
(x) Other Transactions		
Rasoi Express Pvt. Ltd. (Purchase of Air Tickets)*	44.69	45.67
Compo Advics (India) Pvt. Ltd. (Purchase of Raw Materials)*	5.55	9.48
Compo Advics (India) Pvt. Ltd. (Sale of Raw Materials)*	54.87	44.20
Compo Advics (India) Pvt. Ltd. (Reimbursement of Sales Promotion Expenses – Coupons)	19.80	17.89
Mode Enterprises LLP (Service Taken)	18.95	-
Mrs. Sakshi Mody (Professional Fees)	18.00	-
Mr. Varunn Mody (Salary)	96.29	90.29
* Including GST		

c. Balances outstanding with related parties referred in (A) above, in ordinary course of business: (₹ In Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
(i) Receivable:		
– Inter Corporate Deposits:		
Pallawi Resources Pvt. Ltd.(secured)	-	225.00
– Others Receivable:		
Compo Advics (India) Pvt. Ltd. (Trade Receivable)	26.28	31.64
Pallawi Resources Pvt. Ltd.(Interest Receivable)	-	5.27
Mr. Varunn Mody (Rent Deposit Receivable)	6.60	6.60
(ii) Payable:		
– Commission to independent directors		
Mr. Ashok B Vaidya	-	1.90
Lt. Gen. (Retd.) K. S. Brar	-	1.90
Mr. Deepak Sethi	1.90	1.90
Mr. Lalit Kumar Bararia	1.90	1.90
Mrs. Preeti Vimal Agarwal	1.90	1.90
(iii) Investment in: (at cost)		
J.L. Morison (India) Ltd.	515.49	515.49
Rasoi Limited	1,876.23	1,876.23
Compo Advics (India) Pvt. Ltd. (Refer Note i) below)	980.00	980.00

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note:

- a) Related party relationship is as identified by the management and relied upon by the auditors.
- b) No amount pertaining to related parties has been written off / provided for as doubtful debts except diminution in value of investment in Compo Advics (India) Pvt. Ltd. of ₹ 980 lakhs (Previous year ₹ 980 lakhs). Also no amount has been written off/back.
- c) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.
- d) Aforesaid transactions with the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates with the related parties.
- e) Managerial remuneration/KMP remuneration does not include post-employment benefits and other long-term benefits (Gratuity and Leave entitlement) based on actuarial valuation as these are done for the Company as a whole.

Particulars	As at March 31, 2024	As at March 31, 2023
49 (a) Loans and Advances in nature of loans. (₹ In Lakhs)		
Loans where there is no interest or at an interest rate below that specified in the Companies Act, 2013.		
Amount Outstanding end of the year		
Employees (as per general rules of the Company)	2.15	2.37
Maximum amount Outstanding During the Year		
Employees (as per general rules of the Company)	3.93	5.50
(b) Details of Short Term Inter Corporate Deposits: #		
Kashipur Holdings Ltd.	-	200.00
India Glycols Limited	-	475.00
Ajay Commercial Co. Pvt. Ltd	375.00	-
Total	-	675.00
(c) Details of Long Term Inter Corporate Deposits: #		
Pallawi Resources Pvt. Ltd. *	-	225.00

Inter corporate deposits (ICD) given for general corporate purpose of the borrowing company on interest in the range of 9% (Previous Year 10% to 13%).

* Percentage to the total loans and advances in the nature of loans given to Pallawi Resources Pvt. Ltd. is Nil % (Previous Year 25%).

- 50** Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.

Particulars	(₹ In Lakhs)						
	As at 31 st March 2022	Cash Flow	Non – cash changes	As at 31 st March 2023	Cash Flow	Non – cash changes	As at 31 st March 2024
Long Term Borrowing*	19.47	(7.95)	-	11.52	(8.54)	-	2.98
Short Term Borrowing	10.86	78.36	-	89.22	(80.68)	-	8.54

* Including current maturity of long term borrowing.

- 51** The Company has investment of ₹ 980 lakhs (Previous Year ₹ 980 lakhs) in Compo Advics India Private Limited, a Joint Venture Company which has accumulated losses of ₹ 1,424.63 lakhs (Previous Year 1,370.86 lakhs), being Company's Share i.e. 49%. In view of the accumulated losses, there is diminution in the value of Company's investments in the Joint Venture company and hence full value of investment of ₹ 980 Lakhs has been marked down to Zero. However, considering the investment is of long term and strategic in nature no amount pertaining to this investment has been written off.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

52 Accounting Ratios

(₹ In Lakhs)

Sr. No.	Name of the Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Remarks
1	Current Ratio (in times)	Current assets	Current liabilities	2.24	2.50	-10.40%	NA
2	Debt – Equity Ratio (in times)	Total debt	Equity	0.00	0.00	0.00%	NA
3	Debt Service coverage ratio (in times)	Earnings available for debt service (Net profit after taxes + depreciation & Amortization + Finance Cost)	Total debt service (Finance Cost + Principal repayment of long term borrowing during the year)	251.58	176.1	42.86%	Due to increase in profit
4	Return on equity (in %)	Total Comprehensive Income for the year	Average shareholder equity	7.19%	0.71%	913.59%	Due to increase in profit and changes in fair valuation of investments
5	Inventory Turnover Ratio (in times)	Sale of products	Average inventory	18.01	17.37	3.68%	NA
6	Trade receivables turnover ratio (in times)	Sale of products	Average Trade receivables	6.51	6.08	7.07%	NA
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	3.15	3.27	-3.67%	NA
8	Net capital turnover ratio (in times)	Revenue from operations	Working Capital	4.63	4.3	7.67%	NA
9	Net profit ratio (in %)	Net profit	Revenue from operations	11.56%	9.72%	18.95%	NA
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	4.47%	3.55%	25.74%	Due to increase in profit
11	Return on investment (in %)	Investment Income Through P & L + Investment Income Through OCI	Average invested funds	11.22%	3.03%	270.33%	Due to increase in profit and changes in fair valuation of investments

53 Relationship with Struck Off companies

Details of struck off companies with whom the Company has transaction during the year or outstanding balance:

Name of Struck off Company	Nature of transactions with struck-off Company	Nature	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023	Relationship with the Struck Off Company
Bolshoi Investment Pvt Ltd	Shares held by Struck off Company	Unclaimed Dividend	0.00*	0.00*	NA
Electro Diesel Pvt Ltd	Shares held by Struck off Company	Unclaimed Dividend	0.00*	0.00*	NA
Jermin Investments Pvt Ltd	Shares held by Struck off Company	Unclaimed Dividend	0.00*	0.00*	NA
Kuber Bhandar (India) Limited	Shares held by Struck off Company	Unclaimed Dividend	0.00*	0.00*	NA
Universial Asbestos Mfg Co P Ltd	Shares held by Struck off Company	Unclaimed Dividend	0.00*	0.00*	NA
Wheelaway Motor Private Ltd	Shares held by Struck off Company	Unclaimed Dividend	0.00*	0.00*	NA

* Unclaimed dividend - Amounts are below ₹ 1 thousand and the percentage of shares held by the struck off Companies are less than 1 %of the total shareholding of the Company.

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

54 Other Disclosures

- a) No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder in the current or previous financial years.
- b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c) The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.
- d) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 during the current and previous financial year.
- e) The Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender in the current and previous financial year.
- h) The Company does not have any subsidiary as defined in section 2(87) of the Companies Act, 2013 in the current and previous financial years.
- i) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial years.
- j) There are no loans or advances in the nature of loan granted to promoters, directors, KMP and / or their relatives in the current or previous financial years which are repayable on demand or without specifying any term or period for repayment.

55 Corporate Social Responsibility:

Particulars	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
(a) Amount required to be spent as per Section 135 of Companies Act, 2013	80.61	64.34
(b) Amount Spent during the year	-	-
i) Construction/Acquisition of assets	85.00	70.00
ii) On purpose other than above		
(c) Excess amount spent under section 135 (5)	-	-
Carried forward Opening Balance Excess/(Short)	-	-
Amount required to be spent during the year	85.00	70.00
Actual amount spent/incurred during the year	-	-
Carried forward Closing Balance Excess/(Short)		
(d) Nature of CSR activities	Contribution to PM Cares Fund for Social economic development & relief, welfare of the schedule cast. tribes, other backward classes, minorities and women.	
(e) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

NOTES OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

- 56** In January, 2024, a fire occurred at one section of Bhandara Plant resulting into loss of certain Property, Plant & Equipment and Inventories which has been duly accounted for. The Company has filed insurance claim of ₹ 640 lakhs which is under process and will be accounted for as and when it will be received/settled.
- 57** The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company uses ERP accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software except for certain transactions, changes made through specific access and for direct database changes where no audit trail was enabled at the database level to log any direct data changes.
- 58** Previous years' figures have been regrouped/reclassified where ever necessary to conform to current years' classification.
- Signatures to Notes 1 to 58 which form an integral part of the financial statements.

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

P.K. Choudhary
Managing Director
(DIN 00535670)

Lalit Kumar Bararia
Independent Director
(DIN 00204670)

Sunil Jindal
Chief Financial Officer

Arvind Purohit
Company Secretary
Membership No. A33624

Place: Mumbai
Date: 29th May, 2024

Independent Auditors' 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, 2024, the Consolidated Statement of Profit and Loss, Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended (Refer "Other Matters" section below) , and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2024, its consolidated profits, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

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

Key Audit Matters	How our audit addressed the key audit matters
<p>Classification, Valuation and Impairment of unquoted equity instruments /debt Investments: (Refer note 3 & 8 of the consolidated financial statements)</p> <p>The Group's -substantial assets are quoted and unquoted investments in equity/debt Instruments. Out of total investments held as on March 31, 2024, unquoted investments in equity/debt Instruments comprises of ₹ 35,583.70 Lakhs (representing 40.80%). These Investments are classified and measured at Fair value through profit or loss /fair value through other comprehensive income.</p> <p>Due to their unique structure and terms which involve the use of judgmental assumptions in valuation/impairment and not on quoted prices in active markets. Therefore, there is significant measurement uncertainty involved in this valuation/impairment. As a result, the valuation/impairment of these instruments was significant to our audit.</p>	<p>We focused on valuation of these instruments/investments and have carried out the following key audit procedures: •</p> <ul style="list-style-type: none"> - Understood the Group's process and procedures and tested controls to ensure proper classification and valuation/impairment of investments. - Tested recording of investments on sample basis and verified classification of investments. - Assessed valuation of these investments to examine whether the same is in accordance with the Group's accounting policies. - Tested impairment/provision of investments (including reversal) - In respect of unquoted investments, we evaluated the Company's valuation methodology and assumptions and corroborated these with internal Investment policies including those related to impairment.

Key Audit Matters	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> - For any changes in ratings of the investee company, we examined the Group's assessment with the internal Investment policies for reclassification and valuation. - Also obtained external evidence of existence of investment by getting holding statement from the custodian /statement from the fund houses as well through publicly available filings from time to time - We have also perused the relevant internal audit reports on investments. <p>Based on the work carried out, we did not come across any significant matter which suggests that the investments were not properly classified or valued.</p>

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

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Corporate Governance report and Shareholder's information, but does not include the consolidated financial statement and our auditor's report thereon. As explained, the other information is under preparation by the management till the date of this auditor's report.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

The financial statements of the joint venture included in the consolidated financial statements (whose losses have exceeded the Group's investments) and therefore, have not been considered in the consolidated financial statements in compliance with IND AS 28. (Refer note no 40 to the consolidated financial statements).

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.

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 except for the matters stated in the paragraph 1(h)(vii) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 (as amended).
 - (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, 2024, 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, 2024 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) 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(16) of the Act.
- (h) With respect to the matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements. [Refer Note No.34 to the Consolidated financial statements]
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
 - iv.
 - a) The Managements of the Holding Company and its Joint Venture incorporated in India have represented that, to the best of their knowledge and belief, no funds other than disclosed in the consolidated financial statements (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its Joint Venture incorporated in India to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its Joint Venture incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. [Refer note no 54(e) to standalone financial statements].
 - b) The Managements of the Holding Company and its Joint Venture incorporated in India have represented, that, to the best of their knowledge and belief, no funds other than disclosed in the consolidated financial statements (which are material either individually or in the aggregate) have been received by the Holding Company and its Joint Venture incorporated in India from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its Joint Venture incorporated in India shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. [Refer note no 54(f) to standalone financial statements].
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.
 - v.
 - a) The final dividend paid by the Holding Company during the year declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
 - b) The Board of Directors of the Holding Company has proposed final dividend for the financial year 2023-24 which is subject to the approval of the Members at the ensuing annual general meeting. The dividend recommended by the Board is in accordance with Section 123 of the Act to the extent it applies to the recommendation of dividend [Refer note no 46 (b) to standalone financial statements].
 - vi With respect to the matters specified in paragraph 3(xxii) and 4 of the Companies (Auditor's Report) Order 2020 (the "Order"/ "CARO"), issued by the Central Government in terms of Section 143(11) of the Act, based on the CARO reports issued of Holding Company and its Joint Venture incorporated in India, included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the respective CARO reports of the Holding Company and its Joint Venture.
 - vii. Based on our examination which included test checks, the Holding Company and a joint venture incorporated in India has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility

and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data in the underlying database and in the application when using certain privileged access rights. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software used by the Holding Company and its one Indian Joint Venture.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

For Lodha & Co. LLP
Firm Registration No. 301051E/E300284
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 044101
UDIN: 24044101BKCLSX8276

Place: Mumbai
Date: May 29, 2024

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN COMPOSITES LIMITED FOR THE YEAR ENDED MARCH 31, 2024

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, 2024, 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, 2024, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lodha & Co. LLP
Firm Registration No. 301051E/E300284
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 044101
UDIN: 24044101BKCLSX8276

Place: Mumbai
Date: May 29, 2024

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2024

Particulars	Note No.	₹ In Lakhs	
		As at 31 st March, 2024	As at 31 st March, 2023
I ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	13,652.26	11,031.59
(b) Capital Work in Progress	1.1	-	19.65
(c) Intangible assets	2	98.03	73.99
(d) Intangible assets under development	2.1	-	9.18
(e) Financial assets			
(i) Investments	3	83,313.00	77,272.88
(ii) Loans	4	-	225.00
(iii) Other financial assets	5	50.66	56.83
(f) Other non-current assets	6	52.39	35.22
Total non-current assets		97,166.34	88,724.34
Current assets			
(a) Inventories	7	1,427.44	1,350.44
(b) Financial assets			
(i) Investments	8	3,904.07	3,434.69
(ii) Trade receivables	9	3,698.80	3,933.75
(iii) Cash and cash equivalents	10	69.74	68.93
(iv) Bank Balances other than (iii) above	11	93.39	83.92
(v) Loans	12	375.00	675.00
(vi) Other financial assets	13	989.26	1,221.64
(c) Current tax assets (Net)	14	-	205.40
(d) Other current assets	15	376.41	297.40
Total current assets		10,934.11	11,271.17
Total Assets		1,08,100.45	99,995.51
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	738.45	738.45
(b) Other Equity	17	97,927.56	91,346.39
Total equity		98,666.01	92,084.84
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	2.98	11.52
(b) Provisions	19	254.83	305.98
(c) Deferred tax liabilities (Net)	44	4,003.13	2,795.83
(d) Other non current liabilities	20	109.69	103.89
Total non-current liabilities		4,370.63	3,217.22
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	8.54	89.21
(ii) Trade payables	22		
- total outstanding dues of micro and small enterprises		740.33	54.21
- total outstanding dues of creditors other than micro and small enterprises		3,923.71	4,037.11
(iii) Other financial liabilities	23	65.30	92.93
(b) Other current liabilities	24	146.30	236.49
(c) Provisions	25	178.85	183.50
(d) Current tax liabilities (Net)	26	0.78	-
Total current liabilities		5,063.81	4,693.45
Total Equity and Liabilities		1,08,100.45	99,995.51
Material accounting policies	A		
See accompanying notes to the consolidated financial statements	B(1 - 41)		

As per our attached report of even date

For Lodha & Co LLP
Chartered Accountants
Firm Registration No. - 301051E/E300284

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: 29th May, 2024

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

P.K. Choudhary
Managing Director
(DIN 00535670)

Sunil Jindal
Chief Financial Officer

Lalit Kumar Bararia
Independent Director
(DIN 00204670)

Arvind Purohit
Company Secretary
Membership No. A33624

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2024

		(₹ In Lakhs)	
Particulars	Note No.	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
I	Revenue from operations	27	29,768.43
II	Other income	28	92.59
III	Total Income (I + II)		29,861.02
IV	Expenses		
	Cost of materials consumed	29	13,077.62
	Changes in inventories of finished goods and work-in-progress	30	78.05
	Employee benefits expense	31	3,909.95
	Finance costs	32	8.96
	Depreciation and amortisation expense	1 & 2	952.51
	Other expenses	33	7,573.77
	Total Expenses		25,600.86
V	Profit before tax (III - IV)		4,260.16
VI	Share of (loss) of joint venture	38	-
VII	Profit before tax (V - VI)		4,260.16
VIII	Tax Expense:		
	Current tax		923.64
	Deferred tax		(144.19)
	Tax expense relating to earlier years		39.56
	Total Tax Expense		819.01
IX	Profit for the year		3,441.15
X	Other Comprehensive Income		
A.	(i) Items that will not be reclassified to profit or loss		5,223.48
	(ii) Income tax relating to items that will not be reclassified to profit or loss	44	(1,392.59)
B.	(i) Items that will be reclassified to profit or loss		(431.21)
	(ii) Income tax relating to items that will be reclassified to profit or loss	44	35.72
XI	Total Comprehensive Income for the year (IX + X)		6,876.55
	Earnings per equity share of ₹ 5 each (Basic and Diluted) (₹)	36	23.30
	Material accounting policies	A	
	See accompanying notes to the consolidated financial statements	B (1 - 41)	

As per our attached report of even date

For Lodha & Co LLP
 Chartered Accountants
 Firm Registration No. - 301051E/E300284

R.P. Baradiya
 Partner
 Membership No. 44101

Place: Mumbai
 Date: 29th May, 2024

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

P.K. Choudhary
 Managing Director
 (DIN 00535670)

Sunil Jindal
 Chief Financial Officer

Lalit Kumar Bararia
 Independent Director
 (DIN 00204670)

Arvind Purohit
 Company Secretary
 Membership No. A33624

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2024

Particulars	(₹ In Lakhs)	
	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
A Cash flow from operating activities:		
Net profit before tax	4,260.16	3,259.65
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	952.51	872.93
Fair valuation of investments through profit and loss	(410.58)	(251.67)
Profit on sale of investments carried at fair value through profit and loss (net)	(772.90)	(811.86)
Interest Income	(3,284.02)	(3,342.92)
Interest Income on Income Tax Refund	(22.72)	(18.96)
Dividend Income	(232.03)	(232.54)
Profit on Sale of Property, Plant and Equipment	(5.60)	(58.98)
Loss on Sale/discard of Property, Plant and Equipment	72.07	29.96
Remeasurements of defined benefit plans	(11.19)	(61.48)
Interest expenditure	8.96	12.66
Operating profit before working capital changes	554.66	(603.21)
Adjustment for:		
(Increase)/Decrease in trade receivable	234.94	(227.95)
(Increase)/Decrease in Other Financial Assets	6.17	10.92
(Increase)/Decrease in Other Non Current Assets	(17.17)	55.68
(Increase)/Decrease in other receivable	(9.47)	(44.43)
(Increase)/Decrease in Inventories	(76.98)	0.80
(Increase)/Decrease in Other Current Financial Assets	94.06	(57.77)
(Increase)/Decrease in Other Current Assets	(79.01)	(7.74)
(Decrease)/Increase in trade payables	572.71	(317.22)
(Decrease)/Increase in long term provisions	(51.15)	(40.98)
(Decrease)/Increase in short term provisions	(4.64)	33.46
(Decrease)/Increase in other current financial liabilities	(27.63)	27.49
(Decrease)/Increase in other current liabilities	(90.19)	87.64
(Decrease)/Increase in other non current liabilities	5.79	11.20
Cash generated from/(used in) operations	1,112.09	(1,072.11)
Add/(Deduct) :		
Dividend Received	232.03	232.54
Interest Received	3,422.32	3,224.69
Direct taxes paid (net)	(739.67)	(815.55)
Net cash generated from/(used in) operating activities	4,026.77	1,569.57
B Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(3,645.12)	(707.10)
Proceeds on sale of Property, Plant and Equipment	10.25	178.49
Purchase of Investments	(14,456.70)	(18,500.21)
Proceeds on sale of Investments	14,080.13	15,603.05
Inter-Corporate Deposits Placed	(775.00)	(800.00)
Inter-Corporate Deposits Redeemed	1,300.00	2,125.00
Net cash generated from/(used in) investing activities	(3,486.44)	(2,100.77)
C Cash flow from financing activities		
Proceeds/(repayment) from long-term borrowings (net)	(8.54)	(7.95)
Proceeds/(repayment) from short-term borrowings (net)	(80.68)	78.36
Dividend paid	(295.38)	(295.38)
Interest paid	(8.96)	(12.66)
Net Cash generated from/(used in) financing activities	(393.56)	(237.63)
D Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	146.77	(768.83)
Cash and Cash equivalents		
At the beginning of the year	628.93	1,397.76
At the end of the year (Refer note below)	775.70	628.93

Note : The Closing Cash and Cash Equivalents include investment in Liquid Mutual fund units at cost of ₹ 705.96 lakhs (Previous Year ₹ 559.97 lakhs)

Material accounting policies

A

See accompanying notes to the consolidated financial statements

B (1 - 41)

As per our attached report of even date

For Lodha & Co LLP

Chartered Accountants

Firm Registration No. - 301051E/E300284

R.P. Baradiya

Partner

Membership No. 44101

For and on behalf of the Board of Directors of**Hindustan Composites Limited****P.K. Choudhary**

Managing Director

(DIN 00535670)

Lalit Kumar Bararia

Independent Director

(DIN 00204670)

Sunil Jindal

Chief Financial Officer

Arvind Purohit

Company Secretary

Membership No. A33624

Place: Mumbai

Date: 29th May, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2024

(a) Equity Share Capital

(₹ In Lakhs)

Particulars	Amount
Balance as at 31st March, 2022	738.45
Changes in equity share capital due to prior period errors	-
Restated balance as at 31 st March, 2022	738.45
Changes in equity share capital during the year	-
Balance as at 31st March, 2023	738.45
Changes in equity share capital due to prior period errors	-
Restated balance as at 31 st March, 2023	738.45
Changes in equity share capital during the year	-
Balance as at 31st March, 2024	738.45

(b) Other Equity

(₹ In Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income			Total
	Capital redemption reserve	General reserve	Retained earnings	Debt instruments	Equity Instruments	Others - Actuarial gain/ (loss)	
Balance as at 31st March, 2022	57.70	64,050.13	9,165.76	1,908.88	16,124.00	(318.51)	90,987.96
Profit for the year	-	-	2,747.27	-	-	-	2,747.27
Other comprehensive income for the year (Net)	-	-	-	(1,614.04)	(428.44)	-	(2,042.48)
Remeasurements of net defined benefit plans (Net)	-	-	-	-	-	(50.98)	(50.98)
Amount transferred in respect of realised gain (Net)	-	-	1,183.10	-	(1,183.10)	-	-
Dividend paid during the year	-	-	(295.38)	-	-	-	(295.38)
Transfer to General reserve	-	2,000.00	(2,000.00)	-	-	-	-
Balance as at 31st March, 2023	57.70	66,050.13	10,800.75	294.84	14,512.46	(369.49)	91,346.39
Profit for the year	-	-	3,441.15	-	-	-	3,441.15
Other comprehensive income for the year (Net)	-	-	-	(395.49)	3,840.12	-	3,444.63
Remeasurements of net defined benefit plans (Net)	-	-	-	-	-	(9.23)	(9.23)
Amount transferred in respect of realised gain (Net)	-	-	1,001.95	-	(1,001.95)	-	-
Dividend paid during the year	-	-	(295.38)	-	-	-	(295.38)
Transfer to General reserve	-	4,000.00	(4,000.00)	-	-	-	-
Balance as at 31st March, 2024	57.70	70,050.13	10,948.47	(100.65)	17,350.63	(378.72)	97,927.56

Refer note 17 for nature and purpose of the reserves.

Material accounting policies

A

See accompanying notes to the consolidated financial statements

B (1 - 41)

As per our attached report of even date

For Lodha & Co LLP

Chartered Accountants

Firm Registration No. - 301051E/E300284

R.P. Baradiya

Partner

Membership No. 44101

For and on behalf of the Board of Directors of

Hindustan Composites Limited

P.K. Choudhary

Managing Director

(DIN 00535670)

Lalit Kumar Bararia

Independent Director

(DIN 00204670)

Sunil Jindal

Chief Financial Officer

Arvind Purohit

Company Secretary

Membership No. A33624

Place: Mumbai

Date: 29th May, 2024

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

MATERIAL ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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 2024. The Group's share in the Joint Venture is 49%.

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

The registered office of the Holding Company 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 investments.

The Consolidated Financial Statements has been approved in the board meeting held on 29th May, 2024.

A. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation of Financial Statements:

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

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

- i) Certain financial assets and liabilities are measured at Fair value
- ii) Defined benefit employee plan

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

b) Uses of estimates and judgments:

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities,

disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

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

Critical accounting judgements and key source of estimation uncertainty

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

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

(i) 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.

(ii) 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

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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.

(iii) 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.

(iv) 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 2024.

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

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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.

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

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

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

Assets held for sale

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

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

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

e) As a lessee

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, other than equity instruments, 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

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(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 model 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 dates 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 on specified dates that are 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:

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised in Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

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. The Group recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured

at amortised cost and at FVTOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis. 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.

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

On derecognition of debt instruments, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in other equity is recognised in profit or loss as if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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:

i) 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 are accounted for, on final settlement.

ii) Rendering of services:

Revenue from sale of services are recognized when the services are rendered.

iii) Investment 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.

iv) Other operating Income:

Export incentives are accounted in the year of export.

v) 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.

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

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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 Transactions:

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.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1 Property, Plant and Equipment

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
Gross Carrying Amount :								
Balance as at 31st March, 2022	282.11	1.56	9,343.74	5,100.78	799.76	392.30	190.38	16,110.63
Additions	-	-	2.85	461.46	96.68	56.91	33.16	651.06
Adjustments / Disposals	-	-	-	-	1.55	11.85	-	315.03
Assets held for sale	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	282.11	1.56	9,346.59	5,284.23	894.89	437.36	199.92	16,446.66
Additions	-	-	1,994.24	1,334.38	40.19	245.12	17.61	3,631.54
Adjustments / Disposals	-	-	18.50	879.57	52.88	4.41	58.46	1,013.82
Assets held for sale	-	-	-	-	-	-	-	-
Balance as at 31st March, 2024	282.11	1.56	11,322.33	5,739.04	882.20	678.07	159.07	19,064.38
Accumulated Depreciation :								
Balance as at 31st March, 2022	-	0.14	1,173.40	2,811.49	472.72	242.21	133.80	4,833.76
Depreciation charge for the year	-	0.02	174.65	547.23	73.77	39.69	24.52	859.88
Adjustments / Disposals	-	-	-	246.69	1.01	8.97	-	278.57
Assets held for sale	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	-	0.16	1,348.05	3,112.03	545.48	272.93	136.42	5,415.07
Depreciation charge for the year	-	0.02	214.71	595.43	57.08	42.75	24.05	934.04
Adjustments / Disposals	-	-	14.41	819.04	47.44	1.63	54.47	936.99
Assets held for sale	-	-	-	-	-	-	-	-
Balance as at 31st March, 2024	-	0.18	1,548.35	2,888.42	555.12	314.05	106.00	5,412.12
Net Carrying Amount :								
As at 31st March, 2023	282.11	1.40	7,998.54	2,172.20	349.41	164.43	63.50	11,031.59
As at 31st March, 2024	282.11	1.38	9,773.98	2,850.62	327.08	364.02	53.07	13,652.26

Notes:

- (i) Lease period in respect of Leasehold Land having cost of ₹ 0.80 lakhs is valid till 31/01/2079 and having cost of ₹ 0.76 lakhs is valid till 30/04/2081.
- (ii) Buildings include seven flats, the titles of which are evidenced by fully paid shares in respective Co-operative Housing Societies.
- (iii) The title deeds of all immovable properties are in the name of Company.
- (iv) All lease agreements are duly executed in favour of the Company.

Capital Work in Progress

Description	Capital Work in Progress ageing for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
As at 31st March , 2023				
Projects in progress - Plant and Machinery under installation	19.65	-	-	19.65
Projects temporarily suspended	-	-	-	-
Total	19.65	-	-	19.65
As at 31st March , 2024				
Projects in progress - Plant and Machinery under installation	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	-	-	-	-

Notes:

There are no capital work in progress where completion is overdue against original planned timelines or where estimated cost exceeds its original planned cost as on 31st March 2024 and 31st March 2023.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

2 Intangible assets

(₹ In Lakhs)

Particulars	Computer Software	Total
Gross Carrying Amount :		
Balance as at 31st March, 2022	76.44	76.44
Additions	27.22	27.22
Adjustments / Disposals	0.05	0.05
Balance as at 31st March, 2023	103.61	103.61
Additions	43.92	43.92
Adjustments / Disposals	9.12	9.12
Balance as at 31st March, 2024	138.41	138.41
Accumulated Depreciation :		
Balance as at 31st March, 2022	16.57	16.57
Amortisation for the year	13.05	13.05
Adjustments / Disposals	-	-
Balance as at 31st March, 2023	29.62	29.62
Amortisation for the year	18.47	18.47
Adjustments / Disposals	7.71	7.71
Balance as at 31st March, 2024	40.38	40.38
Net Carrying Amount :		
Balance as at 31st March, 2023	73.99	73.99
Balance as at 31st March, 2024	98.03	98.03

2.1 Ageing of Intangible assets under development

(₹ in lakhs)

Description	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2023					
Projects in progress - Computer Software	9.18	-	-	-	9.18
Projects temporarily suspended	-	-	-	-	-
Total	9.18	-	-	-	9.18
As at 31st March, 2024					
Projects in progress - Computer Software	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Notes: There are no intangible assets under development, where completion is overdue or has exceeds its cost compared to its original plan.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

B. NOTES ON ACCOUNTS :

		(₹ in Lakhs)	
Particulars	As at 31 st March, 2024	As at 31 st March, 2023	
3 Non Current Investments			
Equities			
Equity instruments	980.00	980.00	
Investment in Joint venture	(980.00)	(980.00)	
Less: Share of accumulated Loss			
Interest in Joint venture			
Other Equity instruments	44,213.93	37,522.08	
Debt			
Preference shares	-	1,192.75	
Government securities	4,519.50	3,433.85	
Debentures and bonds	28,127.35	28,214.30	
Real estate and debt funds	6,452.22	6,909.90	
Total	83,313.00	77,272.88	
4 Non Current Loans			
Secured, considered good			
Inter corporate deposits to related party*	-	225.00	
Total	-	225.00	
* Secured against mortgage of a property valued of ₹ 35.52 crore valued by an International Property Consultant			
5 Non Current Other Financial Assets			
Electricity deposits	21.40	20.27	
Rent deposits	9.13	8.38	
Other deposits*	18.63	23.68	
Fixed Deposit with Banks having original maturity for more than twelve months	1.50	4.50	
Total	50.66	56.83	
* Includes water deposits, telephone deposits, gas deposits, MIDC and other deposits etc.			
6 Other Non Current Assets			
Capital advance	33.05	25.45	
Prepaid expenses	19.34	9.77	
Total	52.39	35.22	
7 Inventories (Refer note no. A (f) for accounting policy on inventory)			
Raw materials	974.02	809.75	
Raw materials - Goods in transit	2.06	1.11	
Work-in-progress	151.91	213.08	
Finished goods	201.09	217.97	
Stores and spares	98.36	108.53	
Total	1,427.44	1,350.44	
8 Current Investments			
Debt			
Preference shares	1,192.75	502.16	
Debentures and bonds	2,004.37	2,326.71	
Real estate and debt funds	-	45.73	
Mutual funds units	706.95	560.09	
Total	3,904.07	3,434.69	

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

	As at 31 st March, 2024	As at 31 st March, 2023
9 Trade Receivables*		
Unsecured, considered good		
Other Trade Receivables	3,698.80	3,933.75
Total	3,698.80	3,933.75

Information about major customers

Revenue from Composite Products to largest customers (greater than 10% of total sales) is ₹ 18,830.11 Lakhs (Previous Year ₹ 16,466.26 Lakhs)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2024[#]

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	2,889.21	792.18	12.29	5.12	-	-	3,698.80
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	2,889.21	792.18	12.29	5.12	-	-	3,698.80
Less: Provision for doubtful debts	-	-	-	-	-	-	-
Total	2,889.21	792.18	12.29	5.12	-	-	3,698.80

[#]There are no unbilled dues

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2023[#]

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	3,153.29	755.54	1.63	23.29	-	-	3,933.75
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	3,153.29	755.54	1.63	23.29	-	-	3,933.75
Less: Provision for doubtful debts	-	-	-	-	-	-	-
Total	3,153.29	755.54	1.63	23.29	-	-	3,933.75

[#]There are no unbilled dues

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

	Particulars	As at 31 st March, 2024	As at 31 st March, 2023
10	Cash and Cash Equivalents		
	Balances with Banks	66.97	67.69
	Cash on hand	2.77	1.24
	Total	69.74	68.93
11	Other Bank Balances		
	Fixed deposit with banks	56.76	50.00
	Other Balances		
	In Dividend Accounts	36.63	33.92
	Total	93.39	83.92
12	Current Loans		
	Unsecured, considered good		
	Inter corporate deposits	375.00	675.00
	Total	375.00	675.00
13	Other Current Financial Assets		
	Interest accrued on investments	801.15	920.54
	Interest accrued on inter corporate / other deposits	1.78	20.69
	Receivable on sale / redemptions of current investments	167.06	233.95
	Security Deposit	-	36.00
	Earnest Money Deposits	11.82	6.16
	Other receivables*	7.45	4.30
	Total	989.26	1,221.64
	* Includes Export Incentive, ECGC Premium etc.		
14	Current tax assets (Net)		
	Advance Income Tax (Previous year ₹ 116.37 lakhs)	-	205.40
	Total	-	205.40
15	Other Current Assets		
	Balance with Government authorities	2.56	3.03
	Advance to suppliers	295.66	220.18
	Prepaid expenses	78.19	74.19
	Total	376.41	297.40
16	Equity Share Capital		
	AUTHORISED		
	16,000,000 Equity Shares of ₹ 5 each	800.00	800.00
	ISSUED, SUBSCRIBED AND PAID-UP		
	14,769,000 Equity Shares of ₹ 5 each, fully paid-up	738.45	738.45
	Total	738.45	738.45

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(i) Details of shareholding more than 5%

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	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) Details of shares held by promoters

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of Shares	%	No. of Shares	%
(Class of Shares - Equity Shares) *				
Rasoi Ltd.	61,51,722	41.65%	61,51,722	41.65%
Leaders Healthcare Ltd.	24,75,582	16.76%	24,75,582	16.76%
J L Morison (India) Ltd.	11,07,702	7.50%	11,07,702	7.50%
Surdas Trading & Mfg Co Limited	2,52,000	1.71%	2,52,000	1.71%
Goodpoint Advisory Services LLP	1,98,000	1.34%	1,98,000	1.34%
Lotus Udyog LLP	1,89,720	1.28%	1,89,720	1.28%
Pallawi Resources Private Limited (Formerly known as Pallawi Resources Limited)	1,80,000	1.22%	1,80,000	1.22%
Pallawi Trading and Mfg Co Limited	1,74,000	1.18%	1,74,000	1.18%
Axon Trading & Mfg Co Limited	1,08,000	0.73%	1,08,000	0.73%
Looklink Advisory Services LLP	96,000	0.65%	96,000	0.65%
Silver Trading and Services Limited	84,000	0.57%	84,000	0.57%
Noble Business Solutions Limited	56,304	0.38%	56,304	0.38%

* There is no change in % of holding during the current and previous financial year.

(iii) Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 5 each (Previous Year ₹ 5 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

(iv) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	(No. of Shares)	
	As at 31 st March, 2024	As at 31 st March, 2023
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

(v) For a period of 5 years immediately preceding the balance sheet date, the Company has:

Particulars	As at 31 st March				
	2024	2023	2022	2021	2020
Allotted shares on account of split in face value from ₹ 10 per share to ₹ 5 per share.	-	-	-	-	-
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Bonus shares issued during the year	-	-	-	-	-
Bought back any shares issued	-	-	-	-	-

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

17 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 st March, 2024	As at 31 st March, 2023
Capital Redemption Reserve	57.70	57.70
General Reserve	70,050.13	64,050.13
Retained Earnings	10,948.47	12,800.75
Items of Other Comprehensive Income		
- Fair value of Debt instruments through OCI	(100.65)	294.84
- Fair value of Equity instruments through OCI	17,350.63	14,512.46
- Remeasurements of defined benefit plans	(378.72)	(369.49)
Total	97,927.56	91,346.39

B. Nature and purpose of reserves

- (a) **Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of equity shares from its General Reserve. The Capital Redemption Reserve can be utilised for issue of bonus shares.
- (b) **General Reserve:** The Company has transferred a portion of the net profit before declaring dividend to general reserve.
- (c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and realised gain on equity instrument transferred from Other Comprehensive Income.
- (d) **Debt Instruments through Other Comprehensive Income:** The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.
- (e) **Equity Instruments through Other Comprehensive Income:** This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income and subsequently not reclassified to the Statement of Profit and Loss, net of amount reclassified to retained earnings when such assets are disposed off.
- (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 subsequently not reclassified to the Statement of Profit and Loss.

Particulars	(₹ in lakhs)	
	As at 31 st March, 2024	As at 31 st March, 2023
18 Non Current Borrowings		
Term Loans		
Secured		
From Banks - Vehicle Loan	2.98	11.52
Total	2.98	11.52
19 Non Current Provisions		
Provision for compensated absences	206.87	205.91
Provision for defined benefit plan - gratuity	47.96	100.07
Total	254.83	305.98
20 Other Non Current Liabilities		
Security Deposits	109.69	103.89
Total	109.69	103.89
21 Current Borrowings		
Term Loans		
Secured		
From Banks		
- Vehicle Loan	8.54	7.95
- Working Capital Loan	-	81.26
Total	8.54	89.21

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

		(₹ in lakhs)	
Particulars	As at 31 st March, 2024	As at 31 st March, 2023	
22 Trade Payables			
Total Outstanding Dues of Micro and small enterprises	740.33	54.21	
Total Outstanding Dues of Creditors other than Micro and small enterprises	3,923.71	4,037.11	
Total	4,664.04	4,091.32	

Dues to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows :

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(a) Principal amount remaining unpaid to any supplier at the end of accounting year;	740.33	54.21
(b) Interest accrued and due to any supplier at the end of accounting year;	Nil	1.67
(c) Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting year;	1.67	2.11
(d) Amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year;	Nil	Nil
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

Note : The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small enterprises" on the basis of information available with Company.

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2024 (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- MSME	740.33	-	-	-	-	740.33
Undisputed dues - Others	3,552.15	279.52	92.04	-	-	3,923.71
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	4,292.48	279.52	92.04	-	-	4,664.04

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023 (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues- MSME	-	54.21	-	-	-	54.21
Undisputed dues - Others	3,859.38	177.73	-	-	-	4,037.11
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	3,859.38	231.94	-	-	-	4,091.32

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

		(₹ in lakhs)	
Particulars	As at 31 st March, 2024	As at 31 st March, 2023	
23 Other Financial Liabilities			
Unclaimed / Unpaid dividends	36.63	33.92	
Capital Creditors	28.67	59.01	
Total	65.30	92.93	
24 Other Current Liabilities			
Statutory Dues	146.30	236.49	
Total	146.30	236.49	
25 Current Provisions			
Provision for compensated absences	40.86	29.04	
Provision for defined benefit plan - gratuity	137.99	154.46	
Total	178.85	183.50	
26 Current tax liabilities (Net)			
Provision for income Tax (Net of Advance Tax ₹ 1,175.05 lakhs)	0.78	-	
Total	0.78	-	
		(₹ in lakhs)	
Particulars	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023	
27 Revenue From Operations			
Sale of Products			
Manufactured goods	25,016.21	23,469.93	
Investment Income			
Dividend	232.03	232.54	
Interest	3,284.02	3,342.92	
Net gain on sale / Fair valuation of investments through profit/(loss) *	1,183.48	1,156.08	
	4,699.53	4,731.54	
Other Operating Income			
Export Incentives	17.33	12.61	
Marketing Fees & Royalty Income	8.41	10.30	
Insurance Claim	0.13	7.96	
Scrap Sale	24.09	35.47	
Others	2.73	0.95	
	52.69	67.29	
Total	29,768.43	28,268.76	
* Includes fair value gain /(loss) for the year ended 31 st March, 2024 amounting to ₹ 410.58 lakhs, (Previous Year ₹ 251.67 lakhs)			
28 Other Income			
Foreign Exchange Gain (Net)	2.39	6.68	
Profit on sale of Property, Plant and Equipment	5.60	58.98	
Interest Income on Income Tax Refund	22.72	18.96	
Excise Refund	61.88	-	
Total	92.59	84.62	

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

		(₹ in lakhs)	
Particulars	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023	
29 Cost of Materials Consumed			
Raw materials and Components			
Opening Stock	809.75	727.55	
Purchases	12,873.24	13,008.80	
Less: Closing Stock	974.02	809.75	
	12,708.97	12,926.60	
Stores and Spare parts consumed			
Opening Stock	108.53	124.24	
Purchases	358.48	336.69	
Less: Closing Stock	98.36	108.53	
	368.65	352.40	
Total	13,077.62	13,279.00	
30 Changes in Inventories of Finished Goods and Work-In-Progress			
Opening Stock :-			
Work-in-progress	213.08	323.97	
Finished goods	217.97	175.11	
Total	431.05	499.08	
Closing Stock :-			
Work-in-progress	151.91	213.08	
Finished goods	201.09	217.97	
Total	353.00	431.05	
Changes in inventories	78.05	68.03	
			(₹ in lakhs)
Particulars	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023	
31 Employee Benefits Expense			
Salaries, wages and incentives	3,517.10	3,505.42	
Contributions to provident and other funds	228.95	228.56	
Staff welfare expenses	163.90	145.34	
Total	3,909.95	3,879.32	
32 Finance Cost			
Interest expense	6.48	8.31	
Other borrowing costs	2.48	4.36	
Total	8.96	12.67	
33 Other Expenses			
Packing materials consumed	542.53	528.31	
Power and Fuel	1,277.27	1,338.68	
Rent	59.91	71.42	
Rates and taxes	34.09	44.99	
Insurance (including transit insurance)	74.84	65.13	
Freight and Forwarding	999.16	862.38	
Repairs & Maintenance:			
Plant & Machinery	347.59	202.87	
Buildings	109.23	99.47	
Others	99.53	70.00	
Job work charges	1,963.67	1,643.10	
Travelling & Conveyance	387.88	401.58	
Sales Promotion Expenses	136.40	159.29	
Bad debts written off	-	72.95	
Provision for doubtful debts - withdrawn	-	(72.95)	

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	(₹ in lakhs)	
	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
Postage, Printing & Stationery	32.13	32.63
Communication Expenses	20.30	22.55
Loss on sale/discarding of property, plant and equipment	72.07	29.96
Investment management and other expenses	251.30	292.16
Legal & Professional Expenses	471.25	484.35
Remuneration to Auditors:		
Audit fees (including limited review fees)	10.50	10.50
Reimbursement of out of pocket expenses	0.73	0.73
Contribution towards Corporate Social Responsibility (CSR)	85.00	70.00
Charity and donations	370.97	378.02
Miscellaneous Expenses	227.42	173.66
Total	7,573.77	6,981.78

34 Contingent Liabilities:

- (a) Contingent Liabilities not provided for in respect of :
Disputed labour matter related to ex-workmen - amount unascertainable.
- (b) The Company's litigations comprises of claims related to property disputes and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required.

35 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 31st March 2024 for ₹ 269.20 lakhs (net of advance of ₹ 30.05 lakhs); Previous Year (₹ 92.07 lakhs (net of advance of ₹ 25.45 lakhs)).
- (b) In respect of investments made with private equity funds / debt funds, the Company is further committed to invest as at 31st March 2024 for ₹ 2567.15 lakhs; Previous Year (₹ 4,590.10 lakhs).

36 Earnings Per Share

Particulars	(₹ in lakhs except EPS and No. of equity shares)	
	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
Net Profit as per Profit & Loss Account	3,441.15	2,747.27
Weighted average number of equity shares outstanding	1,47,69,000	1,47,69,000
Basic and Diluted EPS (Face value of ₹ 5 each)	23.30	18.60

37 Related party disclosure with whom transactions have been entered during the year in the ordinary course of the business :

(A) Relationships:

(i) Joint ventures in which the entity is a joint venturer:

Compo Advics (India) Pvt. Ltd.

(ii) Key Management Personnel (KMP):

Mr. P. K. Choudhary - Managing Director

Mr. Sunil Jindal - Chief Financial Officer (CFO)

Mr. Vikram Soni - Company Secretary and Compliance Officer (resigned w.e.f. 08th October 2022)

Mr. Ravi Motilal Vaishnav - Company Secretary and Compliance Officer (during the period from 30th June 2023 to 05th April 2024)

Mr. Pranabh Kapoor - Company Secretary and Compliance Officer (resigned w.e.f. 13th April 2023)

(iii) Relatives of Key Managerial Personnel / Directors:

Mrs. Shashi Mody (Daughter-in-law of Late Mr. Raghu Mody, Non Executive Chairman)

(iv) Non Executive Directors:

Mr. Raghu Mody - Non Executive Chairman (Deceased 8th February, 2024)

Mr. Ashok B Vaidya, Independent Director (up to 31st March, 2024)

Lt. Gen. (Retd.) K. S. Brar, Independent Director (up to 31st March, 2024)

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Mr. Deepak Sethi, Independent Director

Mr. Rajan Arvind Dalal, Independent Director (w.e.f. 21st February, 2024)

Mr. Vinay Raj Sarin, Independent Director (w.e.f. 1st July, 2023)

Mr. Lalit Kumar Bararia, Independent Director

Mrs. Preeti Vimal Agrawal, Independent Director

(v) Other Related Parties: (promoter/promoter group)

Rasoi Ltd.,*

Leaders Healthcare Ltd. *

J.L. Morison (India) Ltd.

Pallawi Resources Pvt. Ltd. (Formerly known as Pallawi Resources Ltd.)

Rasoi Express Pvt. Ltd.

Mode Enterprises LLP

Mr. Varunn Mody - President Treasury

Mrs. Sakshi Mody

*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:

Particulars	(₹ in Lakhs)	
	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
(i) Inter Corporate Deposits Given		
Leaders Healthcare Ltd.	200.00	-
(ii) Inter Corporate Deposits Refund Received		
Leaders Healthcare Ltd.	200.00	-
(iii) Rent Paid		
J.L. Morison (India) Ltd.	15.97	14.52
Mr. Varunn Mody	26.70	23.80
Pallawi Resources Pvt. Ltd.*	4.67	4.67
*Including GST		
(iv) Income		
Royalty		
- Compo Advics (India) Pvt. Ltd.	8.41	10.30
Interest		
- Pallawi Resources Pvt. Ltd.	6.16	56.98
- Leaders Healthcare Ltd.	4.57	-
Dividend		
J.L. Morison (India) Ltd.	-	2.73
(v) Inter Corporate Deposit Received Back		
Pallawi Resources Pvt. Ltd.	225.00	1,525.00
(vi) Purchase of Fixed Assets		
Rasoi Ltd.*	1,800.00	-
*After valuation by International Property Consultant		
(vii) Salary and other employee benefits to Whole Time Directors and KMP		
Mr. Raghu Mody	-	137.22
Mr. P.K. Choudhary	107.78	100.18
Mr. Sunil Jindal	30.42	28.02
Mr. Ravi Motilal Vaishnav	16.56	-
Mr. Vikram Soni	-	10.92
Mr. Pranabh Kapoor	0.70	5.57

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	(₹ in Lakhs)	
	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
(viii) Salary and other employee benefits to relatives of Directors & Key Managerial Personnel		
Mrs. Shashi Mody	29.33	29.33
(ix) Directors sitting fees and commission to independent and non executive directors		
Mr. Raghu Mody	0.20	0.10
Mr. Ashok B Vaidya	2.00	3.50
Lt. Gen. (Retd.) K. S. Brar	2.00	3.50
Mr. Deepak Sethi	3.30	2.90
Mr. Lalit Kumar Bararia	3.00	3.20
Mr. Vinay Raj Sarin	0.50	-
Mrs. Preeti Vimal Agarwal	2.90	2.70
(x) Other Transactions		
Rasoi Express Pvt. Ltd. (Purchase of Air Tickets)*	44.69	45.67
Compo Advics (India) Pvt. Ltd. (Purchase of Raw Materials)*	5.55	9.48
Compo Advics (India) Pvt. Ltd. (Sale of Raw Materials)*	54.87	44.20
Compo Advics (India) Pvt. Ltd. (Reimbursement of Sales Promotion Expenses - Coupons)	19.80	17.89
Mode Enterprises LLP (Service Taken)	18.95	-
Mrs. Sakshi Mody (Professional Fees)	18.00	-
Mr. Varunn Mody (Salary)	96.29	90.29
*Including GST		

(C) Balances outstanding with related parties referred in (A) above, in ordinary course of business:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2024	As at 31 st March, 2023
(i) Receivable:		
- Inter Corporate Deposits:		
Pallawi Resources Pvt. Ltd.(secured)	-	225.00
- Others Receivable:		
Compo Advics (India) Pvt. Ltd. (Trade Receivable)	26.28	31.64
Pallawi Resources Pvt. Ltd.(Interest Receivable)	-	5.27
Mr. Varunn Mody (Rent Deposit Receivable)	6.60	6.60
(ii) Payable:		
- Commission to independent directors		
Mr. Ashok B Vaidya	-	1.90
Lt. Gen. (Retd.) K. S. Brar	-	1.90
Mr. Deepak Sethi	1.90	1.90
Mr. Lalit Kumar Bararia	1.90	1.90
Mrs. Preeti Vimal Agarwal	1.90	1.90
(iii) Investment in: (at cost)		
J.L. Morison (India) Ltd.	515.49	515.49
Rasoi Limited	1,876.23	1,876.23
Compo Advics (India) Pvt. Ltd. (Refer Note i) below)	980.00	980.00

Note:

- a) Related party relationship is as identified by the management and relied upon by the auditors.
- b) No amount pertaining to related parties has been written off / provided for as doubtful debts except diminution in value of investment in Compo Advics (India) Pvt. Ltd. of ₹ 980 lakhs (Previous year ₹ 980 lakhs). Also no amount has been written off/back.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

- c) Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.
- d) Aforesaid transactions with the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates with the related parties.
- e) Managerial remuneration/KMP remuneration does not include post-employment benefits and other long-term benefits (Gratuity and Leave entitlement) based on actuarial valuation as these are done for the Company as a whole.

38 Investment in other entities:

Details and financial information of material joint venture

(₹ in Lakhs)				
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 st March, 2024	As at 31 st March, 2023
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.

(₹ in Lakhs)				
Particulars	As % of consolidated net assets	Net Assets, i.e., total assets minus total liabilities As at 31 st March, 2024	As % of consolidated net assets	Net Assets, i.e., total assets minus total liabilities As at 31 st March, 2023
Non-current assets	49%	412.98	49%	459.11
Current assets				
Cash & Cash equivalents		4.45		7.49
Others		196.85		171.09
Total Assets [A]	49%	614.28	49%	637.69
Non-current liabilities		897.77		850.55
Current liabilities				
Current financial liabilities		149.17		163.60
Others		11.97		14.40
Total Liabilities [B]	49%	1,058.91	49%	1,028.55
Net Assets [A-B]	49%	(444.63)	49%	(390.86)

Particulars	As % of consolidated profit or loss	Share in profit or loss Year ended 31 st March, 2024	As % of consolidated profit or loss	Share in profit or loss Year ended 31 st March, 2023
Revenue	49%	649.62	49%	675.80
(Loss) for the year		(53.59)		(84.13)
Other comprehensive income for the year		(0.18)		0.56
Total comprehensive income for the year	49%	(53.77)	49%	(83.57)
Dividends received from the associate during the year		-		-

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

The above profit/(loss) for the year include the followings:

Particulars	As % of consolidated profit or loss	Share in profit or loss Year ended 31 st March, 2024	As % of consolidated profit or loss	Share in profit or loss Year ended 31 st March, 2023
Depreciation and amortisation	49%	46.31	49%	48.79
Interest income		-		-
Interest expenses	49%	50.72	49%	50.62
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 st March, 2024	As at 31 st March, 2023
Net assets of the joint venture	(444.63)	(390.86)
Add/(Less) Consolidation Adjustments		
Impact of gain on downstream transactions	(444.63)	(390.86)
Proportion of the Group's ownership interest in	49.00%	49.00%
Carrying amount of the Group's interest in Joint venture	-	-
Obligation towards Joint venture	180.94	175.58

- 39** The Company's share of losses in the Joint Venture Company has exceeded its investment value and therefore, in compliance with IND AS 28, the Company has discontinued recognizing its share of further losses in the consolidated financial statements from 1st April 2021 onwards.
- 40** The group has one Joint venture with no significant material transactions. Notes to accounts as required in accordance Schedule III and Companies (Indian accounting standard) Rules 2015 being similar to that disclosed of holding company in their standalone financial statements, have not been disclosed here-in-above.
- 41** Previous years' figures have been regrouped/reclassified where ever necessary to conform to current years' classification.

Signatures to Notes 1 to 41 which form an integral part of the financial statements.

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

P.K. Choudhary
Managing Director
(DIN 00535670)

Lalit Kumar Bararia
Independent Director
(DIN 00204670)

Sunil Jindal
Chief Financial Officer

Arvind Purohit
Company Secretary
Membership No. A33624

Place: Mumbai
Date: 29th May, 2024

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	31-03-2024
2	Shares of Associate/Joint Ventures held by the company on the year end	
	i) No. of shares held as on 31 st March, 2023	4,900,000
	ii) No. of compulsory convertible preference shares held as on 31 st March 2023	4,900,000
	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	(444.63)
6	Profit / Loss for the year	
	i) Considered in Consolidation	Nil
	ii) Not Considered in Consolidation (Unaudited)	Nil

- Names of associates or joint ventures which are yet to commence operations: **None**
- Names of associates or joint ventures which have been liquidated or sold during the year: **None**
- The Company's share of losses in the Joint Venture Company has exceeded its investment value and therefore, in compliance with IND AS 28, the Company has discontinued recognizing its share of further losses in the consolidated account from 1st April 2021 onwards.

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

P.K.Choudhary
Managing Director
(DIN 00535670)

Lalit Kumar Bararia
Independent Director
(DIN 00204670)

Sunil Jindal
Chief Financial Officer

Arvind Purohit
Company Secretary
Membership No. A33624

Place: Mumbai
Date: 29th May, 2024



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