



# ***HindPrakash***

**HINDPRAKASH INDUSTRIES LIMITED**

**CIN:L24100GJ2008PLC055401**

**16<sup>TH</sup> ANNUAL REPORT 2023-24**



## About The Company

- Hindprakash Industries Limited, The Company is engaged in the manufacturing of Dyes, Auxiliaries, Intermediates and Chemicals.
- The company started manufacturing unit in the year 2008 to produce Disperse Dyes, Reactive Dyes and Textile auxiliaries for catering the needs of domestic textile industry.
- The Company has achieved a steady growth in productivity and has expanded its range of products from dyes to auxiliaries to speciality chemicals.
- The Company believe that it's expertise in chemical manufacturing has enabled us to expeditiously increase our production capacity and expand into new value added products.
- With wide range of products, we cater to various industries viz. Dyestuff and Dye intermediates, Textiles, Construction Chemicals, Speciality Chemicals etc.
- The Company is Located in GIDC Vatva Ahmedabad Gujarat.

# Mission & Vision

Vision Statement



## **Vision Statement of Hindprakash**

With a humble beginning Hindprakash is determined to reach & sustain a position of leadership. It will be a force to reckon with for setting trends with the values & principles of the group.

## **Customer Satisfaction**

Through consistent & dependable quality of products and services.

## **People Development**

With emphasis on safety, harmony with confidence, innovation & continuous improvement. Hindprakash will provide a fair opportunity to each one to beat their best, for growth through transparency, trust and honesty.

## **Society Cares**

Through efforts to conserve and improve environment.

## **Stake Holders Confidence**

Through adequate returns and growth of investment.

## **Associate Confidence**

Through sharing of knowledge & concern for mutual benefit.



Research & Development

**Research and Development:** We have in-house R & D facility which provides the flexibility of development of new products, improve existing processes and product equality which leads to cost reduction, better quality for customers and less environmental load. Due to this facility, we are enable to meet with our customer requirements for quality and competitiveness and offer new products with time. We are enable to take customized product under secrecy agreement for development and production.

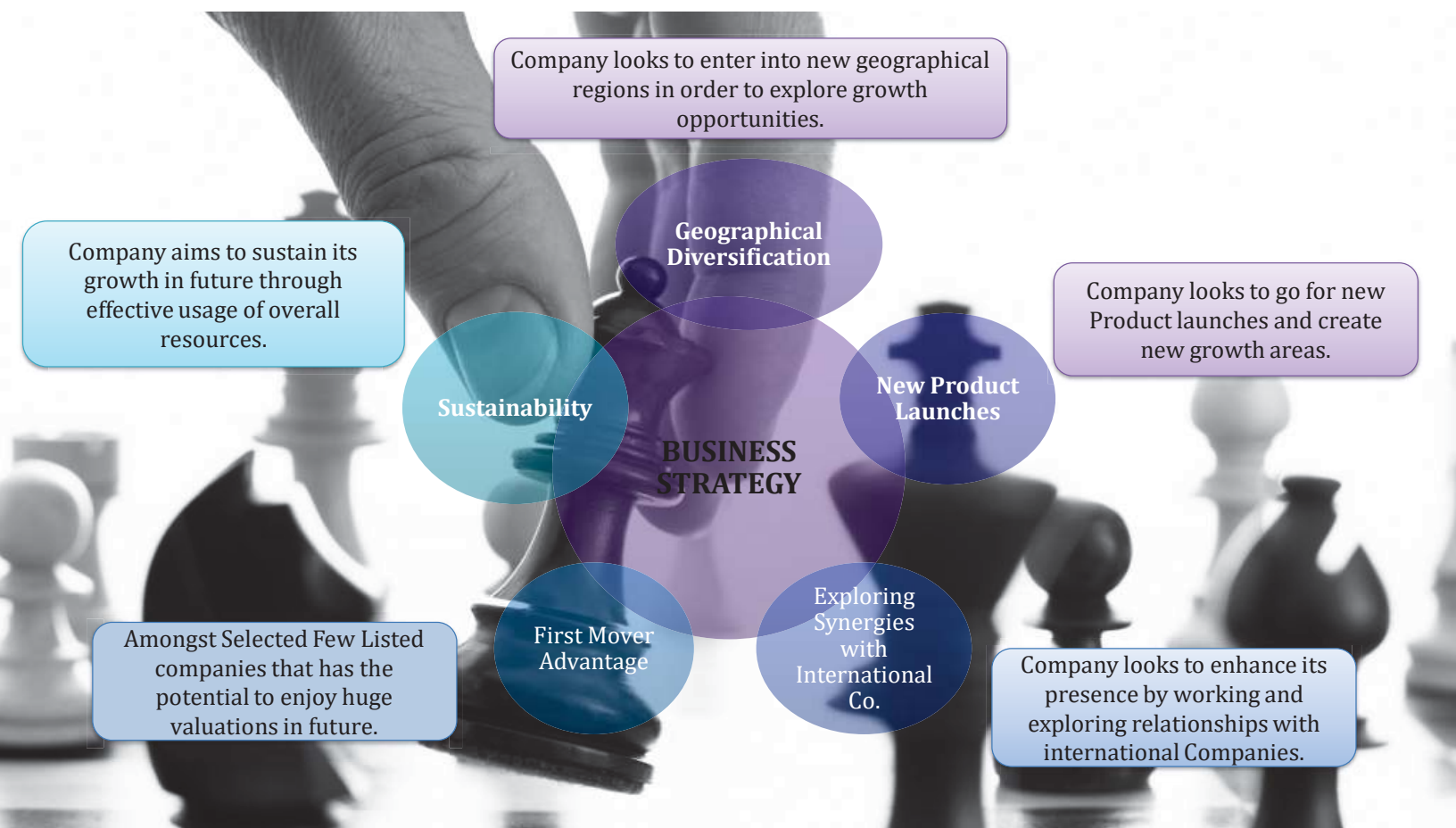
**Quality Control:** We have In house quality control laboratory for dyestuffs, Intermediates and auxiliaries and technical services. The consistency in quality for all our supplies is our main goal. We follow all laid down test procedures, testing methods and agreed standards acceptable internationally and agreed with our customers. The laboratories are equipped with modern testing instruments such as spectrophotometers, HPLC, dyeing and printing equipments, fastness test equipments etc.



SUSTAINABLE ENVIRONMENT

Environment safety has always been a prime concern for Hindprakash. The people at Hindprakash know their responsibility towards environment. They have taken due care to ensure a safe environment in and outside the organization. Thousand of trees and plants have been planted outside the office premises of the group. Pots of plants are also kept inside the office building and taken care thereof.

One of the India's best effluent treatment plants has been installed in the factory to avoid water pollution. The Group is also a part of Common Effluent Treatment Plant of Vatva Industrial Zone where all the three sites i.e. the Corporate House, Warehouse and the Manufacturing Units are situated.





# Strength of Hindprakash

## Committed to Quality

Hindprakash have one entirely separate building which has in house quality control laboratories for dyestuffs, Intermediates and auxiliaries and technical services

## A Proven Track Record

Hindprakash has not only prove by financial growth but also have satisfied customers and maintained good relation with vendors and customers.

## International Presence

**Hindprakash** - A name to reckon with manufacturing, Imports and exports of dyestuffs and dye intermediates in India is now a diversified business conglomerate with interest in international business catering to various industry sectors across the Globe.

## Wide Range of Products

**Hindprakash** - with its wide range of products and services caters to various industries manufactuing Dyestuff and Dye intermediates, Textiles, , Auxiliaries Speciality Chemicals etc.

## Manufacturing

**Hindprakash** h manufacturing unit located at Vatva, i.e. in the heart of Gujarat Industrial Development Corporation an Industrial Estate for manufacturing, blending and formulation of textile dyes, textile auxiliaries & Intermediates.

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## CHAIRMAN'S MESSAGE TO STAKEHOLDERS

Dear Stakeholders,

I, Om Prakash Mangal on behalf of Board of Directors of the Company, extend immense pleasure to present the 16<sup>th</sup> Annual Report of Hindprakash Industries Limited for the financial year 2023-24.

The Company has not only proved by financial growth but also have satisfied customers and maintained good relation with vendors and customers. Company walks together with all the stakeholders and with their best interest.

The company has continued to focus and build its brands, products and reach. Along with this the company has over the years established high levels of governance and financial discipline. We continue to stay focused on pursuing profitable growth.

The Company is extremely grateful to have a great team on the Board and executives, their guidance, support and wise counsel which helped us to steer the Company safely during challenging times.

I and my colleagues in the Board are also very glad to have such an excellent team of employees in the Company who give their best efforts to accomplish the goal of the Company and help us to reach it to the next phase. Without them imagination of success of the company is not possible. Company cheers all its success with its employees too.

I take this opportunity to thank you for your continued trust and support on this journey. Also, thanks to all Customers, Suppliers, Service Providers, Banker of the company for their wholehearted support and cooperation.

Finally, as always, I would like to reiterate our commitment towards delivering consistent results and enhancing shareholder value.

Keep believes on us!

Thanking You,



**Om Prakash Mangal**  
**Chairman & Director**  
**DIN: 03078228**

## NOTICE OF THE 16<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH (16<sup>TH</sup>) ANNUAL GENERAL MEETING OF THE MEMBERS OF HINDPRAKASH INDUSTRIES LIMITED WILL BE HELD ON SATURDAY, SEPTEMBER 14, 2024 AT 2:30 P.M. BY MEANS OF VIDEO CONFERENCING ("VC") /OTHER AUDIO VISUAL MEANS ("OAVM") IN ACCORDANCE WITH THE RELEVANT CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS, TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements including Balance Sheet as at March 31, 2024, Statement of Profit and Loss and Cash Flow for the year ended on March 31, 2024, and the Reports of the Board of Directors' and Auditors' thereon.
- (2) To appoint a director in place of Mr. Sanjay Prakash Mangal (DIN: 02825484), who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To declare a final dividend of Re. 0.50/- (Fifty Paise only) per equity share of Rs. 10/- each for the financial year ended on March 31, 2024.

### SPECIAL BUSINESS:

- (4) To ratify the remuneration payable to M/s. A.G. Tulsian & Co., Cost Accountants (Firm Registration Number 100629) Cost Auditor of the Company for the Financial Year ended on March 31, 2025:

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and any other applicable provision(s), if any, of the Companies Act, 2013, read with the Rule 14 of Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration of Rs. 40,000/- (Rupees Forty Thousand Only) p.a. plus applicable taxes and reimbursement of out of pocket expenses payable to M/s. A.G. Tulsian & Co., Practicing Cost Accountants (Firm Registration Number: 100629), Ahmedabad, based on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ended on March 31, 2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- (5) Appoint Ms. Shivani Pathak (DIN: 10481354) as an Independent Director of the Company for a term of five consecutive years:

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV, as amended from time to time (“Act”) and pursuant to Regulation 17 and other applicable regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Regulations”) and upon recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms. Shivani Pathak (DIN: 10481354) who has been appointed as an Additional Director (Non-Executive, Independent) of the Company on June 15, 2024, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a consecutive period of 5 years to hold office up to June 14, 2029.

**RESOLVED FURTHER THAT** Managing Director and/or Wholtime Director and/or Company Secretary of the Company be and are hereby severally authorized to do all such acts deeds, things and execute all such documents as may be considered necessary, in order to give effect to the foregoing resolution including but not limited to file all documents and returns with the Registrar of Companies, Gujarat and / or to inform the Stock Exchanges as per the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.”

**(6) To re-appoint Mr. Sanjay Prakash Mangal (DIN: 02825484) as Managing Director of the Company and fix his remuneration.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V, as amended from time to time (“Act”) and pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“Regulations”), approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Sanjay Prakash Mangal (DIN: 02825484) as the Managing Director of the Company for a period of three years with effect from February 16, 2025 to February 15, 2028 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee which is set out in the explanatory statement annexed to this notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Mr. Sanjay Prakash Mangal (DIN: 02825484), the remuneration payable to him subject to overall limits laid down in Sections 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or reenactments thereof for the time being in force) without further approval of the Members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution.”

**(7) To re-appoint Mr. Santosh Narayan Nambiar (DIN: 00144542), as Wholetime Director of the Company and fix his remuneration.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and read with Schedule V, as amended from time to time (“Act”) and pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“Regulations”), approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Santosh Narayan Nambiar (DIN: 00144542) as the Wholetime Director of the Company for a period of three years with effect from February 16, 2025 to February 15, 2028 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee which is set out in the explanatory statement annexed to this notice;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Mr. Santosh Narayan Nambiar (DIN: 00144542), the remuneration payable to him subject to overall limits laid down in Sections 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or reenactments thereof for the time being in force) without further approval of the Members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution.”

**Registered Office:**  
301, "Hindprakash House", Plot No.10/6, Phase-1,  
GIDC, Vatva, Ahmedabad - 382 445

For and on behalf of Board of Directors  
**Hindprakash Industries Limited**  
CIN: L24100GJ2008PLC055401

**Date:** August 14, 2024  
**Place:** Ahmedabad

Avani Patel  
Company Secretary & Compliance Officer  
Membership No.: A66815

**IMPORTANT NOTES:**

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 dated 5th May 2020 and 9/2023 dated 25th September, 2023, and other circulars issued in this respect ("MCA Circulars") has allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before 30th September, 2024, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI Circulars HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (LODR) Regulations, 2015 ("Listing Regulations"). Accordingly, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (LODR) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM, without the physical presence of the members at a common venue. The detailed procedure for participation in the Meeting through VC / OAVM are given hereunder.

In line with the aforesaid Ministry of Corporate Affairs Circulars, the AGM Notice calling the AGM has been uploaded on the website of the Company at [www.hindprakash.in](http://www.hindprakash.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).

2. Pursuant to the provisions of the Companies Act 2013, 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. Since this AGM is being held pursuant to the applicable 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 the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. The Annual Report along with Notice of the AGM including general guidelines for participation at the AGM through VC/OAVM, procedure for remote e-voting and e-voting during the AGM, is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depository. The same has also been uploaded on the website of the Company, i.e. [www.hindprakash.in](http://www.hindprakash.in). In accordance with the applicable circulars, copy of the Annual Report is being sent only through emails to the Members of the Company. Members who have not registered their e-mail addresses are requested to register the same with the Company or with the RTA/ respective Depository Participant(s).
4. Pursuant to applicable Circulars, the shareholders who have not submitted their email addresses and in consequence to whom the Notice of AGM along with Annual Report could not be serviced, may temporarily get their e-mail addresses registered with the Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited or with the Company by sending an e mail before the date of AGM at [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com) or [info@hindprakash.com](mailto:info@hindprakash.com). Post successful registration of the e-mail address, the shareholder would get soft copy of Notice of AGM along with Annual Report with user-id and the password to enable e-voting for AGM. In case of any queries, shareholder may write to the Company at [info@hindprakash.com](mailto:info@hindprakash.com) or to Registrar and Transfer Agent at [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com).

5. It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants, by following the due procedure.
6. Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
7. Members are requested to notify immediately, the information regarding change of address and bank particulars to their respective Depository Participant.
8. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and other necessary registers and documents will be available for inspection by the members on request by sending an e-mail to the company on [info@hindprakash.com](mailto:info@hindprakash.com).
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
10. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
11. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
12. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
13. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.



14. Institutional /Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting/ evoting means at the time of AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [evoting@parikhdave.com](mailto:evoting@parikhdave.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
15. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the special business items is annexed hereto.
16. Since the AGM will be held through VC/OAVM in accordance with the applicable Circulars, the route map is not attached to this Notice.
17. Mr. Uday Dave (C.P. No. 7158) failing him Mr. Umesh Parikh (C.P. No. 2413), Partners of Parikh Dave & Associates, Practicing Company Secretaries, have been appointed as Scrutinizer to scrutinize the E voting process (including electronic voting at AGM) in fair and transparent manner. The Scrutinizers will submit their consolidated report on voting within two working days of the conclusion of AGM to the Chairman or his authorised person and the Chairman or his authorised person shall announce the voting results after receipt of the Scrutinizers' report. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hindprakash.in](http://www.hindprakash.in) and on the website of CDSL immediately and communicated to the BSE and NSE.

**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. The voting period begins on Wednesday, September 11, 2024, 09:00 a.m. and ends on Friday, September 13, 2024, 5.00 p.m. During this period shareholders of the Company, holding shares, as on the cut-off date (record date) of Saturday, September 07, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. Accordingly, company has made necessary arrangements for providing e-voting facility.

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

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

#### **STEP 1: ACCESS THROUGH DEPOSITORIES CDSL/NSDL E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.**

- iv.** In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 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 above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> <li>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 cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the</li> </ol> |

|   |  |
|---|--|
|   | system of all e-Voting Service Providers.  |
| Individual Shareholders holding securities in demat mode with <b>NSDL</b>                                     | <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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | 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 <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911 |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co">evoting@nsdl.co</a> .in or call at : 022 - 4886 7000 and 022 - 2499 7000                    |

## STEP 2: ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.

- v. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  6. If you are a first-time user follow the steps given below:

### For Physical shareholders and other than individual shareholders holding shares in Demat.

|  |   |
|--|---|
| PAN  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul> |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB) | 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. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>                 |

- vi. After entering these details appropriately, click on “SUBMIT” tab.
- vii. 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.

- viii.** For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix.** Click on the EVSN for the relevant HINDPRAKASH INDUSTRIES LIMITED on which you choose to vote.
- x.** 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.
- xi.** Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii.** 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.
- xiii.** Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv.** You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv.** 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.
- xvi.** There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - 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 Company at the email address viz; [info@hindprakash.com](mailto:info@hindprakash.com) (designated email address by company), 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 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 meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [info@hindprakash.com](mailto:info@hindprakash.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [info@hindprakash.com](mailto:info@hindprakash.com). These queries will be replied to by the company suitably by email.
- 8) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 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 cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**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 Company/RTA email id.
- 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](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911.

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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

#### INFORMATION ON DIVIDEND:

- I. Subject to approval of the Members at the AGM, the dividend will be paid within 30 days from the conclusion of the AGM, to the Members whose names appear on the Company's Register of Members / beneficial owners as on the Record Date i.e. Friday, September 06, 2024.
- II. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. In case the payment of dividend may not be made through electronic mode due to various reason, Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details.
- III. Shareholders are requested to register/ update their complete bank details with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialized mode by submitting the requisite documents.
- IV. Pursuant to the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020/Income Tax Act, 1961 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to [info@hindprakash.com](mailto:info@hindprakash.com) by September 06, 2024. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF / JPG Format) by e-mail to [info@hindprakash.com](mailto:info@hindprakash.com). The aforesaid declarations and documents need to be submitted by the shareholders by September 06, 2024.

- V. Those members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date shall be entitled for the dividend which will be paid within 30 days from the conclusion of the AGM, subject to applicable TDS.

#### **INSTRUCTIONS ON RIGHT TO WAIVE DIVIDEND BY SHAREHOLDERS:**

- I. Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) if any, declared by the company, to which he is entitled, on some or all the Equity Shares held by him in the Company as on the Record Date i.e. Friday, September 06, 2024 fixed for determining the names of Members entitled for such dividend.
- II. However, the shareholders cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on share(s).
- III. The Equity Shareholder(s) who wish to waive/forgo the right to receive the dividend for the Financial Year 2023-24 shall inform in advance to the Company in the prescribed form, which is available on the website of the Company i.e. [www.hindprakash.in](http://www.hindprakash.in). The prescribed form (available on the website of the Company) once filled with required data asked for, shall be sent to the Company by post or courier or through e-mail ID on [info@hindprakash.com](mailto:info@hindprakash.com) on or before Record Date i.e. Friday, September 06, 2024.
- IV. In case of joint holders holding the Equity Shares of the Company, all the joint holders are required to intimate to the Company in the prescribed form (available on the website of the Company) about their decision of waiving/forgoing their right to receive the dividend from the Company.
- V. Further, for detailed understanding on waiver of dividend, the shareholder can check the Hindprakash Industries Limited (Waiver of Dividend) Rules available on the website of the Company i.e. [www.hindprakash.in](http://www.hindprakash.in). The same has been approved and adopted by the Board of Directors of the Company and which came into effect on 29th August, 2020.

#### **Registered Office:**

301, "Hindprakash House", Plot No.10/6, Phase-1,  
GIDC, Vatva, Ahmedabad - 382 445

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

**Hindprakash Industries Limited**

**CIN: L24100GJ2008PLC055401**

**Date: August 14, 2024**

**Place: Ahmedabad**

**Avani Patel**  
**Company Secretary & Compliance Officer**  
**Membership No.: A66815**

## EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT 2013 AND SECRETARIAL STANDARD 2 ON GENERAL MEETINGS)

### ITEM NO.4: ORDINARY RESOLUTION

The Board of Directors at its meeting held on June 15, 2024, upon the recommendation of the Audit Committee, approved the appointment of M/s. A.G. Tulsian & Co., Practicing Cost Accountants (Firm Registration Number 100629), to conduct the audit of the Cost records of the Company for the Financial Year ending on March 31, 2025 at a remuneration of Rs. 40,000/- (Rupees Forty Thousand Only) p.a. excluding all applicable taxes and reimbursement of out of pocket expenses.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (as amended or re-enacted from time to time) the remuneration as mentioned above, payable to the Cost Auditors, is required to be ratified by the Members of the Company.

The Board recommends the resolution set out under Item No. 4 for the approval of the Members by way of passing an Ordinary Resolution.

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

### ITEM NO.5: SPECIAL RESOLUTION

The Board of Directors upon recommendation of Nomination and Remuneration Committee, at its meeting held on June 15, 2024 had appointed Ms. Shivani Pathak as an Additional Director (Non-Executive, Independent) of the Company. Her appointment is valid for the period of 3 months from the date of appointment or the next general meeting whichever is earlier.

Pursuant to Sections 149, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and SEBI Listing Regulations, approval of the members by way of special resolution is required for appointment of Ms. Shivani Pathak as an Independent Director for a term of five consecutive years upto June 14, 2029.

The Company has received a declaration from Ms. Shivani Pathak confirming that she meets the criteria of independence under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received consent from Ms. Shivani Pathak to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and a declaration to the effect that she is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI). The Company has received notice pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Shivani Pathak for the office of Independent Director of the Company.

Ms. Shivani Pathak is 28 years old. She is law Graduate and qualified Company Secretary. She is Company Secretary by profession and has rich experience in the field of company law, security laws & accounting.

In the opinion of the Board of Directors, Ms. Shivani Pathak fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder, for her appointment as an Independent Director of the Company and is independent of the Management.

Details as required under regulation 26(4) and 36(3) of the SEBI Listing Regulations and the Secretarial Standard – 2 and other provisions of the applicable laws are provided in **Annexure A** to the explanatory statement. Copy of the letter for appointment of Ms. Shivani Pathak as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays and Sundays, upto the last date for e-voting.

The Board considers that association of the director would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director. Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends the appointment of Ms. Shivani Pathak as Independent Director, set out in the resolution in Item no. 4, for approval of the members as a special resolution.

Except Ms. Shivani Pathak and her relatives, none of the other directors and key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

#### **ITEM NO.6: SPECIAL RESOLUTION**

The members of the Company had approved the reappointment of Mr. Sanjay Prakash Mangal as Managing Director of the Company for a period of 3 years from February 16, 2022 to February 15, 2025 by Special Resolution passed through postal ballot on March 03, 2022. The present tenure will expire on February 15, 2025.

Under the dynamic and able leadership of Mr. Sanjay Prakash Mangal the Company crossed various milestones and enhanced the stakeholders' value. Taking into consideration, the valuable contributions made by Mr. Sanjay Prakash Mangal and the need for his strategic directions for the future growth of the Company, the Nomination and Remuneration Committee recommended his re-appointment on the terms and conditions including remuneration as set out hereunder.

Mr. Sanjay Prakash Mangal has around 29 years of experience in chemicals and allied industries. His core management style is collaborative, disciplined and meticulous. He has sophisticated understanding of marketing that enables successful product strategy development with focus on profitability, ability to anticipate market trends, initiate timely development and enhance value in highly competitive and mature markets.

As recommended by the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 14, 2024, unanimously re-appointed Mr. Sanjay Prakash Mangal as the Managing Director of the Company for a further period of three years i.e. with effect from February 16, 2025 to February 15, 2028, pursuant to the provisions of the Act, subject to the approval of the members of the Company.

The members of the Company are requested to note that as per Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) There is more than one such director; the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The approval of the members by way of special resolution is sought for Mr. Sanjay Prakash Mangal's reappointment as Managing Director and for payment of remuneration to him for a period of 3 years from February 16, 2025.

The broad particulars of the terms and conditions of appointment including remuneration payable to Mr. Sanjay Prakash Mangal are as follows:

|   |   |
|---|---|
| Tenure of Re-appointment and Remuneration         | 3 years with effect from February 16, 2025  |
| Salary inclusive of all allowances and incentives | Upto Rs. 2,50,000/- per month. The Director shall be entitled to annual increment not exceeding 20% of last salary drawn as the Board may by its discretion determine.  |
| Perquisites and allowances in addition to salary  | <p>In addition to the salary as described above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified hereinabove.</p> <p>(i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</p> <p>(ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.</p> <p>(iii) Encashment of leave at the end of the tenure.</p>  |
| Other Benefits                                    | <p>The Company may contribute in Pension Scheme as per the Company's rules.</p> <p>He will be entitled to all other benefits as applicable to the senior executives of the Company.</p>   |
| Minimum Remuneration                              | <p>The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible in law.</p> <p>Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Managing Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act or any other approvals as may be required under law.</p> |

The details of Mr. Sanjay Prakash Mangal in pursuance of the provisions of the SEBI (LODR) Regulations, 2015 have been given in **Annexure - A** to this Notice.

The required details as per item (iv) of third proviso of Section II of Part II of Schedule V of the Companies Act, 2013 are given in **Annexure B** to this Notice.

The Board, after taking into consideration, the valuable contributions made by Mr. Sanjay Prakash Mangal and based on the recommendation of the Nomination and Remuneration Committee, recommends passing of the special resolution as set out at item no. 6 of this notice.

Mr. Sanjay Prakash Mangal, Managing Director and Mr. Om Prakash Mangal, Non-Executive Director and Chairman are related to each other and are concerned or interested in the resolution as set out in item no. 6 of this notice with regard to re-appointment and payment of remuneration to Mr. Sanjay Prakash Mangal, Managing Director.

None of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 6 of this notice.

#### ITEM NO.7: SPECIAL RESOLUTION

The members of the Company had approved the reappointment of Mr. Santosh Nambiar as Wholetime Director of the Company for a period of 3 years from February 16, 2022 to February 15, 2025 by Special Resolution passed through postal ballot on March 03, 2022. The present tenure will expire on February 15, 2025.

Mr. Santosh Nambiar has around 32 years of experience in Dyes, Chemical and Auxiliaries Industry. He has been on the Board of the Company since its incorporation. He has handled the International and domestic sourcing of products and raw materials, export and domestic marketing, market analysis, research and product development and banking & financial management.

As recommended by the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 14, 2024, unanimously approved the re-appointment of Mr. Santosh Nambiar as the Wholetime Director of the Company for a further period of three years i.e. with effect from February 16, 2025 to February 15, 2029, pursuant to the provisions of the Act, subject to the approval of the members of the Company.

The members of the Company are requested to note that as per Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) There is more than one such director; the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The approval of the members by way of special resolution is sought for Mr. Santosh Nambiar's reappointment as Wholetime Director and for payment of remuneration to him for a period of 3 years from February 16, 2025.

The broad particulars of the terms and conditions of appointment including remuneration payable to Wholetime Director are as follows:

|   |   |
|---|---|
| Tenure of Re-appointment and Remuneration         | 3 years with effect from February 16, 2025  |
| Salary inclusive of all allowances and incentives | Upto Rs. 1,50,000/- per month. The Director shall be entitled to annual increment not exceeding 20% of last salary drawn as the Board may by its discretion determine.  |
| Perquisites and allowances in addition to salary  | In addition to the salary as described above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified hereinabove.<br><br>(i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. |



|                      |   |
|----------------------|---|
|                      | <p>(ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.</p> <p>(iii) Encashment of leave at the end of the tenure.</p>   |
| Other Benefits       | The Company may contribute in Pension Scheme as per the Company's rules. He will be entitled to all other benefits as applicable to the senior executives of the Company.   |
| Minimum Remuneration | <p>The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.</p> <p>Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole Time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act or any other approvals as may be required under law.</p> |

The details of Mr. Santosh Nambiar in pursuance of the provisions of the SEBI (LODR) Regulations, 2015 have been given in **Annexure - A** to this Notice.

The required details as per item (iv) of third proviso of Section II of Part II of Schedule V of the Companies Act, 2013 are given in **Annexure B** to this Notice.

The Board, after taking into consideration, the valuable contributions made by Mr. Santosh Nambiar and based on the recommendation of the Nomination and Remuneration Committee, recommends passing of the special resolution as set out at item no. 7 of this notice.

Except Mr. Santosh Nambiar, none of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 7 of this notice.

**Registered Office:**  
301, "Hindprakash House", Plot No.10/6, Phase-1,  
GIDC, Vatva, Ahmedabad - 382 445

**For and on behalf of Board of Directors**  
**Hindprakash Industries Limited**  
CIN: L24100GJ2008PLC055401

**Date:** August 14, 2024  
**Place:** Ahmedabad

**Avani Patel**  
**Company Secretary & Compliance Officer**  
Membership No.: A66815

## ANNEXURE A

### PROFILE OF DIRECTORS

[Pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings]

| Name of the Person                               | Mr. Sanjay Prakash Mangal   | Mr. Santosh Narayan Nambiar  | Ms. Shivani Pathak   |
|--|---|--|--|
| Director Identification Number (DIN)             | 02825484  | 00144542   | 10481354   |
| Age  | 52 years  | 54 years   | 28 years   |
| Nationality                                      | Indian  | Indian   | Indian   |
| Date of First appointment of the Board           | 10/08/2011  | 13/07/2009   | 15/06/2024   |
| Qualification                                    | B.COM   | B.COM  | B.COM, L.L.B and Company Secretary   |
| Experience and Expertise                         | He has around 29 years of experience in chemicals and allied industries. His core management style is collaborative, disciplined and meticulous. He has sophisticated understanding of marketing that enables successful product strategy development with focus on profitability, ability to anticipate market trends, initiate timely development and enhance value in highly competitive and mature markets. | He has around 32 years of experience in Dyes, Chemical and Auxiliaries Industry. He has been on the Board of the Company since its incorporation. He has handled the International and domestic sourcing of products and raw materials, export and domestic marketing, market analysis, research and product development and banking & financial management. | She is law Graduate and qualified Company Secretary. She is Company Secretary by profession and has rich experience in the field of company law, security laws & accounting. |
| Remuneration last drawn (including sitting fees) | Rs. 16,80,000/-<br>(In FY 2023-24)  | NIL  | NIL  |
| Remuneration proposed to be paid                 | As mentioned in the Explanatory Statement of item no 6.   | As mentioned in the Explanatory Statement of item no 7.  | Sitting fees as may be decided by the board  |

| Terms and Condition of Appointment                  | As mentioned in the Explanatory Statement of item no 6.  | As mentioned in the Explanatory Statement of item no 7.  | As per appointment letter                         |
|---|--|--|---|
| Number of board meetings attended during FY 2023-24 | 7/8  | 8/8  | N.A.  |
| Shareholding in the Company (Equity Shares)         | 12,08,155  | 8,750  | NIL   |
| Relationship with other Directors, Manager of KMP   | Mr. Sanjay Prakash Mangal is son of Mr. Om Prakash Mangal, Chairman & Non-Executive Director of the Company.   | Not related to any Directors / KMP   | Not related to any Directors / KMP                |
| Directorships held in other Indian companies        | -HINDPRAKASH OVERSEAS PRIVATE LIMITED<br>-HINDPRAKASH CHEMICALS PRIVATE LIMITED<br>-ECOFINE COLOURCHEM PRIVATE LIMITED<br>-HINDPRAKASH ORGANIC PRIVATE LIMITED<br>-CLAIRVOYANCE INDUSTRIES PRIVATE LIMITED<br>-ORIO SHANGHAI COLOURS PRIVATE LIMITED<br>-HINDPARAGON POLYRESINS PRIVATE LIMITED<br>-HINDPRAKASH GLOBAL PRIVATE | -HINDPRAKASH OVERSEAS PRIVATE LIMITED<br>-HINDPRAKASH CHEMICALS PRIVATE LIMITED<br>-ECOFINE COLOURCHEM PRIVATE LIMITED | -AXITA COTTON LIMITED<br>-ADLINE CHEM LAB LIMITED |

|   |   |  |   |
|---|---|--|---|
|   | LIMITED<br><br>-INNOVENT EXIM<br>PRIVATE LIMITED<br><br>-SUPERIOR<br>TRADELINK PRIVATE<br>LIMITED |  |   |
| Membership/<br>Chairmanship of the Committees of the<br>Board         | <b>Member:</b><br><br>-Stakeholders<br>Relationship<br>Committee                                  | <b>Member:</b><br><br>-Audit Committee | <b>Chairperson:</b><br><br>-Stakeholders<br>Relationship<br>Committee<br><br><b>Member:</b><br><br>-Nomination And<br>Remuneration<br>Committee |
| Membership of<br>committees held<br>in other Indian<br>companies      | NIL   | NIL                                    | 5   |
| Chairpersonship<br>of committees held<br>in other Indian<br>companies | NIL   | NIL                                    | 1   |

## ANNEXURE B

The other Disclosures as required under Schedule V Part II Section II-Paragraph B (iv) is provided hereunder:

### I. GENERAL INFORMATION:

- (1) Nature of Industry: The Company is engaged in activity of manufacturing, dealing and trading of Dyes, Intermediates, Auxiliary, Chemicals and other merchandise etc.
- (2) Date or expected date of commencement of commercial production: N.A. since the Company has already commenced its business activities.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.
- (4) Financial performance based on given indicators: Financial performance of the Company during last three years:

(Amount in Lakhs)

| Financial Parameters                    | Financial Year |           |           |
|---|----------------|-----------|-----------|
|   | 2023-24        | 2022-23   | 2021-22   |
| Total Revenue                           | 10,076.65      | 10,254.75 | 10,480.96 |
| Depreciation                            | 43.55          | 47.26     | 30.65     |
| Total Expenses (Excluding Depreciation) | 9,820.24       | 9874.41   | 10,082.56 |
| Net Profit                              | 153.44         | 245.77    | 273.06    |
| Paid up Capital                         | 1,142.41       | 1,042.41  | 1,042.41  |
| Reserves & Surplus                      | 3,875.95       | 3,218.28  | 2,787.48  |
| Earnings Per Share                      | 1.44           | 2.36      | 2.62      |

(5) Foreign Investments or collaborations, if any: There is no foreign investment by the Company. There is no foreign collaboration in the Company.

## II. INFORMATION ABOUT THE APPOINTEE:

| Particulars                 | Mr. Sanjay Prakash Mangal  | Mr. Santosh Narayan Nambiar   |
|-----------------------------|--|---|
| Background details          | He has around 29 years of experience in chemicals and allied industries.   | He has around 32 years of experience in Dyes, Chemical and Auxiliaries Industry.  |
| Past Remuneration           | Rs. 16,80,000/-<br>(In FY 2023-24)   | NIL<br>(In FY 2023-24)  |
| Recognition or awards       | NIL  | NIL   |
| Job profile and suitability | His core management style is collaborative, disciplined and meticulous. He has sophisticated understanding of marketing that enables successful product strategy development with focus on profitability, ability to | He has been on the Board of the Company since its incorporation. He has handled the International and domestic sourcing of products and raw materials, export and domestic marketing, market analysis, research and product |

|  |  |  |
|--|--|--|
|  | anticipate market trends, initiate timely development and enhance value in highly competitive and mature markets.  | development and banking & financial management.  |
| Remuneration proposed to be paid   | As mentioned in the Explanatory Statement of item no 6.  | As mentioned in the Explanatory Statement of item no 7.  |
| Comparative remuneration profile with respect to industry, size of the company, profile of the position and person     | Taking into consideration the size of the Company, the profiles of Directors, the responsibilities shouldered by them the proposed remuneration are in consonance with the remuneration packages being paid to managerial personnel working in the similar position in the industry.   | Taking into consideration the size of the Company, the profiles of Directors, the responsibilities shouldered by them the proposed remuneration are in consonance with the remuneration packages being paid to managerial personnel working in the similar position in the industry. |
| Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any. | <p>Apart from receiving Managerial Remuneration and to the extent of his shareholding, he does not have any other direct pecuniary relationship with the Company.</p> <p>Mr. Sanjay Prakash Mangal is son of Mr. Om Prakash Mangal, Chairman &amp; Non-Executive Director of the Company.</p> <p>Further, he holds 12,08,155 equity shares in the Company.</p> | <p>Apart from receiving Managerial Remuneration and to the extent of his shareholding, he does not have any other direct pecuniary relationship with the Company and he is also not related to any Directors / KMP.</p> <p>Further, he holds 8,750 equity shares in the Company.</p> |

### III. OTHER INFORMATION:

- (1) Reasons of loss or inadequate profits: On account of current economic condition and intense competition in the industry, there is a continued pressure on margins & profitability. Further, the Company has undertaken several initiatives to identify new growth areas and simultaneously restructure existing growth engines.
- (2) Steps taken or proposed to be taken for improvement: The Company has taken necessary measures to improve financial and operational performance.
- (3) Expected increase in productivity and profits in measurable terms: The management has adopted focused and aggressive business strategies in all spheres of functions to improve the sales and profitability of the Company. Considering the present business scenario, the Company is expecting increase in revenue and profitability. The Management is confident of keeping a higher growth ratio in the period to come and strong belief that business improvement will sustain in future.

### IV. DISCLOSURES:

The remuneration packages of all the managerial persons are given in the respective resolutions.

The required information about the terms and conditions of re-appointments is given in Explanatory Statement annexed to this Notice.



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

| NAME                        | DESIGNATION                              |
|-----------------------------|--|
| Mr. Om Prakash Mangal       | Chairman & Non-Executive Director        |
| Mr. Sanjay Prakash Mangal   | Managing Director                        |
| Mr. Santosh Narayan Nambiar | Whole time Director                      |
| Mr. Jitendra Kumar Sharma   | Independent Director                     |
| Ms. Apeksha Vyas            | Independent Director (till 15/06/2024)   |
| Mr. Rushabh Shah            | Independent Director                     |
| Ms. Shivani Pathak          | Independent Director (w.e.f. 15/06/2024) |

### KEY MANAGERIAL PERSONNEL

| NAME                        | DESIGNATION                            |
|-----------------------------|--|
| Mr. Sanjay Prakash Mangal   | Managing Director                      |
| Mr. Santosh Narayan Nambiar | Whole time Director                    |
| Mr. Hetal Shah              | Chief Financial Officer                |
| Ms. Avani Patel             | Company Secretary & Compliance Officer |

### AUDIT COMMITTEE

| NAME                        | DESIGNATION |
|-----------------------------|-------------|
| Mr. Rushabh Shah            | Chairman    |
| Mr. Jitendra Kumar Sharma   | Member      |
| Mr. Santosh Narayan Nambiar | Member      |

### NOMINATION AND REMUNERATION COMMITTEE

| NAME                      | DESIGNATION                |
|---------------------------|----------------------------|
| Mr. Rushabh Shah          | Chairman                   |
| Mr. Jitendra Kumar Sharma | Member                     |
| Ms. Apeksha Vyas          | Member (till 15/06/2024)   |
| Ms. Shivani Pathak        | Member (w.e.f. 15/06/2024) |

### STAKEHOLDERS RELATIONSHIP COMMITTEE

| NAME                      | DESIGNATION                     |
|---------------------------|---------------------------------|
| Ms. Apeksha Vyas          | Chairperson (till 15/06/2024)   |
| Ms. Shivani Pathak        | Chairperson (w.e.f. 15/06/2024) |
| Mr. Rushabh Shah          | Member                          |
| Mr. Sanjay Prakash Mangal | Member                          |

| REGISTERED OFFICE  | PLANT LOCATION   |
|--|--|
| 301, Hindprakash House, Plot No.10/6, Phase-I, GIDC, Vatva<br>Ahmedabad-382445, Gujarat, India.<br>Email: <a href="mailto:info@hindprakash.com">info@hindprakash.com</a><br>Website: <a href="http://www.hindprakash.in">www.hindprakash.in</a><br>Phone : +91 79 6812 7000-10 | <b>1. Factory:</b><br>Plot No. 114 & 115, GIDC, Industrial Estate,<br>Phase-II, Vatva, Ahmedabad, Gujarat, India.<br><b>2. Leasehold Land/Plot:</b><br>Plot No. T-10 to T-12, Saykha Industrial Estate,<br>GIDC, Ta. Vagra, Dist. Bharuch, Gujarat, India. |

| STATUTORY AUDITORS & INTERNAL AUDITORS  | SECRETARIAL AUDITOR  |
|---|--|
| <b>Statutory Auditors:</b><br>M/s. K K A K & Co., Chartered Accountants<br>Krishna Mansion, Ghee Bazar, Kalupur, Ahmedabad-380002,<br>Gujarat, India.<br>Email: <a href="mailto:kkakco.ca@gmail.com">kkakco.ca@gmail.com</a><br><br><b>Internal Auditors:</b><br>Mr. Dheeraj Tak (till 31/03/2024)<br>Mr. Ajay Maurya (w.e.f. 01/04/2024) | M/s V. N. Vasani & Associates<br>Practicing Company Secretaries<br>916, "The Spire 2", Sheetal Park, New 150ft Ring<br>Road, Rajkot 360005<br>Email ID: <a href="mailto:csvivekvasani@gmail.com">csvivekvasani@gmail.com</a> |

| REGISTRAR & TRANSFER AGENT   | BANKERS TO THE COMPANY  |
|--|---|
| M/s. Bigshare Services Private Limited<br>CIN: U99999MH1994PTC076534<br><b>Corporate office:</b><br>E-3, Ansa Industrial Estate, Sakivihar Road,<br>Saki Naka, Andheri (E), Mumbai-400072<br>Email: <a href="mailto:bssahd@bigshareonline.com">bssahd@bigshareonline.com</a><br><b>Branch Office:</b><br>A/802, Samudra Complex, Near Klassic Gold Hotel, Girish<br>Cold Drinks, Off C. G. Road, Navrangpura, Ahmedabad-<br>380009 Contact No. 079- 40392571, Email:<br><a href="mailto:bssahd@bigshareonline.com">bssahd@bigshareonline.com</a> . | IDBI Bank Limited<br>CG Road Branch, IDBI Complex,<br>Lal Bungalows, Off CG Road, Ahmedabad-380006<br>Tel. No.:+91-79- 66072606<br>Email: <a href="mailto:ibkl00000009@idbi.co.in">ibkl00000009@idbi.co.in</a><br>Website: <a href="http://www.idbibank.in">www.idbibank.in</a> |

## IMPORTANT COMMUNICATION TO MEMBERS

*The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice /documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their email address with their respective depository participants.*

## DIRECTORS' REPORT

DEAR MEMBERS OF HINDPRAKASH INDUSTRIES LIMITED,

Your Directors take pleasure in presenting the 16<sup>th</sup> Annual Report on business and operations along with the Audited financial statements and the Auditor's report of the Company for the financial year ended on 31<sup>st</sup> March, 2024.

### FINANCIAL HIGHLIGHTS:

The Audited Financial Statements of your Company as on 31<sup>st</sup> March, 2024 are prepared in accordance with the relevant applicable Ind AS and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the provisions of the Companies Act, 2013 ("Act").

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2024 is summarized below:

(Rs. in Lakhs)

| PARTICULARS   | Consolidated    |                 | Standalone      |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | YEAR<br>2023-24 | YEAR<br>2022-23 | YEAR<br>2023-24 | YEAR<br>2022-23 |
| Revenue from operations   | 9950.38         | 10078.54        | 9950.38         | 10078.54        |
| Other Income  | 126.27          | 175.10          | 126.27          | 176.21          |
| <b>Total Income</b>   | <b>10076.65</b> | <b>10253.64</b> | <b>10076.65</b> | <b>10254.75</b> |
| Expenditure other than Depreciation and Finance cost  | 9560.16         | 9697.28         | 9560.16         | 9697.28         |
| Depreciation and Amortisation Expenses  | 43.55           | 47.26           | 43.55           | 47.26           |
| Finance Cost  | 260.08          | 177.13          | 260.08          | 177.13          |
| <b>Total Expenditure</b>  | <b>9863.79</b>  | <b>9921.67</b>  | <b>9863.79</b>  | <b>9921.67</b>  |
| <b>Profit before share of Profit/ (Loss) from joint ventures, exceptional items and tax</b> | <b>212.86</b>   | <b>331.97</b>   | <b>212.86</b>   | <b>333.08</b>   |
| Total tax expense   | 59.42           | 87.31           | 59.42           | 87.31           |
| <b>Profit after Tax and before share of Profit from joint Venture entities</b>              | <b>155.28</b>   | <b>246.51</b>   | <b>153.44</b>   | <b>245.77</b>   |
| Share of profit from joint ventures   |                 |                 |                 |                 |
| <b>Profit for the year</b>  | <b>155.28</b>   | <b>246.51</b>   | <b>153.44</b>   | <b>245.77</b>   |
| <b>Other Comprehensive income (net of tax)</b>  | <b>0.07</b>     | <b>1.74</b>     | <b>0.07</b>     | <b>1.74</b>     |
| <b>Total Comprehensive Income for the year (net of tax)</b>                                 | <b>155.35</b>   | <b>248.25</b>   | <b>153.51</b>   | <b>247.51</b>   |
| <b>Attributable to (After tax):</b>   |                 |                 |                 |                 |
| Owners of the Company   | 155.35          | 248.25          | 153.51          | 247.51          |
| Non-controlling interests   | -               | -               | -               | -               |

**SHARE CAPITAL:**

The authorised share capital of the company as on date of balance sheet is Rs. 12,50,00,000/- divided into 1,25,00,000 equity shares of face value of Rs. 10/- each.

During the year under review, the Board of Directors at its meeting held on 10<sup>th</sup> January, 2024 has allotted 10,00,000 Equity shares pursuant to conversion the Convertible warrants issued previously.

The paid up share capital of the company as on date of balance sheet is Rs.11,42,41,100/- divided into 1,14,24,110 equity shares of face value of Rs.10/- each.

**STATUS OF SHARES:**

As the members are aware, the company's shares are compulsorily tradable in electronic form. As on March 31, 2024, 100.00% of the company's total paid up capital representing 1,14,24,110 shares are in de-materialized form.

**OTHER SHARES:**

Apart from the equity shares as stated above, the company has not issued any other class of shares i.e. equity shares with differential rights, sweat equity shares, employee stock options and did not purchase its own shares. Hence there is no information to be provided as required under Rule 4(4), Rule 8(13), Rule 12(9) and Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 and Section 62 of the companies Act 2013 respectively.

**DIVIDEND AND RESERVES:**

During the year under review, the Company has paid dividend of Rs. 0.50/- (Fifty Paise only) (i.e. 5% of the face value of shares) on Equity Shares of face value of Rs. 10/- each for the F.Y. 2022-23.

Further, Your Directors recommended payment of dividend of Rs. 0.50/- (Fifty Paise only) (i.e. 5% of the face value of shares) on Equity Shares of face value of Rs. 10/- each for the F.Y. 2023-24 subject to the approval of the members at the ensuing Annual General Meeting.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the Shareholders. The dividend, if declared, shall be subject to deduction of income tax at source. Your Company shall, accordingly, make the payment of the final Dividend after deduction of tax at source.

The Company has not transferred any amount to Reserves during the year under review.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

There was an outstanding amount of unpaid/unclaimed dividend of Rs. 1,703 after 30 days from the date of declaration of dividend for the F.Y. 2022-23 which was transferred to Unpaid Dividend Account in compliance with section 124(1) of the Companies Act, 2013.

Since there was no unpaid / unclaimed dividend for a period of Seven years or more, the Company is not required to transfer any amount to the Investor Education and protection fund as required under the provision of Section 125 of the Companies Act, 2013.

**STATE OF THE COMPANY'S AFFAIRS:**

The state of the Company affairs forms an integral part of Management Discussion and Analysis Report which is annexed as "*Annexure-III*" to the report.

**CHANGE IN THE NATURE OF BUSINESS:**

No changes have been made in nature of business carried out by the Company during the financial year 2023-24.

**SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:**

During the year under review, the company has no subsidiaries or joint ventures.

In F.Y. 2022-23, on January 07, 2023 the Company has acquired 5,00,000 equity shares of M/s HINDPARAGON POLYRESINS PRIVATE LIMITED ('HPPL') being 50% of the total shareholding of HPPL from the existing shareholder of HPPL and by virtue of the said acquisition M/s HINDPARAGON POLYRESINS PRIVATE LIMITED became an Associate company of your Company.

Further during the year under review, on September 30, 2023, Company has sold 3,20,000 equity shares of stake of HINDPARAGON POLYRESINS PRIVATE LIMITED ('HPPL') being 32% of the total shareholding of HPPL to M/s Hindprakash Chemicals Private Limited ('HCPL') and consequently HPPL ceased to become an associate of the Company with effect from September 30, 2023. As HPPL is not associate of the Company as on March 31, 2024, a separate statement containing the salient features of financial statements of subsidiaries, joint ventures and associates in Form AOC-1 is not being given.

In accordance with the provisions of Section 136 of the Act, the audited financial statements, including consolidated financial statements and related information of your Company are available on website of your Company <https://www.hindprakash.in/financials>.

Your Company has formulated a policy for determining Material Subsidiaries. The policy is available on your Company's website at <https://www.hindprakash.in/images/ourteam/pdms.pdf>.

Pursuant to the provisions of Section 134 of the Act read with rules made thereunder, the details of developments of associate of your Company are covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.

**PUBLIC DEPOSIT:**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing the details of deposits in compliance with Chapter V of the Act is not applicable.

**PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT MADE UNDER SECTION 186:**

The details of the loans, guarantees and investments, if any are provided in the notes to the audited financial statements annexed with the Annual Report.

**ANNUAL RETURN:**

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, the Copy of Annual Return of the Company for the financial year ended 31<sup>st</sup> March, 2024 will be placed on the Company's website at [www.hindprakash.in](http://www.hindprakash.in).

**DIRECTORS & KEY MANAGEMENT PERSONNEL:**

## • Composition of Board & Board Meetings:

Our board comprises of a group of Executive, Non-Executive and Independent Directors. As on 31<sup>st</sup> March 2024, the Company has six Directors. Out of the six Directors, four are Non- Executive Directors and of which three are Independent Directors. The composition of the Board is in conformity with the provisions of Section 149 of the Act and LODR Regulations.

The Board Comprise of the following:

| NAME OF THE DIRECTOR        | DESIGNATION                              | DIN      |
|-----------------------------|--|----------|
| Mr. Om Prakash Mangal       | Chairman & Non-Executive Director        | 03078228 |
| Mr. Sanjay Prakash Mangal   | Managing Director                        | 02825484 |
| Mr. Santosh Narayan Nambiar | Whole time Director                      | 00144542 |
| Mr. Jitendra Kumar Sharma   | Independent Director                     | 07526003 |
| Ms. Apeksha Vyas            | Independent Director (till 15/06/2024)   | 09469295 |
| Mr. Rushabh Shah            | Independent Director                     | 09012222 |
| Ms. Shivani Pathak          | Independent Director (w.e.f. 15/06/2024) | 10481354 |

During the Financial year 2023-24, the Board of Directors met 8 (Eight) times. In respect of these meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details which are as mentioned below:

| SR. NO. | DATE OF BOARD MEETINGS | TOTAL STRENGTH OF THE BOARD | NO. OF DIRECTORS PRESENT |
|---------|------------------------|-----------------------------|--------------------------|
| 1       | 07/04/2023             | 6                           | 5                        |
| 2       | 29/05/2023             | 6                           | 6                        |
| 3       | 14/08/2023             | 6                           | 6                        |
| 4       | 27/09/2023             | 6                           | 6                        |
| 5       | 30/09/2023             | 6                           | 6                        |
| 6       | 08/11/2023             | 6                           | 6                        |
| 7       | 10/01/2024             | 6                           | 6                        |
| 8       | 09/02/2024             | 6                           | 6                        |

## • Appointments / Re-appointments:

During the year under review the Board of Directors, upon the recommendation of Nomination & Remuneration Committee in terms of Nomination and Remuneration Policy, in their meeting held on August 14, 2023 approved the proposal for re-appointment of Mr. Jitendra Kumar Sharma as an Independent Director of the Company for the further term of five years, effective from the expiry of his tenure i.e. July 03, 2024. Accordingly, the matter for his re-appointment for a further period of 5 years was included in the notice convening the 15<sup>th</sup> Annual General Meeting of the Company for approval of members along with necessary explanation and details mentioned in the explanatory statement to the Notice and the same was approved by the members of the Company at 15<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2023.

Further, as recommended by the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 14, 2024, unanimously re-appointed Mr. Sanjay Prakash Mangal as the Managing Director of the Company and Mr. Santosh Nambiar as the Whole Time Director for a further period of three years i.e. with effect from February 16, 2025 to February 15, 2028, pursuant to the provisions of the Companies Act, 2013, subject to



the approval of the members of the Company at the ensuing Annual General Meeting. Accordingly, the matter for their re-appointment is included in the notice convening the 16<sup>th</sup> Annual General Meeting of the Company for approval of members along with necessary explanation and details mentioned in the explanatory statement to the Notice.

### Cessations:

During the year under review, none of the Directors resigned or ceased to become director.

However, after the closure of the financial year under review, Ms. Apeksha Vyas (DIN: 09469295) tendered her resignation from the post of Director (Non-Executive, Independent) of the Company w.e.f. closing of the business hours of June 15, 2024 and Ms. Shivani Pathak (DIN: 10481354) was appointed as an Additional Director (Non-Executive, Independent), of the Company for a period of 5 years w.e.f. June 15, 2024, subject to approval of shareholders to be obtained in the ensuing Annual General Meeting, agenda for which has been included in the Notice calling the ensuing Annual General Meeting.

### • Retirement by Rotation:

In accordance with the provisions of the Companies Act, 2013 and Company's Articles of Association, Mr. Sanjay Prakash Mangal (DIN: 02825484) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

As required under regulation 36(3) of SEBI (LODR), 2015, particulars of the Director retiring and seeking reappointment at the ensuing Annual General Meeting is annexed to the notice convening the Annual General Meeting.

### • Key Managerial Personnel:

As on the date of this report, the following are the Key Managerial Personnel(s) of the Company:

| SR. NO. | NAME                        | DESIGNATION                            |
|---------|-----------------------------|--|
| 1       | Mr. Sanjay Prakash Mangal   | Managing Director                      |
| 2       | Mr. Santosh Narayan Nambiar | Whole time Director                    |
| 3       | Mr. Hetal Shah              | Chief Financial Officer                |
| 4       | Ms. Avani Patel             | Company Secretary & Compliance Officer |

### • Declaration from Independent Director:

The Company has three Independent Directors as on the date of this report and all the Independent Directors of the Company have given declarations stating that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with the rules made there under and read with Regulation 16(1)(b) of the Listing Regulations and in the opinion of the Board, the Independent Directors meet the said criteria and are Independent of the management of the Company. Further, the Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience (including the proficiency) and expertise in their respective fields and that they hold highest standards of integrity. In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be anticipated that could impair or impact their ability to discharge their duties.

## COMMITTEES OF THE BOARD:

In compliance with the requirement of applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the 'SEBI (LODR) Regulations, 2015') and as part of the best governance practice, the Company has constituted following Committees of the Board.

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Stakeholders Relationship Committee

Details of the composition of the Board and its Committees and of the meetings held, attendance of the Directors at such meetings and other relevant details are given Corporate Governance Report attached as a separate Annexure-VI.

## DISCLOSURE BY DIRECTORS:

The Directors on the Board have submitted notice of interest under Section 184(1) of the Companies Act, 2013 i.e. in Form MBP 1, intimation under Section 164(2) of the Companies Act, 2013 i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

## VIGIL MECHANISM

The Company has implemented Vigil Mechanism. For details please refer Corporate Governance Report attached as a separate '*Annexure-V*'.

## DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013, which states that—

- a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- 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.

## FORMAL EVALUATION OF THE PERFORMANCE OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 read with the rules thereof and the SEBI (LODR) Regulations, 2015, the Board has carried out the evaluation of annual performance of its own, the Directors

individually as well as the evaluation of the working of its Committees on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance. The board was satisfied with the performance evaluation done of the directors.

In pursuant to Regulation 17(10) of the SEBI (LODR) Regulations, 2015, the evaluation of Independent Directors was done by the entire Board of Directors which includes:

- I. Performance of the Directors and
- II. Fulfillment of the Independence criteria as specified in the regulations and their independence from the management.

The Independent Directors are satisfied with the outcome of evaluation.

## **INDEPENDENT DIRECTORS**

### **• Qualifications of Independent Director.**

An Independent director shall possess appropriate skills, qualifications, experience and knowledge in one or more fields of finance, law, management, marketing, administration, corporate governance, operations or other disciplines related to the Company's business.

### **• Positive attributes of Independent Directors.**

An independent director shall be a person of integrity, who possesses knowledge, qualifications, experience, expertise in any specific area of business, integrity, level of independence from the Board and the Company etc. Independent Directors are appointed on the basis of requirement of the Company, qualifications & experience, expertise in any area of business, association with the Company etc. He / She should also devote sufficient time to his/her professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

### **• Independence of Independent Directors.**

An Independent director should meet the requirements of Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and give declaration to the Board of Directors for the same every year.

## **OTHER DIRECTORS AND SENIOR MANAGEMENT**

The Nomination and Remuneration Committee shall identify and ascertain the qualifications, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board for his / her appointment.

The Company shall not appoint or continue the employment of any person as Whole-time Director or Senior Management Personnel if the evaluation of his / her performance is not satisfactory. Other details are disclosed in the Corporate Governance Report under the head Nomination and Remuneration Committee and details of Remuneration (Managing Director / Whole Time Director(s) and Non-Executive Directors) are attached as a separate '*Annexure-VI*' to this Report.

## **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's Procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Agricultural Industry as a Whole and business model. The details of such familiarization programmes imparted to Independent Directors can be accessed on the website of the Company at <https://www.hindprakash.in/images/ourteam/ace78743fc160c85b3543742c2e930b0.pdf>.

## REMUNERATION POLICY

This Nomination and Remuneration Policy ("Policy") provides the framework and key guiding principles to be followed in for appointment and determination of remuneration of Directors, Key Managerial Personnel and Senior management personnel.

This Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Pursuant to the requirements of Section 134 and 178 of the Companies Act, 2013, read with the relevant Rules framed thereunder, the policy on appointment of Board Members and policy on remuneration of the Directors, KMPs and Senior Management is attached as per '*Annexure – VII*' to this Report.

The said Policy is available on the website of the Company at <https://www.hindprakash.in/images/ourteam/b85b3500b26b31092c354e19c3a189b7.pdf>.

## MANAGERIAL REMUNERATION AND EMPLOYEES

Details required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are enclosed separate as an '*Annexure-IV*'.

Details of employees required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed as a separate Annexure, however it is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013 and rules made there under. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

Company has not sanctioned loan to any of its employees for purchase of Company's shares under any scheme.

## CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, report on Corporate Governance and Management discussion and Analysis have been included in this Annual Report per separate '*Annexure-V*' and '*Annexure-II*' respectively.

**AUDITORS:**

- **STATUTORY AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules thereof, M/s. K K A K & Co., Chartered Accountants, (Firm Registration No.: 148674W) Ahmedabad have been appointed as Statutory Auditors of the Company for a period of five years, who shall hold office till the conclusion of the Annual general Meeting to be held for the financial year ending on 31<sup>st</sup> March, 2025. The present statutory auditors of the Company will continue to act as statutory auditor till the expiry of their present term.

There are no qualifications or reservations or adverse remarks or disclaimers given by Statutory Auditors' of the Company and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.

- **SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed, M/s V. N. Vasani & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Year 2023-24. The Secretarial Audit Report for FY 2023-24 is annexed, and forms part of this report as '*Annexure-VI*'.

There are no qualifications or reservations or adverse remarks or disclaimers given by Secretarial Auditors of the Company.

- **COST AUDITORS:**

The Company has appointed M/s. A. G. Tulsian & Co., Practicing Cost Accountants (Firm Registration Number: 100629) as Cost Auditors for conducting cost audit for the year 2024-25.

As required by the Companies Act, 2013 the remuneration payable to the Cost Auditor is required to be placed before the members in General Meeting for their ratification. Accordingly, necessary resolution seeking ratification of remuneration payable to cost auditor is included in the notice convening the Annual General Meeting.

The Directors of the Company to the best of their knowledge and belief state that the Company has maintained adequate Cost records as required to be maintained by the Company under the provisions of Section 148 of the Companies Act, 2013 read with the relevant Rules framed thereunder.

**REPORTING OF FRAUDS**

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of fraud committed in the Company by its Officers or Employees to the Audit Committee and / or Board under section 143(12) of the Act.

- **INTERNAL AUDITORS:**

Pursuant to the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014, the Company has appointed Mr. Ajay Maurya as an Internal Auditor of the Company with effect from 01<sup>st</sup> April, 2024.

**CORPORATE SOCIAL RESPONSIBILITY(CSR):**

The provisions of Section 135 of the Companies Act, 2013 with regard to the Corporate Social Responsibility (CSR) are not applicable to the Company during the year under review.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate, i.e. 31<sup>st</sup> March, 2024 and the date of the Board's Report.

There is no application pending under the Insolvency and Bankruptcy Code 2016 against the Company.

## **ORDERS PASSED BY REGULATORY BODIES OR COURTS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## **PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES:**

All Related Party Transactions that were entered into during the FY 2023-24 were on an arm's length basis and in the ordinary course of business. There were no materially significant Related Party Transactions entered into by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations. Prior approval from the Audit Committee is obtained for transactions which are repetitive in nature. Further, disclosures are made to the Committee from time to time at reasonable interval.

The Company presents all related party transactions before the Board specifying the nature, value and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority.

Particulars of Contracts entered into with Related Parties referred to in Section 188(1) of the Companies Act, 2013, in prescribed Form AOC-2 is attached as an '*Annexure I*' to this Report.

The Company has framed a policy on RPTs for the purpose of identification, approval and monitoring of such transactions. The policy on Related Party Transactions is hosted on the Company's website at <https://www.hindprakash.in/images/ourteam/prpt.pdf>.

## **INSURANCE:**

All Insurable interests of the Company including Buildings, Plant & Machinery, Furniture & Fixtures, Inventories and other insurable interests are adequately insured.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, as amended from time to time is annexed to this Report as "*Annexure-III*".

## **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

The Company has in place, a mechanism to identify, access, monitor and mitigate various risks towards the key business objectives of the Company. Major risk identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The risk management system is designed to safeguard the organization from various risks through adequate and timely action. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business.



The Risk Management system is also overseen by the Audit Committee / Board of Directors of the Company on a continuous basis. The major risks identified by the businesses are systematically addressed through mitigation actions on a continual basis.

#### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. The Company has not received any complaints during the year under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROL:**

The Company has an effective internal control system commensurate with the size, scale and complexity of its business operations which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized use or disposition.

The Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. During the year, such controls were tested and no material discrepancy or weakness in the Company's internal controls over financial reporting was observed.

#### **WEBSITE:**

As per Regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Company is maintaining a functional website "[www.hindprakash.in](http://www.hindprakash.in)" containing information about the Company. The website of the Company is containing information like Policies, Shareholding Pattern, Financial and information of the designated officials of the Company who are responsible for assisting and handling investor grievances for the benefit of all stakeholders of the Company etc.

#### **HUMAN RESOURCE:**

The Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, the company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the company's vision. The company appreciates the spirit of its dedicated employees.

#### **SECRETARIAL STANDARDS:**

The Board of Directors of the Company confirms to the best of their knowledge and belief that the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India as amended from time to time and made applicable by the Ministry of Corporate Affairs during the year under review.

#### **APPRECIATION AND ACKNOWLEDGEMENT:**

Your directors express their sincere appreciation to the shareholders, customers, bankers, suppliers and other business associates for the excellent support and cooperation extended by them.

Your directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and Registrar of Companies, Gujarat and other Regulatory Bodies.

**Registered Office:**

301, "Hindprakash House",  
Plot No.10/6, Phase-1, GIDC, Vatva,  
Ahmedabad - 382 445

For and on behalf of Board of Directors  
Hindprakash Industries Limited  
CIN: L24100GJ2008PLC055401

**Date: August 14, 2024**

**Place: Ahmedabad**

**Sanjay Prakash Mangal**

**Managing Director**

**DIN: 02825484**

**Santosh Narayan Nambiar**

**Wholetime Director**

**DIN: 00144542**

## ANNEXURE I TO THE DIRECTORS' REPORT

### FORM NO. AOC -2

**(Pursuant to Clause (H) Of Sub-Section (3) Of Section 134 Of The Act and Rule 8(2) Of The Companies (Accounts) Rules, 2014.)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms' length basis.

#### 2. Details of contracts or arrangements or transactions at Arm's length basis:

| Sr. No. | Particulars   | RPT - 1  | RPT - 2  | RPT- 3  |
|---------|---|--|--|---|
| 1.      | <b>Name(s) of the related party and nature of relationship</b>                                    | Ecofine Colourchem Private Limited<br><br>(A private company in which a director or manager or his relative is a member or director) | Hindprakash Overseas Private Limited<br><br>(A private company in which a director or manager or his relative is a member or director) | Hindprakash Chemicals Private Limited<br><br>(A private company in which a director or manager or his relative is a member or director) |
| 2.      | <b>Nature of contracts/ arrangements/ transactions</b>  | Sale of Goods/Services   | Sale of Property/Plant/Equipments  | Lease Rent Paid   |
| 3.      | <b>Duration of the contracts/ arrangements/ transactions</b>                                      | 01/04/2023<br>-<br>31/03/2024  | 01/04/2023<br>-<br>31/03/2024  | 01/04/2023<br>-<br>31/03/2024   |
| 4.      | <b>Salient terms of the contracts or arrangements or transactions including the value, if any</b> | At prevailing prices on arm's length basis and on Industry practice terms<br><br>Total Transaction Value -<br>10.62 Lakhs            | At prevailing prices on arm's length basis and on Industry practice terms<br><br>Total Transaction Value -<br>4.92 Lakhs               | At prevailing prices on arm's length basis and on Industry practice terms<br><br>Total Transaction Value -<br>2.83 Lakhs                |
| 5.      | <b>Date(s) of approval by the Board</b>   | Approval taken in the Audit Committee Meeting and considered by the Board thereafter.  | Approval taken in the Audit Committee Meeting and considered by the Board thereafter.  | Approval taken in the Audit Committee Meeting and considered by the Board thereafter.   |

| Sr. No. | Particulars   | RPT - 4   | RPT - 5   | RPT- 6  |
|---------|---|---|---|---|
| 1.      | <b>Name(s) of the related party and nature of relationship</b>                                    | Hindprakash Chemicals Private Limited<br>(A private company in which a director or manager or his relative is a member or director) | Hindprakash Organic Private Limited<br>(A private company in which a director or manager or his relative is a member or director) | Hindprakash Chemicals Private Limited<br>(A private company in which a director or manager or his relative is a member or director) |
| 2.      | <b>Nature of contracts/ arrangements/ transactions</b>  | Warehouse Charges Paid  | Business Promotion Expenses Paid  | Sale of Investments   |
| 3.      | <b>Duration of the contracts/ arrangements/ transactions</b>                                      | 01/04/2023<br>-<br>31/03/2024   | 01/04/2023<br>-<br>31/03/2024   | 01/04/2023<br>-<br>31/03/2024   |
| 4.      | <b>Salient terms of the contracts or arrangements or transactions including the value, if any</b> | At prevailing prices on arm's length basis and on Industry practice terms<br>Total Transaction Value -<br>1.13 Lakhs                | At prevailing prices on arm's length basis and on Industry practice terms<br>Total Transaction Value -<br>1.19 Lakhs              | At prevailing prices on arm's length basis and on Industry practice terms<br>Total Transaction Value -<br>32.00 Lakhs               |
| 5.      | <b>Date(s) of approval by the Board</b>   | Approval taken in the Audit Committee Meeting and considered by the Board thereafter.   | Approval taken in the Audit Committee Meeting and considered by the Board thereafter.   | Approval taken in the Audit Committee Meeting and considered by the Board thereafter.   |

| Sr. No. | Particulars   | RPT - 7  | RPT - 8  | RPT- 9   |
|---------|---|--|--|--|
| 1.      | <b>Name(s) of the related party and nature of relationship</b>                                    | Sanjay Prakash Mangal<br>(Managing Director)   | Dimple S Mangal<br>(Wife of Mr. Sanjay Prakash Mangal- Managing Director)                            | Tanima S Nambiar<br>(Wife of Mr. Santosh N Nambiar - Whole time Director)                              |
| 2.      | <b>Nature of contracts/ arrangements/ transactions</b>  | Payment of royalty fees for use of trademark   | Salary Paid by Company   | Salary Paid by Company   |
| 3.      | <b>Duration of the contracts/ arrangements/ transactions</b>                                      | 01/04/2023<br>-<br>31/03/2024  | 01/04/2023<br>-<br>31/03/2024  | 01/04/2023<br>-<br>31/03/2024  |
| 4.      | <b>Salient terms of the contracts or arrangements or transactions including the value, if any</b> | At prevailing prices on arm's length basis and on Industry practice terms<br>Total Transaction Value - | At prevailing prices on arm's length basis and on Industry practice terms<br>Total Transaction Value | At prevailing prices on arm's length basis and on Industry practice terms<br>Total Transaction Value - |

|    |   |   |   |   |
|----|---|---|---|---|
|    |   | 1.08 Lakhs  | –<br>18.00 Lakhs  | 6.00 Lakhs  |
| 5. | <b>Date(s) of approval by the Board</b> | Approval taken in the Audit Committee Meeting and considered by the Board thereafter. | Approval taken in the Audit Committee Meeting and considered by the Board thereafter. | Approval taken in the Audit Committee Meeting and considered by the Board thereafter. |

**Note:** No amount was paid as advance.

**Registered Office:**

301,"Hindprakash House",  
Plot No.10/6, Phase-1, GIDC, Vatva,  
Ahmedabad - 382 445

**For and on behalf of Board of Directors**  
**Hindprakash Industries Limited**  
**CIN: L24100GJ2008PLC055401**

**Date: August 14, 2024**  
**Place: Ahmedabad**

**Sanjay Prakash Mangal**  
**Managing Director**  
**DIN: 02825484**

**Santosh Narayan Nambiar**  
**Wholetime Director**  
**DIN: 00144542**

## ANNEXURE II TO THE DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### COMPANY OVERVIEW:

The Company was originally incorporated as Hindprakash Lonsen Industries Private Limited under the provisions of Companies Act, 1956. The name of the Company was changed to Hindprakash Industries Private Limited on February 16, 2018. The company was subsequently converted into public company and consequently name was changed to Hindprakash Industries Limited. The CIN of the company is L24100GJ2008PLC055401.

The Company is engaged in the manufacturing and trading of Dyes, Auxiliaries, Intermediates and Chemicals. Company started manufacturing unit in the year 2008 to produce Disperse Dyes, Reactive Dyes and Textile auxiliaries for catering the needs of domestic textile industry. The Company has achieved a steady growth in productivity and has expanded its range of products from dyes to auxiliaries to speciality chemicals. We believe that Company's expertise in chemical manufacturing has enabled to expeditiously increase the production capacity and expand into new value added products. With wide range of products, Company cater to various industries viz. Dyestuff and Dye intermediates, Textiles, Construction Chemicals, Speciality Chemicals etc.

The Company is located at Vatva i.e. in the heart of Gujarat Industrial Development Corporation, an Industrial Estate for manufacturing, blending and formulation of dyes, auxiliaries & intermediaries. The Estate has common effluent treatment plant of which most of the units in the estate are members apart from having their own environmental treatment facilities.

The Company is promoted by Mr. Om Prakash Mangal, Mr. Sanjay Prakash Mangal and Mr. Santosh Narayan Nambiar. With decades of experience in this industry, Company's Promoters along with the team of management are actively involved in the day to day affairs of the company's operations adding valuable knowledge and experience required for sustainable growth.

#### FINANCIAL YEAR 2023-24 AND OUTLOOK:

During the year ended 31<sup>st</sup> March 2024, the company achieved a total net sale of Rs. 9,950.38 Lakhs and achieved net profit after tax of Rs. 153.44 Lakhs.

#### ECONOMIC / INDUSTRY OVERVIEW:

- **Global Scenario:**

The global chemicals market grew from \$5115.19 (approximately) billion in 2023 to \$5574.05 (approximately) billion in 2024 at a compound annual growth rate (CAGR) of 9.00%. The Chemicals industry is one of the fastest growing sectors of the manufacturing industry. The growth in the forecast period can be attributed to stringent environmental regulations, shift in consumer preferences, renewable and bio-based materials, geopolitical factors, health and safety prioritization. Major trends in the forecast period include sustainability and green chemistry, digital transformation, circular economy, advanced materials and nanotechnology, supply chain resilience, and digitalization. The industry growth exceeds that of the manufacturing sector, despite the challenges of escalating crude oil prices and demanding international environmental protection standards which are now adopted globally. The US chemical industry has shown strong financial performance, reaching a level last seen more than two decades ago. Further, chemical producers can play a crucial role in effectively tackling climate change. Chemicals and materials are ubiquitous in a modern-day lifestyle, and for chemical producers to operate in an evolving global geopolitical landscape, there will be a strong need for fundamental changes to be made, either proactively or reactively. The global chemicals industry is being shaped by following trends that are impacting business models, processes and product segments of multinational players.



The key segments of the chemical industry are Commodity chemicals, Specialty chemicals, Pharmaceuticals, Agrochemicals and Consumer Products.

- **Indian Scenario:**

- The Chemical industry is a knowledge intensive as well as capital intensive industry. It is an integral constituent of the growing Indian industry. This Industry occupies a pivotal position in meeting basic needs and improving quality of life.
- The Chemical industry in India provides several building blocks and raw materials for many industries, including textiles, paper, paints, soap and detergents, pharmaceuticals and agrochemicals.
- India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas.
- India is the 6<sup>th</sup> largest producer of chemicals in the world and 3<sup>rd</sup> in Asia contributing 7% to India's GDP.
- FDI inflows in the chemicals sector (other than fertilizers) reached US\$ 22.146 billion between April 2000-March 2024.
- India's chemical sector, which was estimated to be worth US\$ 220 billion in 2022, is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 383 billion to India's GDP by 2030.
- An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with India's market expected to increase at a CAGR of 12% to US\$ 64 billion by 2025.
- The Indian chemical industry is expected to further grow with a CAGR of 11-12% by 2027, increasing India's share in the global specialty chemicals market to 4% from 3%.
- With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for a significant growth.

- **Indian Government Initiatives:**

- The Indian government recognises chemical industry as a key growth element and forecast to increase share of the chemical sector to 25% of the GDP in the manufacturing sector by 2025.
- The Indian government has actively endorsed skill training, technology, academia, and research to boost the chemicals sector. This is evident through the creation of Centers of Excellence (COE) under the National Policy on Petrochemicals and the Chemicals Promotion Development Scheme (CPDS).
- To bolster indigenous producers, the Indian government enacted the deregulation of non-hazardous chemical production and enforced anti-dumping duties on substandard imports as a protective measure. These actions are anticipated to uplift domestic manufacturers, fostering increased scale and profitability within the industry.
- Under the Union Budget 2023-24 the government allocated Rs. 173.45 crore (approximately) (US\$ 20.93 million) (approximately) to the Department of Chemicals and Petrochemicals.
- Under the Interim Union Budget 2024-25 the government allocated Rs. 192.21 crore (US\$ 23.13 million) to the Department of Chemicals and Petrochemicals.
- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- The government has established four petroleum, chemicals and petrochemical investment regions (PCPIRs) as investment regions for petroleum, chemicals and petrochemicals, along with associated services.

- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilizers) reached US\$ 22.146 billion between April 2000-March 2024.
- The government has proposed several incentives for setting up a sourcing or manufacturing platform within an Indian SEZ.
- Effective April 1, 2020, 100% Income Tax exemption on export income for SEZ units for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for next five years.
- Single window clearance for central and state-level approvals.
- Duty-free import/domestic procurement of goods for development, operation and maintenance of SEZ units.

## ROAD AHEAD:

The Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments.

Additional support, in terms of fiscal incentives, such as tax breaks and special incentives through PCPIRs or SEZs to encourage downstream units will enhance production and development of the industry. The dedicated integrated manufacturing hubs under Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract an investment of Rs. 20 lakh crore (US\$ 276.46 billion) by 2035.

The Indian Dyestuff Industry is an important sub-sector of the Chemicals industry. It has forward and backward linkages with various sectors such as paper, textiles, plastics, printing inks, leather and foodstuffs. The sub-sector has immense potential and serves as a profitable opportunity for investors.

## OPPORTUNITIES:

**Growing demand for chemicals:** The demand for chemicals will continue to rise as the global population grows and urbanizes. Chemicals are used in almost every aspect of modern life, from construction to transportation to healthcare, making this industry an essential part of the global economy.

**Technological advancements:** The chemical industry is constantly evolving, and new technologies are being developed to increase efficiency, reduce waste, and improve safety. Innovations such as green chemistry, process intensification, and 3D printing are changing how chemicals are produced and consumed.

**Sustainable practices:** With increasing pressure to reduce the environmental impact of industrial processes, there is a growing focus on sustainable practices in the chemical industry. This presents an opportunity for companies to invest in developing chemical eco-friendly products and strategies and implement more efficient waste management and recycling practices.

## CHALLENGES:

**Environmental concerns:** Chemical production can have a significant impact on the environment, with the potential for air and water pollution, soil contamination, and the release of greenhouse gases. As a result, chemical companies are under increasing pressure to develop sustainable practices and reduce their carbon footprint.

**Regulatory compliance:** The chemical industry is subject to a wide range of regulations and safety standards, which can be complex and costly. Ensuring compliance while maintaining profitability can be a significant challenge for companies.

**Volatility in raw material prices:** Chemical production requires various raw materials, including oil, natural gas, and minerals. The prices of these materials can be volatile, making it difficult for companies to predict costs and manage supply chain risks.

## BUSINESS MODEL OF THE COMPANY:

### LOCATIONS:

|                            |  |
|----------------------------|--|
| <b>Registered Office</b>   | 301, Hindprakash House, Plot No.10/6, Phase-I, GIDC, Vatva, Ahmedabad-382445, Gujarat, India |
| <b>Factory</b>             | Plot No. A2-114 &115, GIDC, Industrial Estate, Phase-II, Vatva, Ahmedabad                    |
| <b>Leasehold Land/Plot</b> | Plot No. T-10 to T-12, Saykha Industrial Estate, GIDC, Ta. Vagra, Dist. Bharuch, Ahmedabad   |

### MANUFACTURING PROCESS:

The Manufacturing of dyes, auxiliaries & chemicals require various processes to obtain final product. The major steps include:

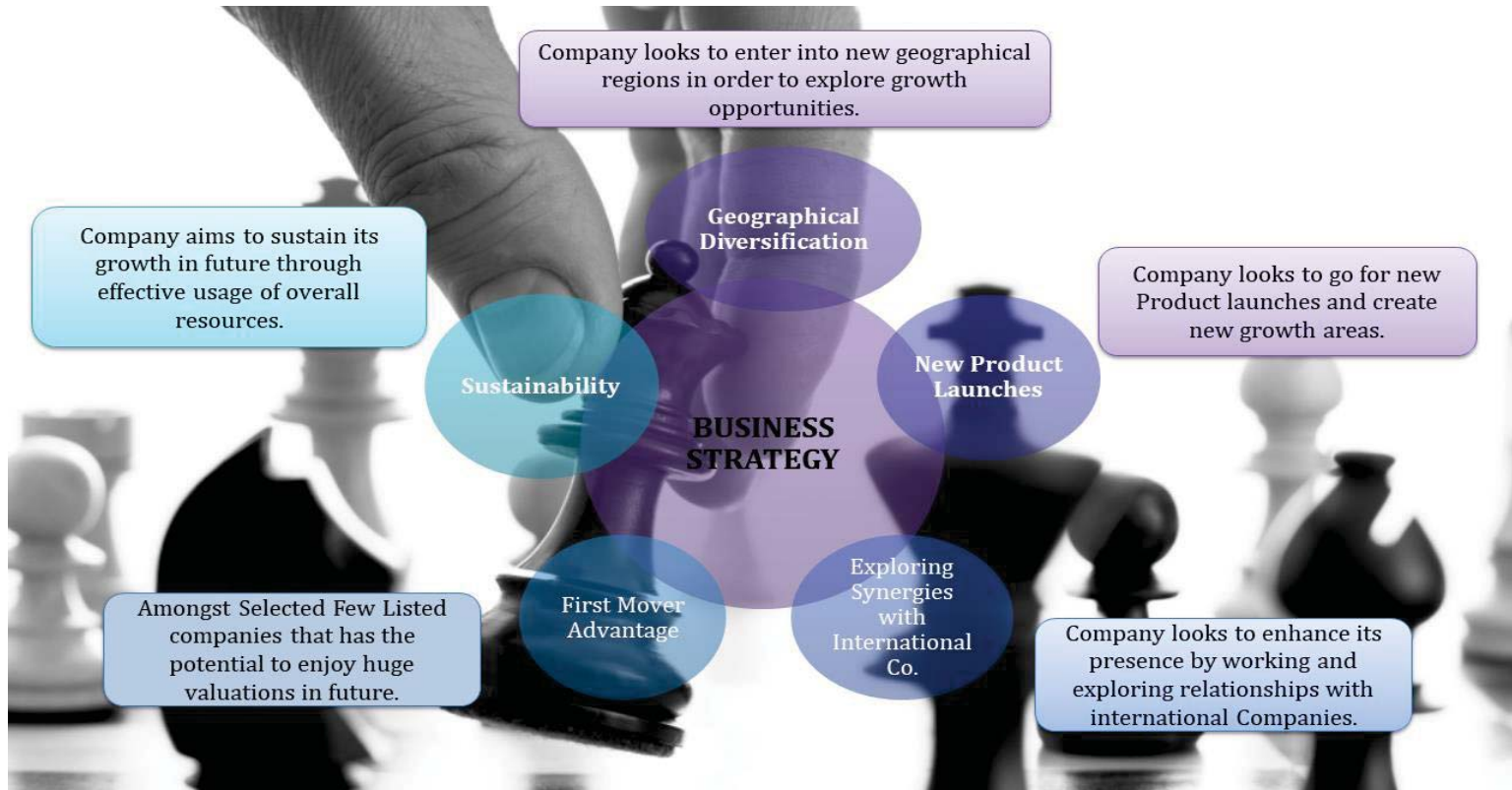


### PRODUCT PORTFOLIO:

|   |  |
|---|--|
|  | <b>COLOURS INTERMEDIATES</b> <ul style="list-style-type: none"> <li>• Nephthalene Derivatives</li> <li>• Benzene &amp; Toluene Intermediates</li> <li>• Acid &amp; Alkalies</li> <li>• Solvents</li> </ul> |
|  | <b>COLOURS</b> <ul style="list-style-type: none"> <li>• Reactive Dyes</li> <li>• Disperse Dyes</li> <li>• Acid Dyes</li> </ul>   |
|  | <b>TEXTILE</b> <ul style="list-style-type: none"> <li>• Auxiliaries &amp; Speciality Chemicals</li> <li>• Dyestuffs &amp; Pigments</li> <li>• Thickeners &amp; Emulsifiers</li> </ul>                      |
|  | <b>WASTE WATER TREATMENT</b> <ul style="list-style-type: none"> <li>• PolyDADMAC</li> <li>• Water Decoloring Agent</li> <li>• Polyacrylamide Emulsion</li> <li>• Flocculants</li> </ul>                    |

## BUSINESS STRATEGY:

Going forward to our business strategy will rest on below mentioned pillars, the idea is to put in place a proper framework to give us the best chance to grow in the face of challenges from the competition and external events over which we may have no control. Each of tenets of our strategy is explained below:





## KEY RISK AND CONCERNS:

The company is exposed to business risk which may be internal as well as external and the growth of our industries is linked to the overall economic growth. Primary risk to the business will be on account of adverse changes to the economy, another is Company faces tough competition in terms of pricing and customer base.

## FINANCIAL AND OPERATIONAL PERFORMANCE:

The key standalone and consolidated financial are as under:

(Rs. in Lakhs)

| PARTICULARS FOR THE YEAR ENDED | Consolidated       |                    | Standalone         |                    |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                | March 31 ,<br>2024 | March 31 ,<br>2023 | March 31 ,<br>2024 | March 31 ,<br>2023 |
| Revenue from operations        | 9950.38            | 10078.54           | 9950.38            | 10078.54           |
| Profit before Tax              | 214.70             | 333.82             | 212.86             | 333.08             |
| Profit after Tax               | 155.28             | 246.51             | 153.44             | 245.77             |

## SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:

As the Company has identified manufacturing, dealing and trading of Dyes, Intermediates, Auxiliary, Chemicals and other merchandise etc. as its sole primary business segment, the disclosure requirements of segment wise reporting is not applicable.

## KEY FINANCIAL RATIOS:

| Sr. No. | Ratio                           | Unit     | Numerator   | Denominator                 | 31-Mar-24 | 31-Mar-23 | Variance in % | Explanation for any change in the ratio by > 25% as compared to preceding year |
|---------|---------------------------------|----------|---|-----------------------------|-----------|-----------|---------------|--|
| 1       | Current Ratio                   | In Times | Current Assets  | Current Liabilities         | 1.53      | 1.56      | (1.53%)       | NA   |
| 2       | Debt Equity Ratio               | In Times | Total Debt  | Shareholder's Equity        | 0.45      | 0.50      | (11.37%)      | NA   |
| 3       | Debt Service Coverage Ratio     | In Times | Earnings Available for Debt Service                     | Debt Service                | 1.33      | 1.81      | (26.79%)      | See Note (i)   |
| 4       | Return on Equity Ratio          | In %     | Net Profit after taxes available to Equity Share Holder | Average Share Holder Equity | 3.31%     | 6.08%     | (45.56%)      | See Note (ii)  |
| 5       | Inventory Turnover              | In Times | Cost of Goods Sold                                      | Average Inventory           | 5.17      | 5.93      | (12.79%)      | NA   |
| 6       | Trade Receivable Turnover Ratio | In Times | Net Credit Sale   | Average Trade Receivable    | 3.40      | 3.61      | (5.97%)       | NA   |
| 7       | Trade Payables Turnover Ratio   | In Times | Net Credit Purchase                                     | Average Trade Payable       | 7.24      | 10.44     | (30.72%)      | See Note (iii)   |
| 8       | Net Capital Turnover Ratio      | In Times | Net Sales   | Average Working             | 5.43      | 3.94      | 37.81%        | See Note (iv)  |

|    |                            |      |  | Capital            |       |       |          |              |
|----|----------------------------|------|--|--------------------|-------|-------|----------|--------------|
| 9  | Net Profit Ratio           | In % | Net Profit after taxes Earnings Before Interest and Taxes Income from Investment | Net Sales          | 1.54% | 2.44% | (36.76%) | See Note (v) |
| 10 | Return on Capital Employed | In % |  | Capital Employed   | 6.64% | 8.29% | (19.92%) | NA           |
| 11 | Return on Investment       | In % |  | Cost of Investment | Nil   | Nil   | Nil      | NA           |

#### Reason for Variance:

- (i) Decreased due to repayment of GECL WCTL (Covid Loan) during the year.
- (ii) Due to decrease in net profit.
- (iii) Decreased due to increase in Trade Payable level
- (iv) Due to decrease in average working capital.
- (v) Due to decrease in net profit.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate and efficient internal control system, which provide protection to all its assets against loss from unauthorised use and for correct reporting of transactions. The Company has put in place proper controls, which are reviewed at regular intervals to ensure that transactions are properly authorised and correctly reported and assets are safeguarded. The Audit Committee of the Board addresses issue raised by Auditor. The internal control system is implemented to safeguard the company's assets from loss and damages. To keep constant check on cost structure and to provide adequate financial and accounting controls and implement accounting standards. In addition to above, the Company has formulated a vigil Mechanism (Whistle Blower Policy) for its Directors and Employees of the Company for reporting genuine concern about unethical practices and suspected malpractices.

#### HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company has in place adequate number of employees as required in its registered office and its factory. Professionals with required amount of experience and knowledge are hired on need to need basis by the Company. The Industrial relation of the Company with various suppliers, customers, financial lenders and employee is cordial. There are total 45 Employees on payroll of the Company.

#### Registered Office:

301,"Hindprakash House",  
Plot No.10/6, Phase-1, GIDC, Vatva,  
Ahmedabad - 382 445

For and on behalf of Board of Directors  
**Hindprakash Industries Limited**  
CIN: L24100GJ2008PLC055401

**Date: August 14, 2024**  
**Place: Ahmedabad**

**Sanjay Prakash Mangal**  
**Managing Director**  
**DIN: 02825484**

**Santosh Narayan Nambiar**  
**Wholetime Director**  
**DIN: 00144542**



**ANNEXURE III TO THE DIRECTORS' REPORT**

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 for the year ended March 31, 2024 is given here below.

**A. Conservation of Energy:**

**1. The steps taken or impact on conservation of energy:**

The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.

**2. The steps taken by the company for utilizing alternate sources of energy:**

Company has not taken any step for utilizing alternate sources of energy.

**3. The capital investment on energy conservation equipments:**

Company has not made any capital investment on energy conservation equipments.

**B. Technology Absorption:**

Company has not imported any technology and hence there is nothing to be reported here.

**C. Foreign Exchange Earning and Outgo:**

- I. The total foreign exchange earned Rs. 1,74,01,833/- (Previous Year Rs. 2,19,69,540/-)
- II. The total foreign exchange outgo Rs. 9,53,69,733/- (Previous Year Rs. 3,75,25,722/-)

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**For and on behalf of Board of Directors**  
**Hindprakash Industries Limited**  
**CIN: L24100GJ2008PLC055401**

**Date: August 14, 2024**  
**Place: Ahmedabad**

**Sanjay Prakash Mangal**  
**Managing Director**  
**DIN: 02825484**

**Santosh Narayan Nambiar**  
**Whole time Director**  
**DIN: 00144542**

## ANNEXURE IV TO THE DIRECTORS' REPORT

### DISCLOSURE UNDER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

#### A. Statement of Particulars of remuneration as per Rule 5(1):

| SR. NO. | DESCRIPTION   |  |         |
|---------|---|--|---------|
| 1       | The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.   | Managing Director  | 3.19:1  |
|         |   | Whole time Director  | NA*     |
| 2       | The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year.   | Managing Director  | NIL     |
|         |   | Whole time Director  | NA*     |
|         |   | Chief Financial Officer  | 1.91 %  |
|         |   | Company Secretary  | 10.22%  |
| 3       | The percentage increase in the median remuneration of employees in the financial year.  | -  | 24.29 % |
| 4       | The number of permanent employees on the rolls of company.  | -  | 49      |
| 5       | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | <p>Average Percentage increase in the salaries of employees other than the managerial personnel is 56.68%. However, there is decrease in the managerial remuneration, which is 10.98%</p> <p>The decrease in remuneration of salaries of managerial remuneration is mainly on account of resignation by few senior employees. Other than that there are no other key factors affecting the same.</p> <p>The increase in remuneration of other managerial personnel is as per industrial practice only.</p> |         |
| 6       | Affirmation that the remuneration is as per the remuneration policy of the company.   | Yes, Remuneration is as per the remuneration policy of the company.  |         |

Note:

\* The Whole Time Director has not withdrawn salary during the year.

#### Registered Office:

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Plot No.10/6, Phase-1, GIDC, Vatva,  
Ahmedabad - 382 445

#### For and on behalf of Board of Directors

**Hindprakash Industries Limited**  
CIN: L24100GJ2008PLC055401

Date: August 14, 2024

Place: Ahmedabad

**Sanjay Prakash Mangal**

**Managing Director**

**DIN: 02825484**

**Santosh Narayan Nambiar**

**Whole time Director**

**DIN: 00144542**

## ANNEXURE V TO THE DIRECTORS' REPORT

**CORPORATE GOVERNANCE REPORT****1) Company's Philosophy on Corporate Governance**

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. Hindprakash Industries Limited ("the Company/ HPIL") is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability and human values. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, value chain, community, investors and the Government.

**Courage, Trust and Commitment** are the main tenets of our Corporate Governance Philosophy:

- **Courage:** we shall embrace new ideas and businesses.
- **Trust:** we shall believe in our employees and other stakeholders.
- **Commitment:** we shall stand by our promises and adhere to high ethical standard of business.

The Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavor to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution to economic growth.

The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable.

**2) Board of Directors ("Board")**

The Board, being the trustee of the Company and responsible for the establishment of cultural, ethical, sustainable and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed persons. The Board is at the helm of the Company's Corporate Governance practice. It provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

**Composition of the Board:**

The Company has a balanced Board with optimum combination of Executive and Non-Executive Directors, including independent professionals, who play a crucial role in the Board processes and provide independent judgment on issues of strategy and performance.

The Board currently comprises of 6 (Six) Directors out of which 1 (One) is Chairman and Non-Executive Non independent Director, 2 (two) are Executive Directors, 3 (Three) are Independent Directors, including one-woman Independent Director. The Independent Directors are Non- Executive Directors, as defined under Regulation 16(1)(b) of the SEBI Listing Regulations.

The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 (“the Act”). All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Act.

The present strength of the Board reflects a judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

The Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

In compliance with Regulation 26 of the SEBI Listing Regulations, none of the Directors is a director of more than 10 (ten) public companies or acts as an independent director in more than 7 (seven) listed companies. Further, none of the Directors on the Company’s Board is a member of more than 10 (ten) committees and chairperson of more than 5 (five) committees (committees being, audit committee and stakeholders’ relationship committee) across all the companies in which he/she is a director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies.

The composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations, which requires that for a company where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

The composition of the Board as on 31<sup>st</sup> March, 2024 is as under:

The details of the Board of Directors and the number of other directorship and committee positions held by them as on 31<sup>st</sup> March, 2024 are as under:

| Name, Designation & DIN of Director                                       | Age & Date of Appointment | Category                                   | No. of other Directorships held (other than HPIL) and name of the listed entities where the person is a director and category of Directorship | Details of Committee <sup>1</sup> (other than HPIL) in which Chairman/Member |        | Number of Board Meeting attended | Whether last AGM attended |
|---|---------------------------|--|---|--|--------|----------------------------------|---------------------------|
|   |                           |  |   | Chairman   | Member |                                  |                           |
| Mr. Om Prakash Mangal, Chairman & Non-Executive Director<br>DIN: 03078228 | 81 years<br>18-11-2019    | Promoter & Non Executive (Non Independent) | -   | -  | -      | 8                                | Yes                       |
| Mr. Sanjay Prakash Mangal, Managing Director<br>DIN: 02825484             | 52 years<br>10-08-2011    | Promoter & Executive                       | -   | -  | -      | 7                                | Yes                       |
| Mr. Santosh Narayan Nambiar, Whole time Director<br>DIN: 00144542         | 53 years<br>11-11-2008    | Promoter & Executive                       | -   | -  | -      | 8                                | Yes                       |

|  |                        |             |   |   |   |   |     |
|--|------------------------|-------------|---|---|---|---|-----|
| Mr. Jitendra Kumar Sharma, Independent Director<br>DIN: 07526003 | 55 years<br>04-07-2019 | Independent | -   | - | - | 8 | Yes |
| Ms. Apeksha Vyas, Independent Director<br>DIN: 09469295          | 29 years<br>20-01-2022 | Independent | 4<br>1. Axita Cotton Limited – Independent Director<br>2. Shubhlaxmi Jewel Art Limited – Additional Independent Director<br>3. Vivanta Industries Limited – Independent Director<br>4. Vivanza Biosciences Limited – Independent Director | - | 8 | 8 | Yes |
| Mr. Rushabh Shah, Independent Director<br>DIN: 09012222          | 27 years<br>20-01-2022 | Independent | 2<br>1. Yash Chemex Limited – Independent Director<br>2. Vivanta Industries Limited – Independent Director  | 1 | 4 | 8 | yes |

1. Includes only audit committee and stakeholders' relationship committee.
2. Excludes Directorships in Private / Foreign and Section 8 Companies.

Shri Om Prakash Mangal, Chairman & Non-Executive Director is a father of Shri Sanjay Prakash Mangal, Managing Director. Except this none of the other Directors are related to any other Director on the Board in terms of definition of 'relative' as per the Companies Act, 2013.

All Independent Directors are experienced and competent in their respective field. They actively participate in the Board and Committees which gives significant value addition in the decision-making process. The Independent Directors are familiarized by the management with respect to their roles and responsibilities, industry behavior, Company's business model, risks, threats and opportunities initially at the time of joining and thereafter from time to time through various business presentations at meeting of the board of directors. The details of Familiarization programs imparted to independent directors is available on Company's website i.e. <https://www.hindprakash.in/images/ourteam/ace78743fc160c85b3543742c2e930b0.pdf>.

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

However, after the closure of the year under review, Ms. Apeksha Vyas (DIN: 09469295) tendered her resignation from the post of Director (Non-Executive, Independent) of the Company w.e.f. closing of the business hours of June 15, 2024 due to personal reasons and she confirmed that there is no other reason for her resignation, other than those mentioned in her Resignation letter.

Further, Ms. Shivani Pathak (DIN: 10481354) was appointed as an Additional Director (Non- Executive, Independent), of the Company for a period of 5 years w.e.f. June 15, 2024, subject to approval of shareholders to be obtained in the ensuing Annual General Meeting, agenda for which has been included in the Notice calling the ensuing Annual General Meeting.

### **Skills / Expertise / Competence of the Board:**

The Board comprises of Directors with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees. The following list summarizes the key skills, competence and area of expertise that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its members possess knowledge relating to:

|  |   |
|--|---|
| Possessing knowledge relating to Industry  | Wide experience and expertise possessing knowledge relating to Dyes, Chemical and Auxiliaries Industry with innovative ideas and innovative technology for enhancing the production.  |
| Commercial                                 | Ability to understand what makes business or organization successful through either buying products, cost of goods and Services and taxes, commercial contracts etc.  |
| Finance                                    | Having knowledge in accounting, finance, treasury, tax, financial management of large-scale corporates, financial reporting process etc.  |
| Sales and marketing                        | Having understanding of complex and large corporate structure supply and marketing chain, planning, marketing skills. Understanding local and global trends in the business.  |
| Technology and technical know how          | Having knowledge of emerging areas of digital technology, artificial intelligence, cyber technology etc. and having good understanding of technical knowhow and technologies specifically used in Dyes, Chemical and Auxiliaries Industry.  |
| General Administration and Human Resources | Having understanding of organizational system, complex business and regulatory environment, strategic planning and handling routine affairs and Human resources of the Company.   |
| Risk management and mitigation planning    | Ability to understand and assess the key risks to the organization, legal compliances, and to ensure that appropriate procedures and policies are in place for effective managing the Company and mitigate risk.  |
| Legal and Corporate Laws                   | Understanding the legal eco system in which the Company operates, experience and expertise in implementing good corporate governance, managing Stakeholders' interest, possessing the required skill and knowledge of laws and regulations applicable to the Company and ensuring its compliance in the best interest of the Company. |



• A Matrix Setting Out the Skills/Expertise/Competence of The Individual Directors is given below:

| Sr. No. | Name of Director                       | Commercial                          | Finance                             | Sales and marketing                 | Technology and Technical knowhow    | General Administration and Human Resources | Risk Management and Mitigation Planning | Legal And Corporate Laws            |
|---------|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|---|-------------------------------------|
| 1       | Mr. Om Prakash Mangal                  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>        | <input checked="" type="checkbox"/>     |                                     |
| 2.      | Mr. Sanjay Prakash Mangal              | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |                                     | <input checked="" type="checkbox"/>        | <input checked="" type="checkbox"/>     | <input checked="" type="checkbox"/> |
| 3.      | Mr. Santosh Narayan Nambiar            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  | <input checked="" type="checkbox"/>     | <input checked="" type="checkbox"/> |
| 4.      | Mr. Jitendra Kumar Sharma              | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |                                     | <input checked="" type="checkbox"/>        | <input checked="" type="checkbox"/>     | <input checked="" type="checkbox"/> |
| 5.      | Ms. Apeksha Vyas (till 15/06/2024)     | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |                                     |                                     |  | <input checked="" type="checkbox"/>     | <input checked="" type="checkbox"/> |
| 6.      | Mr. Rushabh Shah                       | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |                                     |                                     |  | <input checked="" type="checkbox"/>     | <input checked="" type="checkbox"/> |
| 7.      | Ms. Shivani Pathak (w.e.f. 15/06/2024) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |                                     |                                     |  | <input checked="" type="checkbox"/>     | <input checked="" type="checkbox"/> |

### Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of the specific duties, obligations and governance were also evaluated.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. Board also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

### **Independent Directors' Meeting:**

During the year under review, a separate meeting of Independent Directors was held on 20<sup>th</sup> March, 2024 inter alia, to discuss:

- Review of the performance of Non-Independent Directors, Executive Directors, Managing Director and Board as whole;
- Review of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and there has been no change in the circumstances which may affect their status as Independent director during the year under review and have also confirmed 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.

On the basis of the declarations made by the Independent Directors, the Board of Directors are of the opinion that the Independent Directors of the Company fulfills conditions specified in Companies Act, 2013 and under SEBI (LODR) Regulations, 2015 and are Independent of the management of the Company.

### **Prohibition of Insider Trading:**

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Promoters, Designated Persons and other connected persons of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company and cautions them of consequences of violations. The Company has updated and revised the Internal Code of Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in line with the amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015 from time to time. It also prohibits the purchase or sale of Company's shares by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

### **Code of Conduct**

The Company has implemented model code of conduct for the Board members and senior managerial personnel of the Company. The code of conduct is available on the website of the Company i.e. <https://www.hindprakash.in/images/ourteam/2d08b1f3d945f5b98d2f47b8725a0a4a.pdf> . It is hereby confirmed that all the board Members and senior managerial personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year under review.

### **3) Audit Committee:**

The Company has constituted a qualified and Independent Audit Committee. The very purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for Internal financial controls, governance and reviewing the Company's Statutory and Internal Audit activities. The Committee is in compliance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Audit Committee comprises of following Members:

| SR.NO | NAME OF MEMBERS  | DESIGNATION |
|-------|--|-------------|
| 1.    | Mr. Rushabh Shah (Non-Executive & Independent Director)          | Chairman    |
| 2.    | Mr. Jitendra Kumar Sharma (Non-Executive & Independent Director) | Member      |
| 3.    | Mr. Santosh Narayan Nambiar (Whole time Director)                | Member      |

#### Details of Meetings and attendance:

During Financial Year 2023-24, Eight (8) Audit Committee Meetings were held on 07<sup>th</sup> April, 2023, 29<sup>th</sup> May, 2023, 14<sup>th</sup> August, 2023, 27<sup>th</sup> September, 2023, 30<sup>th</sup> September, 2023, 08<sup>th</sup> November, 2023, 10<sup>th</sup> January, 2024 and 09<sup>th</sup> February, 2024 respectively. Necessary quorum was present in all the Audit Committee Meetings. The time gap between any two Audit Committee Meetings was not more than one hundred and twenty days.

The details of attendance of each Member at the Audit Committee Meetings during the Financial Year 2023-24 is given below:

| Name of Members   | Designation | No. of Meetings held during the F.Y.2023-24 | No. of Meetings eligible to attend During the F.Y.2023-24 | No. of Meetings Attended during the F.Y.2023-24 |
|---|-------------|---|---|---|
| Mr. Rushabh Shah<br>(Non-Executive & Independent Director)          | Chairman    | 8   | 8   | 8   |
| Mr. Jitendra Kumar Sharma<br>(Non-Executive & Independent Director) | Member      | 8   | 8   | 8   |
| Mr. Santosh Narayan Nambiar<br>(Whole time Director)                | Member      | 8   | 8   | 8   |

The meetings of the Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors, Internal Auditors and Company Secretary. If requires, the Audit Committee holds a separate meeting with Statutory Auditors in absence of the management representatives. The Company Secretary acts as Secretary to the Committee. Mr. Rushabh Shah, Chairman of the Audit Committee was present at the last Annual General Meeting held on 30<sup>th</sup> September, 2023 to answer the shareholders queries. All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

#### Terms of reference

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under regulation 18 and Part – C of Schedule - II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 inter-alia including the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to;
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013;

- f. Changes, if any, in accounting policies and practices & reasons for the same
- g. Major accounting entries involving estimates based on the exercise of judgment by management;
- h. Significant adjustments made in the financial statements arising out of audit findings;
- i. Compliance with listing and other legal requirements relating to financial statements;
- j. Disclosure of any related party transactions;
- k. Modified opinion (s) in the draft audit report;
- l. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- m. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
- n. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- o. Approval or any subsequent modification of transactions of the Company with related parties;
- p. Scrutiny of inter-corporate loans and investments;
- q. Valuation of undertakings or assets of the Company, wherever it is necessary;
- r. Evaluation of internal financial controls and risk management systems;
- s. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- t. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- u. Discussion with internal auditors of any significant findings & follow up there on;
- v. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- w. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- x. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- y. To review the functioning of the Whistle Blower Mechanism;
- z. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- aa. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- bb. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- cc. Additionally, the Audit Committee shall mandatorily review the following information:
- dd. Management discussion and analysis of financial condition and results of operations;
- ee. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- ff. Internal audit reports relating to internal control weaknesses; and
- gg. The appointment, removal and terms of remuneration of the Chief internal auditor
- hh. Statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

#### 4) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of following Members:

| SR.NO | NAME OF MEMBERS   | DESIGNATION |
|-------|---|-------------|
| 1.    | Mr. Rushabh Shah (Non-Executive & Independent Director)                       | Chairman    |
| 2.    | Mr. Jitendra Kumar Sharma (Non-Executive & Independent Director)              | Member      |
| 3.    | Ms. Apeksha Vyas (Non-Executive & Independent Director) (till 15/06/2024)     | Member      |
| 4.    | Ms. Shivani Pathak (Non-Executive & Independent Director) (w.e.f. 15/06/2024) | Member      |

#### Details of Meetings and attendance:

During Financial Year 2023-24, Two Nomination and Remuneration Committee Meetings were held on 29<sup>th</sup> May, 2023 and 18<sup>th</sup> November, 2023 respectively. Necessary quorum was present in the meeting.

The details of attendance of Members at the Nomination and Remuneration Committee Meetings during the Financial Year 2023-24 is given below:

| Name of Members   | Designation | No. of Meetings held during the F.Y.2023-24 | No. of Meetings eligible to attend During the F.Y. 2023-24 | No. of Meetings Attended during the F.Y. 2023-24 |
|---|-------------|---|--|--|
| Mr. Rushabh Shah<br>(Non-Executive & Independent Director)          | Chairman    | 2   | 2  | 2  |
| Mr. Jitendra Kumar Sharma<br>(Non-Executive & Independent Director) | Member      | 2   | 2  | 2  |
| Ms. Apeksha Vyas<br>(Non-Executive & Independent Director)          | Member      | 2   | 2  | 2  |

#### Terms of reference

The terms of reference of Nomination and Remuneration Committee have been formulated in line with the requirement of Section 178 of the Act, rules framed thereunder and the Listing Regulations. The Committee fixes the Remuneration of Executive Directors, which include all elements of remuneration package i.e. salary, benefits, commission, bonus, incentives, pension, retirement benefits and such other benefits. The Committee also decides the fixed component and performance linked incentives, performance criteria, service contracts, notice period, severance fees etc. of the remuneration package of working directors, as may be necessary.

The role of the Nomination and Remuneration Committee inter- alia includes following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity,
- consider the time commitments of the candidates.

- formulation of criteria for evaluation of performance of independent directors and the board of directors;
  - devising a policy on diversity of board of directors;
  - identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
  - whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  - recommend to the board, all remuneration, in whatever form, payable to senior management.
- Independent Directors are appointed, and their performance are evaluated based on the criteria such as knowledge, qualifications, experience, expertise in any area, integrity, level of independence from the Board and the Company, number of meetings attended, familiarization programs attended, time devoted etc.

Executive Directors are appointed on the basis of requirement of the Company, qualifications & experience, association with the Company, loyalty etc.

The Chairman of Committee was present at the Last Annual General Meeting.

#### **Remuneration Policy:**

**Remuneration of employees largely consists of basic remuneration and perquisites.**

The component of the total remuneration varies for different grades and is governed by Industry pattern, qualifications and experience of the employee, responsibilities handled by him/ her and his/her individual performance etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution and to retain talent in the organization and accord merit.

Pursuant to the provisions of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee recommended the remuneration policy relating to appointment and payment of remuneration to Directors, KMPs and other senior management employees which was approved by the Board and is uploaded on the website of the Company at: <https://www.hindprakash.in/images/ourteam/b85b3500b26b31092c354e19c3a189b7.pdf> .

#### **Details of remuneration for the year ended 31.03.2024.**

##### **(i) Managing Director / Whole-time Director(s):**

| Name and Designation                                  | Remuneration | Perquisites and other benefits | (in Lakhs) |
|---|--------------|--------------------------------|------------|
|   |              |                                | Commission |
| Shri Sanjay Prakash Mangal,<br>(Managing Director)    | 16.8         | -                              | -          |
| Shri Santosh Narayan Nambiar<br>(Whole Time Director) | -            | -                              | -          |



Performance incentive to the Managing and Executive Directors are based on the sales achieved and operating profit of the Company on the basis of the criteria decided by the Nomination and Remuneration Committee /Board of Directors/Chairman and Managing Director from time to time. Executive Director's and Managing Director's appointment is for the period of 3 years.

Managing Director and Executive Director may resign from the service of the Company by giving three months' notice in advance. The Company has the right to terminate the service of said Director/s except Chairman and Managing Director at any time by giving three months' notice in writing or salary in lieu thereof.

The Managing Director and Executive Director is also entitled to the benefits as per the Rules of the Company, which the other senior executives/employees of the Company are entitled to.

Presently, there is no operational Employees Stock Option Scheme (ESOS) in the Company.

Managing Director and the Executive Director is not entitled to the sitting fees for attending the Board / Committee Meetings.

#### Criteria for Remuneration to Non-Executive Directors:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The role of Non-Executive Directors is significant in achieving good performance and establishment of good governance. The responsibility of the Non-Executive Directors has increased considerably over the years. Details of remuneration to the non-executive Directors of the Company and their shareholding are as under:

| Name of the Director                          | Remuneration/ Sitting Fees | No. of shares held | % of total share-holding |
|---|----------------------------|--------------------|--------------------------|
| Rushabh Shah<br>(Independent Director)        | 60,000                     | 0                  | -                        |
| Apeksha Vyas<br>(Independent Director)        | 60,000                     | 0                  | -                        |
| Jitendra Sharma<br>(Independent Director)     | 60,000                     | 0                  | -                        |
| Om Prakash Mangal<br>(Non-Executive Director) | 0                          | 14,70,000          | 12.87                    |

## Senior management:

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

| Name                      | Designation                              | Date of appointment |
|---------------------------|--|---------------------|
| Mr. Hetal Kishorbhai Shah | Chief Financial Officer                  | 16/01/2019          |
| Ms. Avani Patel           | Company Secretary and Compliance Officer | 01/06/2023          |

During the financial year, Ms. Avani Patel was appointed as the Company Secretary and Compliance Officer (KMP) of the company w.e.f. 01<sup>st</sup> June, 2023.

## 5) Stakeholders Relationship Committee

In accordance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 the Company has constituted the Stakeholders Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc.

The Stakeholders Relationship Committee comprises of following Members:

| SR.NO | NAME OF MEMBERS   | DESIGNATION |
|-------|---|-------------|
| 1.    | Ms. Apeksha Vyas (Non-Executive & Independent Director) (till 15/06/2024)     | Chairperson |
| 2.    | Ms. Shivani Pathak (Non-Executive & Independent Director) (w.e.f. 15/06/2024) | Chairperson |
| 3.    | Mr. Rushabh Shah (Non-Executive & Independent Director)                       | Member      |
| 4.    | Mr. Sanjay Prakash Mangal (Managing Director)                                 | Member      |

During the year under review, two (2) meeting of Stakeholders Relationship Committee were held on 29<sup>th</sup> May 2023 and 18<sup>th</sup> November, 2023 respectively.

Ms. Apeksha Vyas, the Chairperson of the Stakeholders Relationship Committee was present in the last Annual General Meeting to answer the shareholders queries.

| Name of Members   | Designation | No. of Meetings held during the F.Y.20 23-24 | No. of Meetings eligible to attend During the F.Y. 2023-24 | No. of Meetings Attended during the F.Y. 2023-24 |
|---|-------------|--|--|--|
| Ms. Apeksha Vyas (Non-Executive & Independent Director) | Chairperson | 2  | 2  | 2  |
| Mr. Rushabh Shah (Non-Executive & Independent Director) | Member      | 2  | 2  | 2  |
| Mr. Sanjay Prakash Mangal (Managing Director)           | Member      | 2  | 2  | 2  |

## Status of Complaints during the financial year ended on 31.03.2024:

|  |   |
|--|---|
| Complaints at the beginning of the year                              | 0 |
| Complaints received during the year                                  | 2 |
| Complaints resolved during the year                                  | 2 |
| Complaints remain unresolved at the end of the year                  | 0 |
| Complaints remain unresolved to the satisfaction of the shareholders | 0 |

#### **Name and Designation of the Compliance Officer:**

Name: Ms. Avani Patel  
Designation: Company Secretary and Compliance officer  
Contact Details: +91 79 6812 7156  
E mail: [cs@hindprakash.com](mailto:cs@hindprakash.com)

#### **6) General Body Meetings and Postal Ballot:**

The last three Annual General Meetings / Extra ordinary General Meetings were held as under:

| AGM              | Financial year | Date       | Time     | Venue  | No. of Special Resolutions Passed |
|------------------|----------------|------------|----------|--|-----------------------------------|
| 15 <sup>th</sup> | 31.03.2023     | 30/09/2023 | 02:30 PM | Held Through Video Conferencing / Other Audio Visual Means | 1                                 |
| 14 <sup>th</sup> | 31.03.2022     | 27/09/2022 | 12:15 PM | Held Through Video Conferencing / Other Audio Visual Means | NIL                               |
| 13 <sup>th</sup> | 31.03.2021     | 25/09/2021 | 12:00 PM | Held Through Video Conferencing / Other Audio Visual Means | NIL                               |

**The Details of the Special Resolution passed at the 15<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2023 are as under:**

| Sr. No. | Particular of Resolution   | No. of votes in Favour | No. of votes Against | Total votes |
|---------|--|------------------------|----------------------|-------------|
| 1       | To reappoint Mr. Jitendra Kumar Sharma as an Independent Director of the Company whose term is expiring on 03 <sup>rd</sup> July, 2024 for further period of 5 (five) consecutive years. | 82,04,777              | 500                  | 82,05,277   |

**No Special Resolution passed through Postal Ballot during FY 2023-24.**

#### **8) Means of Communication:**

##### **a. Quarterly Financial Results and Newspapers wherein results normally published:**

The Quarterly and Annual Financial Results are normally published in widely circulated national and local dailies such as “Financial Express”/” Indian Express” in English and “Financial Express” in Gujarati language. However, financial

results are available on the website of the Company at [www.hindprakash.in](http://www.hindprakash.in) and also on website of Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com).

**b. Website:**

The Company's website [www.hindprakash.in](http://www.hindprakash.in) contains a separate dedicated section namely "Investors" where shareholders information including financial results, Annual Report etc., are available. The Annual Report of the Company for the Financial Year ended on March 31, 2024 is also available on the website of the Company.

**c. Whether it also displays official news releases – Not applicable**

**d. Presentations made to institutional investors or to the analysts – Not applicable**

**9) General Shareholders' Information**

**a. Company Registration Details:**

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24100GJ2008PLC055401.

**b. Registered office:**

301, Hindprakash House Plot No.10/6, GIDC, Vatva, Ahmedabad, Gujarat 382445 India.

**c. Annual General Meeting:**

**Date and Time** : Saturday, 14<sup>th</sup> day of September, 2024 at 2.30 P.M.

**Venue** : The company is conducting meeting through VC/OAVM pursuant to the relevant MCA circulars in this regard and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

**d. Financial Calendar 2024-25 (Tentative and subject to change for the financial year 2024-25)**

| Particulars Quarterly Results              | Tentative Schedule             |
|--|--------------------------------|
| Quarter ending on June 30, 2024            | On or before August 14, 2024   |
| Quarter ending on September 30, 2024       | On or before November 14, 2024 |
| Quarter ending on December 31, 2024        | On or before February 14, 2025 |
| Quarterly and Year ended on March 31, 2025 | On or before May 30, 2025      |

**e. Dividend Payment**

Dividend for the year ended 31<sup>st</sup> March, 2024 will be paid to the members whose names will appear in the register of members of the Company on 06<sup>th</sup> September, 2024 and in respect of shares held in Demat form, the members whose names appear on the statement of beneficial ownership furnished by NSDL and CDSL at the end of business hours on 06<sup>th</sup> September, 2024.

Dividend will be paid within 30 days from the date of approval by the members at the Annual General Meeting either by posting of dividend warrants / demand draft or by direct credit into the members' bank accounts.

## f. Listing on Stock Exchanges

The Company's shares are listed at BSE Limited, 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort Mumbai - 400 001 and National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

The Company has paid listing fees for the year 2023-24 and 2024-25 to both the Stock Exchanges.

BSE Limited

Scrip Code: 543645 Scrip ID: HPIL

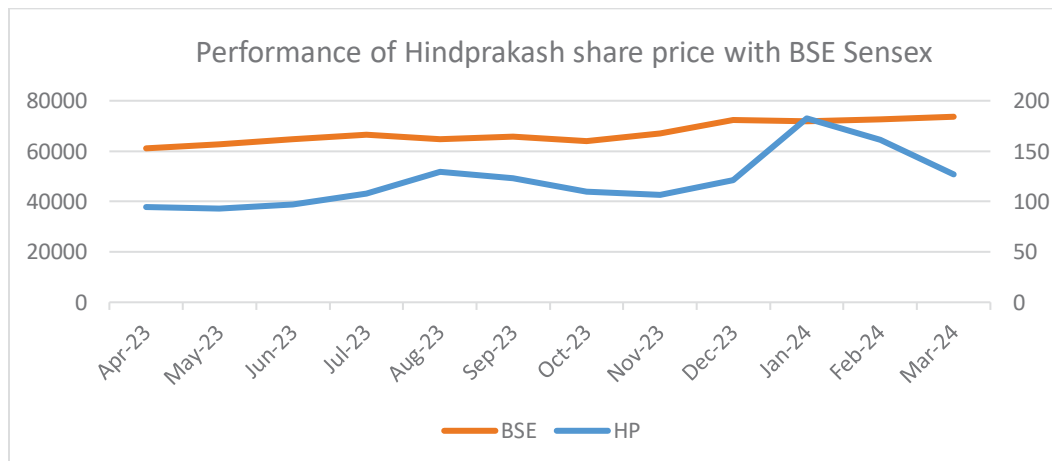
National Stock Exchange of India Limited

Trading Symbol: HPIL

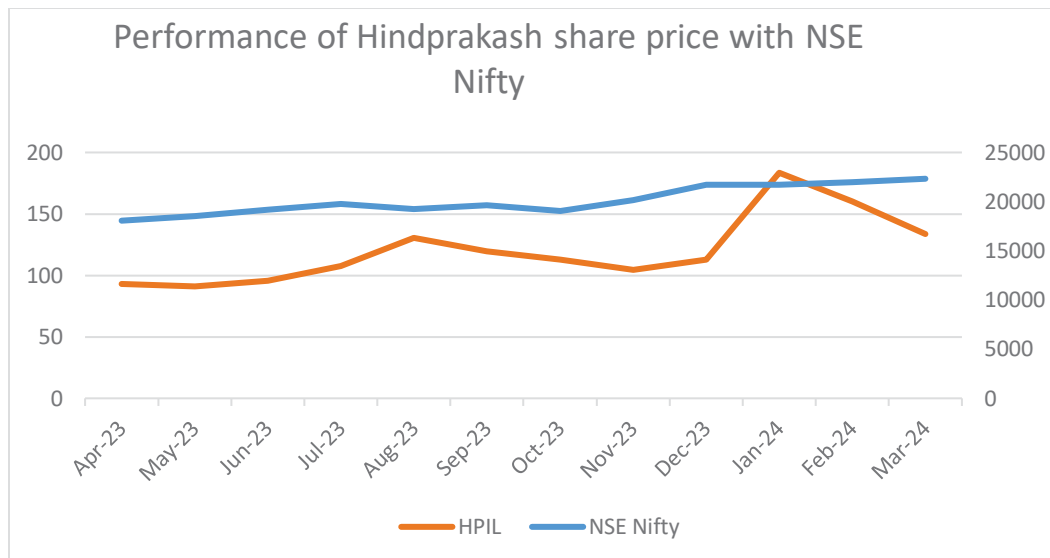
## g. Share price at BSE and NSE

| Month    | BSE      |         | NSE      |         |
|----------|----------|---------|----------|---------|
|          | High (₹) | Low (₹) | High (₹) | Low (₹) |
| Apr-2023 | 94.75    | 75.00   | 93.50    | 89.00   |
| May-2023 | 98.99    | 84.08   | 94.40    | 89.00   |
| Jun-2023 | 114.50   | 82.50   | 98.10    | 90.80   |
| Jul-2023 | 110.10   | 90.01   | 109.40   | 101.05  |
| Aug-2023 | 147.35   | 95.10   | 136.80   | 127.50  |
| Sep-2023 | 146.50   | 117.65  | 124.00   | 118.90  |
| Oct-2023 | 127.50   | 107.35  | 112.95   | 108.55  |
| Nov-2023 | 113.75   | 100.00  | 107.40   | 103.65  |
| Dec-2023 | 131.75   | 102.30  | 113.05   | 113.00  |
| Jan-2024 | 210.00   | 112.00  | 199.00   | 180.00  |
| Feb-2024 | 186.15   | 139.85  | 165.00   | 160.45  |
| Mar-2024 | 177.00   | 125.55  | 141.00   | 133.00  |

## BSE



## NSE



**In case the securities are suspended from trading, the directors report shall explain there as on thereof. - The securities of the company are not suspended from trading.**

### h. Registrar and Share Transfer Agent

Entire Share Transfer and dematerialization / rematerialization job is assigned to Bigshare Services Pvt. Ltd, a SEBI registered Registrar and Share Transfer Agent. Request for Share transfer, dematerialization and re-materialization should be sent directly to Bigshare Services Pvt. Ltd.

### i. Corporate office:

E-3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400072, Email: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)

### Branch Office:

A/802, Samudra Complex, Near Klassic Gold Hotel, Girish Cold Drinks, Off C. G. Road, Navrangpura, Ahmedabad-380009 Contact No. 079- 40392571, Email: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com).

Shareholders have option to open their accounts with either NSDL or CDSL as the Company has entered into agreements with both of these depositories.

### j. Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition or re-lodgement of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Board has delegated the authority for approving transfer, transmission etc. to the Stakeholder Relationship Committee.



The Company obtains annually certificate from a Company Secretary in Practice confirming the issue of share certificates, sub-division, consolidation, transmission etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI (LODR) Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI (LODR) Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on yearly basis.

As per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 read with SEBI Press Release dated 3rd December, 2018, the requests for effecting transfer of securities (except in case of transmission, transposition or re-lodgment of securities) is not being processed after 31st March, 2019, unless the securities are held in the dematerialized form with the depositories.

#### k. Information for Physical Shareholders

With reference to SEBI Circular dated 3rd November, 2021 read with SEBI Circulars dated 14th December, 2021 and 25th January, 2022 and 16th March, 2023 on Common and Simplified Norms for processing Investor's Service, shareholders holding shares in physical form, to furnish the following documents mandatorily to Company/ our Registrar & Share Transfer Agent (RTA) on urgent basis, failing which all such physical folios shall stand frozen with effect from 1st October, 2023 by the RTA of the Company. Shareholders with frozen folio shall not be eligible to lodge grievance or avail service request from the RTA and further shall not be eligible for receipt of dividend in physical mode w.e.f. 1st April, 2024.

- 1) Valid PAN including of all Joint Shareholders duly linked with Aadhaar and KYC details (Form ISR-1)
- 2) Bank Account details (Bank Name, Branch, Bank Account No, IFSC Code and MICR code) (Form ISR-1)
- 3) Address with Pin code, Email id and Mobile Number (Form ISR-1)
- 4) Specimen Signature (Form ISR-2)
- 5) Registration of Nominee (Form No. SH-13) or Declaration for opting-out of Nomination (Form ISR-3)

Soft copy of the above forms are available on the website of the Company as well as website of the Registrar and Share transfer agent of the Company.

Necessary communication through letters were been sent to all the physical shareholders in this regard in the month of February, 2022 and second reminder was sent in the month of March, 2023.

Further all the shareholders who have not dematerialized their shares, are also advised to get their shares converted into Demat/electronic form to get inherent benefits of dematerialization. For queries, you can approach our Registrar and Share Transfer Agent (RTA) at : Bigshare Services Private Limited (Unit: Hindprakash Industries Limited), A/802, Samudra Complex, Near Klassic Gold Hotel, Girish Cold Drinks, Off C. G. Road, Navrangpura, Ahmedabad- 380009, Email: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com) , Tel. : 079- 40392571.

#### I. Distribution of Shareholding as on 31.03.2024

| Shares             | No. of Shareholder | Total No. of Shares |
|--------------------|--------------------|---------------------|
| 1 - 500            | 2516               | 137118              |
| 501 - 1000         | 58                 | 47405               |
| 1001 - 2000        | 50                 | 74937               |
| 2001 - 3000        | 52                 | 148693              |
| 3001 - 4000        | 8                  | 29778               |
| 4001 - 5000        | 4                  | 19630               |
| 5001 - 10,000      | 24                 | 154772              |
| 10,001 - 999999999 | 47                 | 10811777            |
| <b>Total</b>       | <b>2759</b>        | <b>11424110</b>     |

#### m. Shareholding Pattern as on 31<sup>st</sup> March, 2024

| Sr. No.      | Category         | No. of Shares      | Percentage |
|--------------|------------------|--------------------|------------|
| 1.           | Promoters        | 85,62,005          | 74.95      |
| 2.           | HUFs             | 2,15,293           | 1.89       |
| 3.           | Clearing Member  | 133                | 0.00       |
| 4.           | NRIs             | 18,789             | 0.16       |
| 5.           | Bodies Corporate | 3,17,708           | 2.78       |
| 6.           | Indian Public    | 23,10,182          | 20.23      |
| <b>Total</b> |                  | <b>1,14,24,110</b> | <b>100</b> |

#### n. Dematerialization of Shares as on 31.03.2024

The Company's shares are traded in dematerialized form on 'National Stock Exchange of India Limited' and 'BSE Limited' as on 31.03.2024 all the shares were held in dematerialized form and no physical shares were there.

Under the depository system, The International Securities Identification Number (ISIN) Number in NSDL and CDSL is "INE05X901010".

**o. Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on equity** - The Company had not issued Global Depository Receipts or American Depository Receipts or any Convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities - The Company does not deal in commodities and was not involved in any foreign exchange / hedging activities during the FY 2023-24, hence the disclosure pursuant to SEBI Circular dated 15<sup>th</sup> November, 2018 is not required to be given.

#### p. Plant Locations

**The Company's plants are located at the following places:**

1. Plot No. 114 & 115, GIDC, Industrial Estate, Phase-II, Vatva, Ahmedabad
2. Plot No. T-10 to T-12, Saykha Industrial Estate, GIDC, Ta. Vagra, Dist. Bharuch, Ahmedabad

#### q. Address for Correspondence

The Company's Registered Office is situated at 301, Hindprakash House Plot No.10/6, Phase-I, GIDC, Vatva, Ahmedabad-382445, Gujarat, India. Shareholders' correspondence should be addressed to the Registered Office of the Company as stated above or to the Registrar and Share Transfer Agent, M/s. Bigshare Services Private Limited, A/802, Samudra Complex, Near Klassic Gold Hotel, Girish Cold Drinks, Off C. G. Road, Navrangpura, Ahmedabad- 380009. (E-3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400072). Contact No. 079- 40392571, Email: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad. - During the year under review the company has not obtained any credit rating from any agency.

**Other Disclosures:**

1. There were no transactions of material nature with the directors or the management or their subsidiaries or relatives etc. during the year, which could have potential conflict with the interests of the Company at large.
2. Disclosure of Accounting Treatment: These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The Financial Statements up to and for the year ended 31<sup>st</sup> March, 2024 were prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The previous year figures have been regrouped/ reclassified or restated, so as to make the figures comparable with the figures of current year.
3. The Company has received mail from BSE Limited on December 14, 2022 for non-compliance of Regulation 33 (for September 2022 quarter) SEBI (LODR) Regulations, 2015 and imposing fines as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. Provisions of Regulation 33 (for September 2022 quarter) SEBI (LODR) Regulations, 2015 were not applicable to the Company as The Board of Directors has approved Financial Results for the half year ended on September 30, 2022 on October 22, 2022 and as on the date the Company was listed on the NSE SME Platform only. the Company was migrated to BSE Main Board through direct listing on November 07, 2022 and on October 22, 2022 the Company was listed on NSE SME Platform only, hence the requirement of submitting financial result on BSE Stock exchange does not arise.

However, after receipt of mail from BSE Limited the Company has submitted the financial results for the period ended on September 30, 2022 on BSE listing portal (PDF and XBRL mode both) on January 02, 2023.

The Company has filed Application for Waiver of fines levied for the same on January 04, 2023

**4. Vigil Mechanism (Whistle Blower Policy):**

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed the Whistle Blower Policy for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports etc.

The Vigil Mechanism (Whistle Blower Policy) and is posted on the Company's website at <https://www.hindprakash.in/images/ourteam/0a4d74436d8fddd6ce989435123533cd.pdf> and no person is denied access to the Audit Committee. The system is in place to report unethical conduct in order to promote professionalism, fairness, dignity, and ethical behavior in its staff and stakeholders.

5. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with all the mandatory requirement of Corporate Governance provisions. The Company has partly adopted non mandatory requirements. The

Company is having unmodified audit opinion and the Internal Auditor reports directly to the audit committee. The Company is complying with applicable Secretarial Standards.

6. The Company has no material subsidiary. The Policy on Material Subsidiary framed by the Board of Directors of the Company is available on Company's website at the <https://www.hindprakash.in/images/ourteam/pdms.pdf>

7. **Related Party Transactions**

All transactions entered into with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis and approved by the Audit Committee and the Board of Directors. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company. and it has been uploaded on the website of the Company at <https://www.hindprakash.in/images/ourteam/prpt.pdf>.

8. **Secretarial Audit for Reconciliation of Capital pursuant to SEBI (Depositories and Participants) Regulations, 2018:**

A practicing company secretary has carried out the aforesaid Secretarial Audit for all the quarters of Financial Year 2023-24. The Audit Reports confirms that there is no discrepancy in the issued, listed and admitted capital of the Company.

The Company has received Certificate from Mr. Umesh Parikh, Partner of Parikh Dave & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/ Ministry of Corporate Affairs or any such statutory Authority. Certificate forms part of the report.

During the year, total fees of Rs. 2,75,000/- have been paid to Statutory Auditors M/s. KKAK & Co. of the Company.

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

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

9. **During the financial year under review the Company has raised any funds through preferential allotment or qualified institutional placement.**

The Company has raised Rs. 205.00 Lakhs on 15<sup>th</sup> July, 2022 being 25% of total Issue Size i.e. Rs. 820.00 Lakhs through Preferential allotment of Convertible Equity Warrants, Whole of the funds were utilized for objects for which it was raised i.e. to augment the net worth of the Company and to broad base the capital structure of the company required for its business growth, to meet increased working capital requirements, to meet the long term fund requirements of the Company, to repay the debt of the Company and General corporate purpose.

Further, on 10<sup>th</sup> January, 2024 the Company has raised Rs. 615.00 Lakhs being 75% of total Issue Size i.e. Rs. 820.00 Lakhs. (Pursuant to special resolution passed by the members of the Company in the Extra-Ordinary General Meeting of the Company held on July 06, 2022 and as per SEBI (ICDR) Regulations, the Allottees have

paid balance consideration i.e 75% of the total consideration against the Warrant Issue Price (Rs. 82/- per Warrant), out of which funds of Rs. 612.98 Lakhs were utilized for objects for which it was raised i.e. To augment the net worth of the Company and to broad base the capital structure of the company required for its business growth, to meet increased working capital requirements, to meet the long term fund requirements of the Company, to repay the debt of the Company and General corporate purpose.)

**10. 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'**

Loans and advances given by the Company to firms/companies in which directors are interested are given in the Notes to the Financial statements attached to this Report.

**11. The Company has complied with the requirements of Schedule V Corporate Governance Report sub-paras (2) to (10) of the Listing Regulations.**

**12. The Company has duly fulfilled the following discretionary requirements as specified in Part E of Schedule II of the Listing Regulations:**

**13. With regard to discretionary requirements, the Company has adopted clauses relating to the following:**

- I. Reporting of Internal Auditor: Internal Auditors reports directly to the Audit Committee.
- II. The report of Auditors with respect to the Audited Standalone and Consolidated Financial Results of the Company for the year were with un-modified opinion.

**14. Disclosure of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations:**

The Company have complied with the requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI Listing Regulation.

**15. Declaration with respect to demat suspense account / unclaimed suspense account: Not applicable.**

**16. Declaration of compliance of Code of Conduct:**

According to the information provided / available, it is hereby confirmed that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company during the Financial Year 2023-24. The Code of Conduct is also posted on the website of the Company i.e. <https://www.hindprakash.in/images/ourteam/2d08b1f3d945f5b98d2f47b8725a0a4a.pdf>.

**17. There is no instance where the Board has not accepted any recommendation of any committee of the Board, which is mandatorily required in the financial year 2023-24.**

**18. CEO and CFO certification**

As per Regulation 17(8) and Part - B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Managing Director / CEO and CFO has been obtained.

Ahmedabad.  
August 14, 2024

Sanjay Prakash Mangal  
Managing Director  
(DIN:02825484)

## MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To  
The Board of Directors,  
**Hindprakash Industries Limited**

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March, 2024 and that to the best of our knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year.
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) that there is no instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Ahmedabad**  
**August 14, 2024**

**Sanjay Prakash Mangal**  
**Managing Director**  
**(DIN: 02825484)**

**Hetal shah**  
**Chief Financial Officer**



**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**HINDPRAKASH INDUSTRIES LIMITED**  
**CIN: L24100GJ2008PLC055401**

We have examined all relevant records of **HINDPRAKASH INDUSTRIES LIMITED** for the purpose of certifying compliance of conditions of Corporate Governance as stipulated under para C and D of Schedule V read with Regulation 34(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time for the year ended on March 31, 2024.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the further viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

On the basis of the examination of the records produced, explanations and information furnished, we certify that the Company has complied with the applicable conditions of the Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

**FOR PARIKH DAVE & ASSOCIATES**  
**COMPANY SECRETARIES**

**UMESH G. PARIKH**  
**PRACTICING COMPANY SECRETARY**  
**PARTNER**  
**ICSI Unique Code No.: P2006GJ009900**  
**Peer review Certificate No.: 796/2020**  
**FCS NO. 4152 CP. NO. 2413**  
**UDIN: F004152F000975232**

**PLACE: Ahmedabad**  
**DATE: August 14, 2024**

To,  
The Members,  
**HINDPRAKASH INDUSTRIES LIMITED**  
**CIN: L24100GJ2008PLC055401**

We have examined relevant registers, records, forms, returns and disclosures in respect of the Directors of **HINDPRAKASH INDUSTRIES LIMITED** (the Company) having its registered office situated at 301, Hindprakash House Plot No.10/6,GIDC, Vatva, Ahmedabad 382445, Gujarat, India which were produced before us by the Company for the purpose of issuing a certificate as stipulated in Regulation 34 (3) read with Clause (10) (i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In our opinion and to the best of our information and on the basis of verification of the above stated documents (including the status of Directors Identification Number - DIN at the portal of Ministry of Corporate Affairs - MCA [www.mca.gov.in](http://www.mca.gov.in)), we hereby certify that none of the Directors on the Board of the Company as on March 31, 2024 have been debarred or disqualified from being appointed or continuing as a Director of the Company by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the basis of verification of documents produced before us and made available to us. 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 affairs of the Company.

**FOR PARIKH DAVE & ASSOCIATES**  
**COMPANY SECRETARIES**

**UMESH G. PARIKH**  
**PRACTICING COMPANY SECRETARY**  
**PARTNER**  
**ICSI Unique Code No.: P2006GJ009900**  
**Peer review Certificate No.: 796/2020**  
**FCS NO. 4152 CP. NO. 2413**  
**UDIN: F004152F000975199**

**PLACE: Ahmedabad**  
**DATE: August 14, 2024**

## Annexure VI

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2024

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

To,  
The Members,  
**HINDPRAKASH INDUSTRIES LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HINDPRAKASH INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2024 ('Audit Period') 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 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;                     |
| (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, 1992;   |
| (c)   | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;   |
| (d)   | The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not applicable during the year under review                                       |
| (e)   | The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable during the year under review   |
| (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; - Not applicable during the year under review |
| (g)   | The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- Not applicable during the year under review and  |

|     |  |
|-----|--|
| (h) | The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- Not applicable during the year under review |
|-----|--|

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

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

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

We further report that, the Company has identified the following laws as specifically applicable to the Company:

- 1. Factories Act, 1948;
- 2. Acts prescribed under prevention and control of pollution.
- 3. Acts prescribed under Environmental protection.

#### **We further report that**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We 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.

We further report that during the period under audit, no specific events/actions which have a major bearing on the Company's affairs have taken place, in pursuance of the above referred laws, rules, regulations and standards except for the following:

- 1. Board of Directors of the Company passed Board resolution for allotment of Equity Shares (Pursuant to exercise of the option of conversion of warrants into equal number of equity shares) on preferential basis at meeting of Board of Directors held as on **10<sup>th</sup> Day of January, 2024.**

**Place : RAJKOT**

**Date : 14.08.2024**

**For, V. N. Vasani & Associates  
PR NO: 1501/2021**

**VIVEK VASANI  
Membership No. : 34219  
C P No. : 12743  
UDIN: A034219F001005398**

**Annexure A**

To,  
The Board of Directors / Members,  
**HINDPRAKASH INDUSTRIES LIMITED**  
301, HINDPRAKASH HOUSE NO. 10/16, GIDC  
VATVA, AHMEDABAD, GUJARAT INDIA 382445

**Re: Secretarial Audit Report of even date is to be read along with this letter.**

1. Maintenance of secretarial records is the responsibility of the management. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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-check basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions or corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place : RAJKOT**

**For, V. N. Vasani & Associates**  
**PR NO: 1501/2021**

**Date : 14.08.2024**

**VIVEK VASANI**  
**Membership No. : 34219**  
**C P No. : 12743**  
**UDIN: A034219F001005398**

## ANNEXURE VII TO THE DIRECTORS' REPORT

### NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors and the said committee comprises of:

| SR.NO | NAME OF MEMBERS  | DESIGNATION |
|-------|--|-------------|
| 1.    | Mr. Rushabh Shah (Non-Executive & Independent Director)                      | Chairman    |
| 2.    | Mr. Jitendra Kumar Sharma (Non-Executive & Independent Director)             | Member      |
| 3.    | Ms. Apeksha Vyas (Non-Executive & Independent Director)(upto 15.06.2024)     | Member      |
| 4.    | Ms. Shivani Pathak (Non-Executive & Independent Director)(w.e.f. 15.06.2024) | Member      |

#### DEFINITIONS:

**“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

**“Key Managerial Personnel”** means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole- time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

**“Senior Managerial Personnel”** mean the personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

#### OBJECTIVE:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### ROLE OF THE COMMITTEE:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.



- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## **APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

## **TERM / TENURE**

### **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### **Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such other number as may be prescribed under the Act.

## **EVALUATION**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

## **REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

## **RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

### **1) Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole- time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### **2) Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

**3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee May Delegate any of its powers to one or more of its members.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
HINDPRAKASH INDUSTRIES LIMITED**

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

**Opinion**

1. We have audited the standalone financial statements of Hindprakash Industries Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2024, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

5. 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 period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter  | How the matter was address in our audit   |
|---|---|
| <b>Revenue Recognition:</b><br>Revenue of the Company mainly comprises of sale of goods to its customers. Revenue from sale of goods is recognized when control is transferred to the customer and there is no other unfulfilled obligation. This requires detailed analysis of each contract/ customer purchase order regarding timing of revenue recognition. Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. Accordingly, timing of recognition of revenue is a key audit matter. | We applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: <ul style="list-style-type: none"> <li>• Assessing the Company's accounting policies for revenue recognition by comparing with the applicable accounting standards;</li> <li>• Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of goods;</li> <li>• Performed testing on selected samples of customer contracts/ customer purchase orders. Checked terms and conditions related to acceptance of goods, acknowledged delivery receipts, and tested the transit time to deliver the goods and its revenue recognition. Our tests of details focused on cut-off samples to verify only revenue pertaining to current year is recognized based on delivery documents along with terms and conditions set out in customer contracts/ customer purchase orders.</li> </ul> |

**Information Other than the Standalone Financial Statements and Auditors' Report thereon**

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report (but does not include the standalone financial statements and our auditor's report thereon) and the rest of the

Annual Report (the “Other Information”). The Other Information is expected to be made available to us after 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 identified above when it becomes available 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. 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 and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (“Ind AS”) 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 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.
8. In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

#### **Auditor’s Responsibilities for the Audit of the Standalone Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
11. 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to standalone financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors;
  - Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
  13. 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.
  14. 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.
  15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

16. As required by Section 143(3) of the Act, we report to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the standalone financial statements;
  - 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;
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under Section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A';
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2024.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 53(o) to the standalone financial statements, no funds 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 53(p) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause 16(g)(iv)(a) and 16(g)(iv)(b) contain any material misstatement.

- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
  - 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, as described in note 52 to the standalone financial statements. 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.
  - vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, is applicable from 1st April 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 31st March 2024.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; the remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act and no other details are prescribed to be given.
17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO**

Chartered Accountants

FRN: 148674W

UDIN: 24149403BKGQQW5093

Ahmedabad; 28th May 2024

**“Annexure A” to the Independent Auditors’ Report of even date to the members of  
HINDPRAKASH INDUSTRIES LIMITED on the Standalone Financial Statements  
for the year ended 31st March 2024**

(Referred to in para 16(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Independent Auditors’ Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

**Opinion**

1. We have audited the internal financial controls over financial reporting with reference to standalone financial statements of Hindprakash Industries Limited (“the Company”) as at 31st March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.
2. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to the standalone financial statements and such internal financial controls over financial reporting with reference to the standalone financial statements were operating effectively as at 31st March 2024, based on the internal financial controls over financial reporting with reference to the standalone financial statements criteria established by the Company considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

**Responsibilities of Management and those charged with governance for Internal Financial Controls**

3. The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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**

4. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting with reference to standalone financial statements. 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 with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to the standalone financial statements, 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.
6. 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 over financial reporting with reference to the standalone financial statements.

**Meaning of Internal Financial Controls over Financial Reporting with Reference to the Standalone Financial Statements**

7. A company's internal financial controls over financial reporting with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to the standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and payments of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to the Standalone Financial Statements**

8. Because of the inherent limitations of internal financial controls over financial reporting with reference to the standalone financial statements, 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 with reference to the standalone financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO**

Chartered Accountants

FRN: 148674W

UDIN: 24149403BKGQQW5093

Ahmedabad; 28th May 2024

**“Annexure B” to the Independent Auditors’ Report of even date to the members of  
HINDPRAKASH INDUSTRIES LIMITED on the Standalone Financial Statements  
for the year ended 31st March 2024**

(Referred to in paragraph 17 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Report on the Matters Specified in Paragraphs 3 and 4 of the Companies (Auditor’s Report) Order, 2020 (“the Order”) Issued by the Central Government in Terms of Section 143(11) of the Companies Act, 2013 (“the Act”)**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- 1 (a) (A) The Company has maintained records showing full particulars including quantitative details and situation of property, plant and equipment (PPE), which, in our opinion, are proper.  
(B) The Company has maintained records showing full particulars of intangible assets, which, in our opinion, are proper.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment (“PPE”) by which PPE are verified in a phased manner over a period of three years. In accordance with this programme, certain PPE were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its PPE. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) The Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made there under.
- 2 (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit, subsequent evidence of delivery has been verified. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by the management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are generally in agreement with the books of account of the Company. The Details of the same is given in notes to the account, no material discrepancies were noticed.
- 3 During the year:
  - The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties.
  - The Company has not made investments in companies, firms, limited liability partnerships or any other parties.
  - The Company has granted loans to companies, firms/ limited liability partnerships/ other parties.
- (a) Granted loan to associate: Aggregate amount provided during the year Rs. 170.00 lakhs, and balance outstanding at the balance sheet date Rs. Nil.  
Granted loan to others: Aggregate amount provided during the year Rs. 1,196.29 lakhs, and balance outstanding at the balance sheet date Rs. 978.31 lakhs.

- (b) In our opinion, investments made and the terms and conditions of grant of all loans, prima facie, are not prejudicial to the interest of the Company.
  - (c) In respect of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
  - (d) There is no amount overdue remaining outstanding as at the year end.
  - (e) There is no loan granted which has fallen due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
  - (f) The Company has not granted loan or advance in the nature of loan either repayable on demand or without specifying any terms or period of repayment.
- 4 In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 5 The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- 6 We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- 7 (a) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- No undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.
- (b) There are no dues of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited as on 31st March 2024 on account of any dispute.
- 8 The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, clause 3(viii) of the Order is not applicable.
- 9 (a) The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lenders.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the standalone financial statements of the Company, in our opinion, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate company. The Company does not hold any investment in any subsidiaries companies or joint ventures as defined under the Act.
- (f) The Company has not raised loans during the year on the pledge of securities held in its associate company. The Company does not hold any investment in any subsidiary companies or joint ventures as defined under the Act.
- 10 (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) In relation to the preferential allotment of convertible warrants and subsequent allotment of shares on conversion of convertible warrants, in our opinion the company has complied with the requirements of section 42 and section 62 of the Act. Further, in our opinion, the amount so raised have been used for the purposes for which the funds were raised. The company has not made allotment of any fully, partly or

- optionally convertible debentures during the year.
- 11 (a) No fraud by the Company or on the Company has been noticed or reported during the course of the audit.  
(b) No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) There are no whistle blower complaints received by the Company during the year.
  - 12 The Company is not a Nidhi Company. Accordingly, clauses 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable.
  - 13 In our opinion, the Company's transactions with its related parties are in compliance with section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
  - 14 (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
  - 15 In our opinion, the Company has not entered into non-cash transactions covered under the provisions of Section 192 of the Act with its directors or persons connected with its directors. Accordingly, paragraph 3 (xv) of the order is not applicable to the Company.
  - 16 (a) & (b) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(a) and clause 3(xvi)(b) of the Order is not applicable.  
(c) & (d) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) and clause 3(xvi)(d) of the Order is not applicable.
  - 17 The Company has not incurred cash losses in the current and in the immediately preceding financial year.
  - 18 There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
  - 19 On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of standalone balance sheet as and when they fall due within a period of one year from the standalone 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 standalone balance sheet date, will get discharged by the Company as and when they fall due.
  - 20 There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO**

Chartered Accountants

FRN: 148674W

UDIN: 24149403BKGQQW5093

Ahmedabad; 28th May 2024



# Hindprakash Industries Limited

(Standalone Financial Statements as at 31st March, 2024)

## Standalone Balance Sheet as at 31st March, 2024

**HindPrakash**

16th Annual Report 2023-24

(Rs in Lakhs)

| Sr. No.   | Particulars   | Note No. | As at 31st March 2024 | As at 31st March, 2023 |
|-----------|---|----------|-----------------------|------------------------|
| <b>I</b>  | <b>ASSETS</b>   |          |                       |                        |
| <b>A</b>  | <b>Non-Current Assets</b>   |          |                       |                        |
|           | a) Property Plant & Equipments  | 2        | 416.57                | 431.37                 |
|           | b) Right of Use Assets  | 2        | 1,096.06              | 1,108.25               |
|           | c) Intangible Assets  | 2        | 2.08                  | 5.87                   |
|           | d) Capital work-in-progress   | 2        | 29.71                 | -                      |
|           | e) Financial Assets   |          |                       |                        |
|           | - Investments   | 3        | 462.37                | 493.85                 |
|           | - Other Financial Assets  | 4        | 1,461.50              | 557.30                 |
|           | f) Income Tax Assets (net)  | 11       | -                     | 16.98                  |
|           | g) Deffered Tax Assets (Net)  | 5        | -                     | -                      |
|           | h) Other Non-Current Assets   | 6        | 2.55                  | 1.00                   |
|           | <b>Total Non-Current Assets</b>   |          | <b>3,470.84</b>       | <b>2,614.62</b>        |
| <b>B</b>  | <b>Current Assets</b>   |          |                       |                        |
|           | a) Inventories  | 7        | 1,996.40              | 1,641.86               |
|           | b) Financial Assets   |          |                       |                        |
|           | - Trade receivables   | 8        | 2,597.36              | 3,259.05               |
|           | - Cash and cash equivalents   | 9        | 5.69                  | 64.95                  |
|           | - Bank Balances other than above  | 9        | 50.14                 | 23.11                  |
|           | - Loans   | 10       | 200.00                | 205.66                 |
|           | - Other Financial Assets  | 10       | 125.99                | 173.87                 |
|           | c) Other Current Assets   | 12       | 23.10                 | 11.70                  |
|           | <b>Total Current Assets</b>   |          | <b>4,998.68</b>       | <b>5,380.20</b>        |
|           | <b>TOTAL ASSETS</b>   |          | <b>8,469.52</b>       | <b>7,994.82</b>        |
| <b>II</b> | <b>EQUITY AND LIABILITIES</b>   |          |                       |                        |
| <b>1</b>  | <b>EQUITY</b>   |          |                       |                        |
|           | a) Equity Share capital   | 13       | 1,142.41              | 1,042.41               |
|           | b) Other Equity   | 14       | 3,875.95              | 3,218.28               |
|           | <b>Total EQUITY</b>   |          | <b>5,018.36</b>       | <b>4,260.69</b>        |
| <b>2</b>  | <b>LIABILITIES</b>  |          |                       |                        |
| <b>A</b>  | <b>Non-Current Liabilities</b>  |          |                       |                        |
|           | a) Financial Liabilities  |          |                       |                        |
|           | - Long Term Borrowings  | 15       | 160.83                | 257.33                 |
|           | - Other Financial Liabilities   | 16       | -                     | -                      |
|           | b) Long Term Provisions   | 17       | 13.79                 | 11.17                  |
|           | c) Deffered Tax Liabilities (Net)   | 5        | 18.18                 | 12.33                  |
|           | d) Other Non-Current Liabilities  | 18       | -                     | -                      |
|           | <b>Total Non-Current Liabilities</b>  |          | <b>192.80</b>         | <b>280.83</b>          |
| <b>B</b>  | <b>Current Liabilities</b>  |          |                       |                        |
|           | a) Financial Liabilities  |          |                       |                        |
|           | - Short Term Borrowings   | 19       | 2,073.53              | 1,883.16               |
|           | - Trade payables  | 20,21    |                       |                        |
|           | (i) Total outstanding dues of Micro Enterprise and Small Enterprises                                  |          | 53.29                 | 0.14                   |
|           | (ii) Total outstanding dues of Creditors other than Micro Enterprise and Small Enterprises            |          | 1,078.40              | 1,501.52               |
|           | - Other Financial Liabilities   | 22       | 12.23                 | 28.34                  |
|           | b) Short-Term Provisions  | 23       | 34.69                 | 31.07                  |
|           | c) Other Current Liabilities  | 24       | 2.43                  | 0.45                   |
|           | d) Current Tax Liabilities (Net)  | 25       | 3.79                  | 8.62                   |
|           | <b>Total Current Liabilities</b>  |          | <b>3,258.36</b>       | <b>3,453.30</b>        |
|           | <b>TOTAL LIABILITIES</b>  |          | <b>3,451.16</b>       | <b>3,734.13</b>        |
|           | <b>TOTAL EQUITY &amp; LIABILITIES</b>   |          | <b>8,469.52</b>       | <b>7,994.82</b>        |
|           | Summary of Material Accounting Policies and Notes forming part of the Standalone Financial Statements | 1-55     | -                     | -                      |

This is the Standalone Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors,  
Hindprakash Industries Limited (CIN: L24100GJ2008PLC055401)

### Kunal Kedia

(M. No.: 149403), Partner  
for & on behalf of

### K K A K & Co

Chartered Accountants  
FRN: 148674W

### Sanjay Prakash Mangal

Managing Director (DIN:02825484)

### Santosh N Nambiar

Whole Time Director (DIN:00144542)

### Hetal Shah

Chief Financial Officer (PAN:AHWPS1850P)

### Avani Patel

Company Secretary (Mem No.:A66815)

Place: Ahmedabad  
Date: 28th May 2024

Place: Ahmedabad  
Date: 28th May 2024

**Standalone Statement of Changes in Equity for the year ended on 31st March, 2024**

(Rs in Lakhs)

**A. Equity Share Capital**

| Particulars                                     | As at<br>31st March, 2024 |
|---|---------------------------|
| <b>As at 31 March 2022</b>                      | <b>1,042.41</b>           |
| Changes in Equity Share Capital during the year | -                         |
| <b>As at 31 March 2023</b>                      | <b>1,042.41</b>           |
| Changes in Equity Share Capital during the year | 100.00                    |
| <b>As at 31 March 2024</b>                      | <b>1,142.41</b>           |

**B. Other Equity**

| Particulars                            | Securities<br>Premium | Other<br>Comprehensive<br>Income | Retained<br>earnings | Money Received<br>Against Share<br>Warrants | Total           |
|--|-----------------------|----------------------------------|----------------------|---|-----------------|
| <b>Balance as at 31 March, 2022</b>    | <b>864.00</b>         | <b>19.58</b>                     | <b>1,903.90</b>      | <b>-</b>                                    | <b>2,787.48</b> |
| Net Profit/ (Loss) during the Year     | -                     | -                                | 245.77               | -   | 245.77          |
| Other Comprehensive Income/ (Expense)  | -                     | 1.74                             | -                    | -   | 1.74            |
| Dividend                               | -                     | -                                | (21.71)              | -   | (21.71)         |
| Received During the Year               | -                     | -                                | -                    | 205.00                                      | 205.00          |
| Warrants converted in to Equity Shares | -                     | -                                | -                    | -   | -               |
| Capitalised During the Year            | -                     | -                                | -                    | -   | -               |
| Other Adjustments                      | -                     | -                                | -                    | -   | -               |
| <b>Balance as at 31 March, 2023</b>    | <b>864.00</b>         | <b>21.32</b>                     | <b>2,127.96</b>      | <b>205.00</b>                               | <b>3,218.28</b> |
| Net Profit/ (Loss) during the Year     | -                     | -                                | 153.44               | -   | 153.44          |
| Other Comprehensive Income/ (Expense)  | -                     | 0.07                             | -                    | -   | 0.07            |
| Dividend                               | -                     | -                                | (10.84)              | -   | (10.84)         |
| Received During the Year               | -                     | -                                | -                    | 615.00                                      | 615.00          |
| Warrants converted in to Equity Shares | -                     | -                                | -                    | (820.00)                                    | (820.00)        |
| Capitalised During the Year            | 720.00                | -                                | -                    | -   | 720.00          |
| Other Adjustments                      | -                     | -                                | -                    | -   | -               |
| <b>Balance as at 31 March, 2024</b>    | <b>1,584.00</b>       | <b>21.39</b>                     | <b>2,270.56</b>      | <b>-</b>                                    | <b>3,875.95</b> |

**Nature and Purpose of Reserves**

**(a) Securities Premium:** The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

**(b) Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

**Summary of Material Accounting Policies and Notes forming part of the Standalone Financial Statements**

This is the Standalone Statement of Changes in Equity referred to in our report of even date

For and on behalf of the Board of Directors,  
Hindprakash Industries Limited (CIN: L24100GJ2008PLC055401)

**Kunal Kedia**

(M. No.: 149403), Partner  
for & on behalf of

**K K A K & Co**

Chartered Accountants  
FRN: 148674W

**Sanjay Prakash Mangal**

Managing Director (DIN:02825484)

**Santosh N Nambiar**

Whole Time Director (DIN:00144542)

**Hetal Shah**

Chief Financial Officer (PAN:AHWPS1850P)

**Avani Patel**

Company Secretary (Mem No.:A66815)

Place: Ahmedabad  
Date: 28th May 2024

Place: Ahmedabad  
Date: 28th May 2024

## Standalone Statement of Profit & Loss for the year ended on 31st March, 2024

(Rs in Lakhs)

| Sr. No.     | Particulars   | Note No. | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|-------------|---|----------|------------------------------------|------------------------------------|
| <b>I</b>    | <b>Income</b>   |          |                                    |                                    |
|             | a) Revenue from operations  | 26       | 9,950.38                           | 10,078.54                          |
|             | b) Other income   | 27       | 126.27                             | 176.21                             |
|             | <b>Total Income</b>   |          | <b>10,076.65</b>                   | <b>10,254.75</b>                   |
| <b>II</b>   | <b>Expenses</b>   |          |                                    |                                    |
|             | a) Cost of materials consumed   | 28       | 7,655.90                           | 6,897.79                           |
|             | b) Purchase of Stock-in-Trade   | 29       | 2,166.96                           | 2,605.14                           |
|             | c) Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade                      | 30       | (644.40)                           | (71.22)                            |
|             | d) Employee Benefit Expenses  | 31       | 181.21                             | 119.94                             |
|             | e) Finance costs  | 32       | 260.08                             | 177.13                             |
|             | f) Depreciation and amortization expense  | 33       | 43.55                              | 47.26                              |
|             | g) Other Expenses   | 34       | 200.49                             | 145.63                             |
|             | <b>Total Expenses</b>   |          | <b>9,863.79</b>                    | <b>9,921.67</b>                    |
| <b>III</b>  | <b>Profit before Exceptional Items and Tax (I-II)</b>   |          | <b>212.86</b>                      | <b>333.08</b>                      |
|             | Exceptional items   |          | -                                  | -                                  |
| <b>IV</b>   | <b>Profit Before Tax (PBT)</b>  |          | <b>212.86</b>                      | <b>333.08</b>                      |
| <b>V</b>    | <b>Tax Expense</b>  | 35       |                                    |                                    |
|             | a) Current tax  |          | 54.46                              | 81.84                              |
|             | b) Deferred tax   |          | 5.83                               | 5.33                               |
|             | c) Income Tax (Prior Period)  |          | (0.87)                             | 0.14                               |
|             | <b>Total Tax Expenses</b>   |          | <b>59.42</b>                       | <b>87.31</b>                       |
| <b>VI</b>   | <b>Profit After Tax (PAT) (IV-V)</b>  |          | <b>153.44</b>                      | <b>245.77</b>                      |
| <b>VII</b>  | <b>Other Comprehensive Income</b>   |          |                                    |                                    |
|             | a) Items that will not be reclassified to Profit & Loss   |          | 0.09                               | 2.33                               |
|             | Income tax in respect of above  |          | (0.02)                             | (0.59)                             |
|             | b) Items that may be reclassified to Profit & Loss  |          | -                                  | -                                  |
|             | Income tax in respect of above  |          | -                                  | -                                  |
|             | <b>Total Other Comprehensive Income</b>   |          | <b>0.07</b>                        | <b>1.74</b>                        |
| <b>VIII</b> | <b>Total Comprehensive Income for the Year (VI+VII)</b>   |          | <b>153.51</b>                      | <b>247.51</b>                      |
| <b>IX</b>   | <b>Earnings per equity share of Rs. 10/- each (in Rs.)</b>  |          |                                    |                                    |
|             | a) Basic  |          | 1.44                               | 2.36                               |
|             | b) Diluted  |          | 1.39                               | 2.30                               |
|             | Summary of Material Accounting Policies and Notes forming part of the Standalone Financial Statements | 1-55     |                                    |                                    |

This is the Standalone Statement of Profit & Loss referred to in our report of even date

For and on behalf of the Board of Directors,  
Hindprakash Industries Limited (CIN: L24100GJ2008PLC055401)

**Kunal Kedia**  
(M. No.: 149403), Partner  
for & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

**Sanjay Prakash Mangal**  
Managing Director (DIN:02825484)  
**Santosh N Nambiar**  
Whole Time Director (DIN:00144542)  
**Hetal Shah**  
Chief Financial Officer (PAN:AHWPS1850P)  
**Avani Patel**  
Company Secretary (Mem No.:A66815)

Place: Ahmedabad  
Date: 28th May 2024

Place: Ahmedabad  
Date: 28th May 2024

**Standalone Statement of Cash Flow for the year ended 31st March, 2024**

(Rs in Lakhs)

| Particulars  | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
|--|---------------------------------------|---------------------------------------|
| <b>A. Cash Flow From Operating Activities</b>  |                                       |                                       |
| Net Profit / (Loss) BeforeTax  | 212.86                                | 333.08                                |
| <b>Adjustments For:</b>  |                                       |                                       |
| Depreciation on Property Plant and Equipment, ROU Assets and Intangible Assets         | 43.55                                 | 47.26                                 |
| Dividend Income  | -                                     | -                                     |
| Interest Income  | (115.59)                              | (171.89)                              |
| Finance Costs  | 260.08                                | 177.13                                |
| Non-Cash Items / Provisions  | 5.81                                  | (10.77)                               |
| (Gain) / Loss on Sale of Property, Plant and Equipments (Net)                          | (0.46)                                | -                                     |
| (Gain) / Loss on Sale of Investments (Net)   | -                                     | -                                     |
| Unrealised Foreign Exchange (Gain)/Loss (Net)  | 2.09                                  | (1.36)                                |
| Allowance for Doubtful Debts   | 3.56                                  | 6.59                                  |
| <b>Operating Profit / (Loss) Before Working Capital Changes</b>                        | <b>411.90</b>                         | <b>380.04</b>                         |
| <b>Changes In Working Capital:</b>   |                                       |                                       |
| <b>Adjustments for Increase / Decrease in Operating Assets / Liabilities:</b>          |                                       |                                       |
| (Increase) / Decrease Trade Receivables  | 658.34                                | (947.13)                              |
| (Increase) / Decrease Inventories  | (354.54)                              | (46.57)                               |
| (Increase) / Decrease Other Non-Current Assets   | 0.05                                  | (4.53)                                |
| (Increase) / Decrease Other Current Assets   | (11.40)                               | 4.97                                  |
| Increase / (Decrease) Trade Payables   | (372.02)                              | 1,189.83                              |
| Increase / (Decrease) Advances   | 47.60                                 | 57.74                                 |
| Increase / (Decrease) Other Liabilities  | (14.12)                               | (44.24)                               |
| <b>Cash Generated from Operations</b>  | <b>365.81</b>                         | <b>590.11</b>                         |
| Income Taxes Paid (Net Of Refunds)   | (41.44)                               | (74.31)                               |
| <b>Net Cash Flow from / (Utilised In) Operating Activities (A)</b>                     | <b>324.37</b>                         | <b>515.80</b>                         |
| <b>B. Cash Flow From Investing Activities</b>  |                                       |                                       |
| Payments for Purchase and Construction of CWIP, Property, Plant & Equipment            | (46.20)                               | (206.58)                              |
| Proceeds from Sale of Property, Plant & Equipment                                      | 4.17                                  | -                                     |
| (Increase)/Decrease in Long-Term Investments   | 32.00                                 | (487.00)                              |
| (Increase)/Decrease in Advance given for purchase of Capital Goods                     | (1.55)                                | (1.00)                                |
| (Increase)/Decrease in Advance given for purchase of Investment                        | (125.93)                              | (544.83)                              |
| (Increase)/Decrease in Investment in Mutual Funds                                      | -                                     | -                                     |
| (Increase)/Decrease in Loans Given   | (772.65)                              | (204.80)                              |
| Interest Received  | 115.59                                | 171.89                                |
| (Increase)/Decrease in Bank Balances Not Considered as Cash and Cash Equivalents       | (27.03)                               | (9.10)                                |
| Dividend Received  | -                                     | -                                     |
| <b>Net Cash Flow from / (Used In) Investing Activities (B)</b>                         | <b>(821.60)</b>                       | <b>(1,281.42)</b>                     |
| <b>C. Cash Flow From Financing Activities</b>  |                                       |                                       |
| Proceeds from Issue of Equity Shares, Securities Premium & Convertible Equity Warrants | 615.00                                | 205.00                                |
| Increase / (Decrease) in Long Term Borrowings  | (96.50)                               | (88.46)                               |
| Increase / (Decrease) in Short Term Borrowings   | 190.37                                | 1,312.95                              |
| Installment paid for Lease hold Land   | -                                     | (369.53)                              |
| Payment of Dividend  | (10.84)                               | (21.71)                               |
| Interest Paid / Finance Cost   | (260.08)                              | (210.77)                              |
| <b>Net Cash Flow from / (Used In) Financing Activities (C)</b>                         | <b>437.95</b>                         | <b>827.48</b>                         |

| Particulars  | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
|--|---------------------------------------|---------------------------------------|
| <b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>   | <b>(59.28)</b>                        | <b>61.86</b>                          |
| Opening Balance of Cash and Cash Equivalents   | 64.95                                 | 3.11                                  |
| Foreign Exchange (Loss) / Gain on Restatement of Foreign Currency Cash and Cash Equivalents  | 0.02                                  | (0.02)                                |
| Closing Balance of Cash and Cash Equivalents   | <b>5.69</b>                           | <b>64.95</b>                          |
| <b>1 Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b>   |                                       |                                       |
| <b>Cash and Cash Equivalents Includes</b>  | <b>5.69</b>                           | <b>64.95</b>                          |
| (A) Cash on Hand   | 2.66                                  | 3.81                                  |
| (B) Balances with Banks  |                                       |                                       |
| (i) In Current Accounts  | 3.03                                  | 61.14                                 |
| (ii) In Fixed Deposit Accounts   | -                                     | -                                     |
| (iii) In Cash Credit / Bank Overdraft Accounts   | -                                     | -                                     |
| <b>2 The Standalone Statement of Cash Flow has been Prepared in Accordance with the Indirect Method as Set Out in the Indian Accounting Standard (Ind As) - 7 - 'Statement of Cash Flows'.</b> |                                       |                                       |
| <b>3 Movement in Financial Liabilities arising from Financing Activities:</b>  |                                       |                                       |

**For the year ended 31st March 2024**

(Rs in Lakhs)

| Particulars                                      | Long Term Borrowings | Short Term Borrowing | Lease Liabilities | Interest        | Dividend |
|--|----------------------|----------------------|-------------------|-----------------|----------|
| <b>Balance as at 1 April 2023</b>                | <b>257.33</b>        | <b>1,883.16</b>      | -                 | -               | -        |
| Payment of Lease Liabilities                     | -                    | -                    | -                 | -               | -        |
| Increase / (Decrease) in Short Term Borrowings   | -                    | 190.37               | -                 | -               | -        |
| Increase / (Decrease) in Long Term Borrowings    | (96.50)              | -                    | -                 | -               | -        |
| Interest Expense Paid                            | -                    | -                    | -                 | (260.08)        | -        |
| Dividend Paid                                    | -                    | -                    | -                 | -               | -        |
| <b>Net Cash Movement during the year</b>         | <b>(96.50)</b>       | <b>190.37</b>        | <b>-</b>          | <b>(260.08)</b> | <b>-</b> |
| Lease Liabilities Recognised during the year     | -                    | -                    | -                 | -               | -        |
| Finance Cost Accrued                             | -                    | -                    | -                 | -               | -        |
| Lease Liabilities Reversed during the year       | -                    | -                    | -                 | -               | -        |
| Interest on Fixed Loan Amortisation              | -                    | -                    | -                 | -               | -        |
| Interest Charged to Statement of Profit and Loss | -                    | -                    | -                 | 260.08          | -        |
| Borrowing Cost Capitalised                       | -                    | -                    | -                 | -               | -        |
| <b>Balance as at 31 March 2024</b>               | <b>160.83</b>        | <b>2,073.53</b>      | <b>-</b>          | <b>-</b>        | <b>-</b> |

**For the year ended 31st March 2023**

(Rs in Lakhs)

| Particulars                                      | Long Term Borrowings | Short Term Borrowing | Lease Liabilities | Interest        | Dividend       |
|--|----------------------|----------------------|-------------------|-----------------|----------------|
| <b>Balance as at 1 April 2022</b>                | <b>345.79</b>        | <b>570.21</b>        | <b>369.53</b>     | -               | -              |
| Payment of Lease Liabilities                     | -                    | -                    | (369.53)          | -               | -              |
| Increase / (Decrease) in Short Term Borrowings   | -                    | 1,312.95             | -                 | -               | -              |
| Increase / (Decrease) in Long Term Borrowings    | (88.46)              | -                    | -                 | -               | -              |
| Interest Expense Paid                            | -                    | -                    | -                 | (210.77)        | -              |
| Dividend Paid                                    | -                    | -                    | -                 | -               | (21.71)        |
| <b>Net Cash Movement during the year</b>         | <b>(88.46)</b>       | <b>1,312.95</b>      | <b>(369.53)</b>   | <b>(210.77)</b> | <b>(21.71)</b> |
| Lease Liabilities Recognised during the year     | -                    | -                    | -                 | -               | -              |
| Finance Cost Accrued                             | -                    | -                    | -                 | -               | -              |
| Lease Liabilities Reversed during the year       | -                    | -                    | -                 | -               | -              |
| Interest on Fixed Loan Amortisation              | -                    | -                    | -                 | -               | -              |
| Interest Charged to Statement of Profit and Loss | -                    | -                    | -                 | 177.13          | -              |
| Borrowing Cost Capitalised                       | -                    | -                    | -                 | 33.64           | -              |
| <b>Balance as at 31 March 2023</b>               | <b>257.33</b>        | <b>1,883.16</b>      | <b>-</b>          | <b>-</b>        | <b>-</b>       |

Summary of Material Accounting Policies and Notes forming part of the Standalone Financial Statements

This is the Standalone Statement of Cash Flow referred to in our report of even date

For and on behalf of the Board of Directors,  
Hindprakash Industries Limited (CIN: L24100GJ2008PLC055401)

**Kunal Kedia**  
(M. No.: 149403), Partner  
for & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

**Sanjay Prakash Mangal**  
Managing Director (DIN:02825484)  
**Santosh N Nambiar**  
Whole Time Director (DIN:00144542)  
**Hetal Shah**  
Chief Financial Officer (PAN:AHWPS1850P)  
**Avani Patel**  
Company Secretary (Mem No.:A66815)

Place: Ahmedabad  
Date: 28th May 2024

Place: Ahmedabad  
Date: 28th May 2024

**Note: 1 Notes to the Standalone Financial Statements for the year ended on 31<sup>st</sup> March, 2024**

**1.1 Corporate Information:**

Hindprakash Industries Limited ('the Company') is a listed public limited company domiciled and incorporated in India. The registered office of the Company is located at 301, "HINDPRAKASH HOUSE", Plot No. 10/6, Phase - I, GIDC, Vatva, Ahmedabad - 382445, Gujarat, India. Its Equity Shares are listed on the main boards of National Stock Exchange of India Limited (NSE) and BSE Limited with effect from 7<sup>th</sup> November, 2022, prior to which they were listed on SME platform of National Stock Exchange of India Limited (NSE).

The Company is engaged in activity of manufacturing/ dealing/ trading of dyes, intermediates, auxiliary, chemicals and other merchandise, etc.

**1.2 General Information & Statement of Compliance with Ind AS:**

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

For all period up to and including the financial year ended March 31, 2022, the Company had prepared its financial statements in accordance with the Accounting Standard notified under the Section 133 of the Companies Act, 2013 read with the Rule 7 of Companies (Accounts) Rules 2015/ Rule 3 of Companies (Accounting Standards) Rules 2021 ("Previous GAAP"), as applicable.

**1.3 Material Accounting Policies:**

**1.3.1 Basis of Preparation and Presentation**

The Financial Statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value amount:

- (a) Certain Financial Assets and Liabilities (including derivative instruments), and
- (b) Defined Benefit Assets/ Liability - fair value of plan assets less present value of defined benefit obligations,

The Company's Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated.

**1.3.2 Fair Value Measurement**

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

The Company has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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

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



When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **1.3.3 Current and Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on Current / Non-Current classification.

An asset is treated as Current when it is -

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **1.3.4 Property, Plant and Equipment**

#### **(a) Tangible Assets**

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets. In case of land, fair value has been considered as deemed cost on transition to Ind AS.

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 entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

### **Depreciation**

Free hold land is not depreciated. Leasehold land and the improvement costs are amortized over the period of the lease. Depreciation on Property, Plant and Equipment is provided using Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as per details given below:

| <b>Name of Property, Plants and Equipment</b> | <b>Useful Life</b> |
|---|--------------------|
| Factory Building                              | 30 Years           |
| Building (Other than Factory Building)        | 10 Years           |
| Plant and Machineries                         | 15 Years           |
| Furniture and Fixtures                        | 10 Years           |
| Office Equipment                              | 5 Years            |
| Computer and Other Data Processing units      | 3 Years            |
| Motor Vehicles                                | 8 - 10 Years       |
| Electrical Installation and Other Equipment   | 10 Years           |
| Laboratory Equipments                         | 10 Years           |

Wherever considered necessary, the useful life has been assessed by the management based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **Derecognition**

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### **(b) Capital Work-in-Progress and Capital Advances**

Cost of Property, Plant and Equipment not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as "Other Non-Current Assets".

### **(c) Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization / depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

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 entity and the cost can be measured reliably.

### **Amortization**

The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The Company's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life as tabulated below:

| <b>Particulars</b> | <b>Useful Life</b> |
|--------------------|--------------------|
| Computer Software  | 3 Years            |

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

### **Derecognition**

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### **1.3.5 Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets**

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **1.3.6 Lease**

#### **(a) The Company 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 at 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 are 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.

**(b) The Company as a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

**1.3.7 Investment Properties**

Items of investment properties are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset 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.

**1.3.8 Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of finished goods, work-in-progress, raw materials, chemicals, stores and spares, components, consumables, packing materials, trading and other products are determined on First In First Out (FIFO) / average / weighted average basis.

Net realizable value is estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

**1.3.9 Borrowing Costs**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

**1.3.10 Employee Benefits**

**(A) Short-Term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**(B) Post-Employment Benefits**

**(i) Defined Contribution Plans**

The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

**(ii) Defined Benefit Plans**

Gratuity Scheme: The gratuity is paid @ 15 days basic salary for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post-employment benefits is provided on the basis of its actuarial valuation based on the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

**(iii) Other Long - Term Employee Benefits**

Entitlement to annual leave is recognized when they accrue to employees. The obligation is measured on the basis of independent actuarial valuation.

**1.3.11 Revenue & Income Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Gain/ loss on contracts settlements of raw materials purchases with suppliers are accounted in the statement of profit and loss.

**Export Incentives**

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

**Interest Income**

Interest Income from a Financial Assets is recognised using effective interest rate method.

**Dividend Income**

Dividend Income is recognised when the Company's right to receive the amount has been established.

**Surplus / (Loss) on disposal of Property, Plants and Equipment / Investments**

Surplus or loss on disposal of property, plants and equipment or investment is recorded on transfers of title from the Company, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

**Rental Income**

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

**Insurance Claim**

Claim receivable on account of insurance is accounted for to the extent the Company is reasonably certain of their ultimate collections.

**Other Income**

Revenue from other income is recognized when the payment of that related income is received or credited.

**1.3.12 Foreign Currency Transactions and Translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

**1.3.13 Government Grants and Subsidies**

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the period of the grants during which the Company recognizes interest expense corresponding to such grants.



### **1.3.14 Financial Instruments - Financial Assets**

#### **(A) Initial Recognition and Measurement**

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

#### **(B) Subsequent Measurement**

##### **a) Financial Assets measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

##### **b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Further, the Company, through an irrevocable election at initial recognition, measures certain investments in equity instruments at FVTOCI. The Company makes such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

##### **c) Financial Assets measured at Fair Value through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 - Financial Instruments.

#### **(C) Investments**

Investments are classified in to Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non-Current Investments. However, that part of Non-Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under "Current Investments" under "Current portion of Non-Current Investments" in consonance with Current/ Non-Current classification of Schedule - III of the Act.

All the equity investment which covered under the scope of Ind AS 109, "Financial Instruments" is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL).

#### **(D) Investment in Subsidiaries, Associates and Joint Ventures**

The Company accounts for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

**(E) Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

**1.3.15 Financial Instruments - Financial Liabilities**

**(A) Initial Recognition and Measurement**

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**(B) Subsequent Measurement**

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**1.3.16 Derivative Financial Instruments and Hedge Accounting**

The Company enters into derivative contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial assets ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, 'Financial Instruments'.

Recognition and measurement of cash flow hedge:

The Company strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the statement of profit and loss.

The accumulated gains / losses on the derivatives accounted in hedge reserve are transferred to the statement of profit and loss in the same period in which gains / losses on the underlying item hedged are recognised in the statement of profit and loss.

Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in hedge reserve is transferred to the statement of profit and loss.

**Fair Value Hedge:**

The Company designates derivative contracts or non-derivative Financial Assets/Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

**1.3.17 Derecognition of Financial Instruments**

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**1.3.18 Financial Instruments - Offsetting**

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**1.3.19 Taxes on Income**

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

**(a) Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

**(b) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**Presentation:**

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

#### **1.3.20 Segment Reporting**

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. The Company has considered Business Segments as Primary Segments.

#### **Segments Accounting Policies**

The Company prepares its Segment Information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

#### **Inter - Segment Transfer**

The Company generally accounts the Inter - Segment transfers at an agreed value of the transactions.

#### **Allocation of Common Costs**

Common allocable costs are allocated to each segment reporting according to the relative contribution of each segment to the total of common costs.

#### **Unallocated Items**

Unallocated Items include the General Corporate Income and Expense items which are not allocated to any of the Business Segments.

#### **1.3.21 Research and Development**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred.

Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

#### **1.3.22 Earnings per Share**

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

#### **1.3.23 Provisions, Contingent Liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

#### **1.3.24 Events after Reporting Date**

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

#### **1.3.25 Non-Current Assets Held For Sales**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

#### **1.3.26 Cash Flows Statement**

Cash Flows Statements are reported using the method set out in the Ind AS - 7, "Cash Flow Statements", whereby the Net Profit/ (Loss) before tax is adjusted for the effects of the transactions of a Non-Cash nature, any deferrals or accrual of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **1.3.27 Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **1.3.28 Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

### **1.4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty:**

The preparation of the Company's Financial Statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

#### **1.4.1 Income Tax**

The Company's tax jurisdiction is in India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered for uncertain.

#### **1.4.2 Property Plant and Equipment/ Intangible Assets**

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life 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 life 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.

**1.4.3 Defined Benefits Obligations**

The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS - 19, "Employee Benefits" over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to complexities involved in the valuation and its long term in nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.

**1.4.4 Fair value measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

**1.4.5 Recoverability of Trade Receivables**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**1.4.6 Provisions**

The timing of recognition and quantification of the liability (including litigations) requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**1.4.7 Impairment of Financial and Non - Financial Assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**1.4.8 Recognition of Deferred Tax Assets and Liabilities**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgment to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.



## Hindprakash Industries Limited

(Standalone Financial Statements as at 31st March, 2024)

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

**HindPrakash**

16th Annual Report 2023-24

Note - 2 : Property, Plant & Equipments, Right Of Use, Intangibles, Capital Work-In-Progress

### A. PROPERTY, PLANT & EQUIPMENTS

|                                    | (Rs in Lakhs) |                     |                     |                   |                   |              |               |
|------------------------------------|---------------|---------------------|---------------------|-------------------|-------------------|--------------|---------------|
| Particulars                        | Building      | Computer Equipments | Furniture & Fixture | Plant & Machinery | Office Equipments | Vehicle      | Total         |
| <b>Gross Block (Cost)</b>          |               |                     |                     |                   |                   |              |               |
| <b>As at 31 March 2022</b>         | <b>191.72</b> | <b>5.19</b>         | <b>1.44</b>         | <b>122.92</b>     | <b>15.02</b>      | <b>12.52</b> | <b>348.81</b> |
| Additions                          | 88.98         | 0.21                | 0.18                | 145.81            | 3.03              | -            | 238.21        |
| Disposals/ Adjustments             | -             | -                   | -                   | -                 | -                 | -            | -             |
| <b>As at 31 March 2023</b>         | <b>280.70</b> | <b>5.40</b>         | <b>1.62</b>         | <b>268.73</b>     | <b>18.05</b>      | <b>12.52</b> | <b>587.02</b> |
| Additions                          | -             | 1.01                | 0.06                | 15.09             | 0.32              | -            | 16.48         |
| Disposals/ Adjustments             | -             | -                   | -                   | (4.17)            | -                 | -            | (4.17)        |
| <b>As at 31 March 2024</b>         | <b>280.70</b> | <b>6.41</b>         | <b>1.68</b>         | <b>279.65</b>     | <b>18.37</b>      | <b>12.52</b> | <b>599.33</b> |
| <b>Accumulated Depreciation</b>    |               |                     |                     |                   |                   |              |               |
| <b>As at 31 March 2022</b>         | <b>45.06</b>  | <b>4.87</b>         | <b>0.76</b>         | <b>61.25</b>      | <b>11.33</b>      | <b>9.62</b>  | <b>132.89</b> |
| Additions                          | 7.21          | 0.06                | 0.14                | 12.30             | 1.57              | 1.48         | 22.76         |
| Disposals/ Adjustments             | -             | -                   | -                   | -                 | -                 | -            | -             |
| <b>As at 31 March 2023</b>         | <b>52.27</b>  | <b>4.93</b>         | <b>0.90</b>         | <b>73.55</b>      | <b>12.90</b>      | <b>11.10</b> | <b>155.65</b> |
| Additions                          | 8.01          | 0.18                | 0.13                | 17.70             | 0.76              | 0.79         | 27.57         |
| Disposals/ Adjustments             | -             | -                   | -                   | (0.46)            | -                 | -            | (0.46)        |
| <b>As at 31 March 2024</b>         | <b>60.28</b>  | <b>5.11</b>         | <b>1.03</b>         | <b>90.79</b>      | <b>13.66</b>      | <b>11.89</b> | <b>182.76</b> |
| <b>Net Block</b>                   |               |                     |                     |                   |                   |              |               |
| Balance as at 31 March 2023        | 228.43        | 0.47                | 0.72                | 195.18            | 5.15              | 1.42         | 431.37        |
| <b>Balance as at 31 March 2024</b> | <b>220.42</b> | <b>1.30</b>         | <b>0.65</b>         | <b>188.86</b>     | <b>4.71</b>       | <b>0.63</b>  | <b>416.57</b> |

## Hindprakash Industries Limited

(Standalone Financial Statements as at 31st March, 2024)

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

**HindPrakash**

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### B. Right Of Use, Intangibles, Capital Work-In-Progress

(Rs in Lakhs)

| Particulars                                    | ROU Asset<br>(Lease Hold<br>Land) | Intangible Asset<br>(Computer<br>Software) | Capital Work In<br>Progress |
|--|-----------------------------------|--|-----------------------------|
| <b>Gross Block (Cost)</b>                      |                                   |  |                             |
| <b>As at 31 March 2022</b>                     | <b>932.40</b>                     | <b>15.02</b>                               | <b>270.89</b>               |
| Additions                                      | 270.89                            | 2.01                                       | 98.45                       |
| Disposals/ Adjustments                         | -                                 | -  | (369.34)                    |
| <b>As at 31 March 2023</b>                     | <b>1,203.29</b>                   | <b>17.03</b>                               | <b>-</b>                    |
| Additions                                      | -                                 | -  | 40.58                       |
| Disposals/ Adjustments                         | -                                 | -  | (10.87)                     |
| <b>As at 31 March 2024</b>                     | <b>1,203.29</b>                   | <b>17.03</b>                               | <b>29.71</b>                |
| <b>Accumulated Depreciation / Amortisation</b> |                                   |  |                             |
| <b>As at 31 March 2022</b>                     | <b>73.76</b>                      | <b>7.94</b>                                | <b>-</b>                    |
| Charge for the year                            | 21.28                             | 3.22                                       | -                           |
| Reversal on Disposal/ Adjustments              | -                                 | -  | -                           |
| <b>As at 31 March 2023</b>                     | <b>95.04</b>                      | <b>11.16</b>                               | <b>-</b>                    |
| Charge for the year                            | 12.19                             | 3.79                                       | -                           |
| Reversal on Disposal/ Adjustments              | -                                 | -  | -                           |
| <b>As at 31 March 2024</b>                     | <b>107.23</b>                     | <b>14.95</b>                               | <b>-</b>                    |
| <b>Net Block</b>                               |                                   |  |                             |
| Balance as at 31 March 2023                    | 1,108.25                          | 5.87                                       | -                           |
| <b>Balance as at 31 March 2024</b>             | <b>1,096.06</b>                   | <b>2.08</b>                                | <b>29.71</b>                |

## Hindprakash Industries Limited

(Standalone Financial Statements as at 31st March, 2024)

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

**HindPrakash**

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### Capital Work in Progress Aging Schedule

| Particulars                    | Amount in CWIP for a period of |             |             |                   | (Rs in Lakhs)     |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|-------------------|
|                                | Less than 1 Year               | 1 - 2 Years | 2 - 3 Years | More than 3 Years | As at 31 Mar 2024 |
| Building - Compound Wall - WIP | -                              | -           | -           | -                 | -                 |
| Building Admin - WIP           | 18.60                          | -           | -           | -                 | 18.60             |
| Plant & Machinery - WIP        | 3.61                           | -           | -           | -                 | 3.61              |
| Preoperative Project Expenses  | 7.50                           | -           | -           | -                 | 7.50              |
| <b>Total</b>                   | <b>29.71</b>                   | <b>-</b>    | <b>-</b>    | <b>-</b>          | <b>29.71</b>      |

| Particulars                    | Amount in CWIP for a period of |             |             |                   | (Rs in Lakhs)     |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|-------------------|
|                                | Less than 1 Year               | 1 - 2 Years | 2 - 3 Years | More than 3 Years | As at 31 Mar 2023 |
| Building - Compound Wall - WIP | -                              | -           | -           | -                 | -                 |
| Building Admin - WIP           | -                              | -           | -           | -                 | -                 |
| Plant & Machinery - WIP        | -                              | -           | -           | -                 | -                 |
| Preoperative Project Expenses  | -                              | -           | -           | -                 | -                 |
| <b>Total</b>                   | <b>-</b>                       | <b>-</b>    | <b>-</b>    | <b>-</b>          | <b>-</b>          |

**Note - 3 - Investments- Non Current**

|   |                          | (Rs in Lakhs)             |
|---|--------------------------|---------------------------|
| Particulars   | As at<br>31st March 2024 | As at<br>31st March, 2023 |
| <b>UNQUOTED INVESTMENTS</b>   |                          |                           |
| <b>Investment in Equity Instruments (Associates)<br/>(Measured at Cost)</b>   |                          |                           |
| Nil (5,00,000) Equity shares - Hindparagon Polyresins Private Limited (of Rs. 10/- each Fully Paidup) (Unquoted) (Ceases to be associates wef 01-10-2023) | -                        | 50.00                     |
| <b>Investment in Equity Instruments (Others)<br/>(Measured at FVTPL)#</b>   |                          |                           |
| 19,00,000 (19,00,000) Equity shares - Orio Shanghai Colours Private Limited (of Rs. 10/- each Fully Paidup)   | 437.00                   | 437.00                    |
| 1,80,000 (Nil) Equity shares - Hindparagon Polyresins Private Limited (of Rs. 10/- each Fully Paidup)   | 18.00                    | -                         |
| <b>Other Investment (Measured at FVTPL) #</b>   |                          |                           |
| 50 (50) Shares of Green Environment Service Co-op Society Ltd   | 3.00                     | 3.00                      |
| Green Environment Water Booking   | 0.70                     | 0.70                      |
| <b>Investment in Mutual Funds (Measured at FVTPL)</b>   |                          |                           |
| LIC MF BALANCED ADVANTAGE FUND R PLAN   | 3.67                     | 3.15                      |
| <b>Total - Unquoted Investments</b>   | <b>462.37</b>            | <b>493.85</b>             |
| Aggregate book value of quoted investments  | -                        | -                         |
| Aggregate market value of quoted investments  | -                        | -                         |
| Aggregate carrying value of unquoted investments  | 462.37                   | 493.85                    |
| Aggregate amount of impariment in value of investments  | -                        | -                         |

# The Company has considered cost is representing fair value.

**Note - 4 - Other Financial Assets- Non Current (Unsecured Considered Good)**

|                                     |                          | (Rs in Lakhs)             |
|-------------------------------------|--------------------------|---------------------------|
| Particulars                         | As at<br>31st March 2024 | As at<br>31st March, 2023 |
| Loans                               | 778.31                   | -                         |
| Advance for Purchase of Investments | 670.76                   | 544.83                    |
| Security Deposits                   | 12.43                    | 12.47                     |
| Other Receivables                   | -                        | -                         |
| <b>Total</b>                        | <b>1,461.50</b>          | <b>557.30</b>             |

| Particulars   | As at<br>31st March 2024 | As at<br>1st April, 2021 |
|---|--------------------------|--------------------------|
| <b>Above includes due from:</b>                         |                          |                          |
| Director  | -                        | -                        |
| Other Officers of the Company                           | -                        | -                        |
| Firm in which any director is partner                   | -                        | -                        |
| Private Company in which director is director or member | -                        | -                        |
| Ecofine Colourchem Private Limited                      | 33.08                    | -                        |
| Hindparagon Polyresins Private Limited                  | 415.45                   | -                        |
| Hindprakash Overseas Private Limited                    | 329.79                   | -                        |

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

**Note - 5 - Deferred Tax Assets (Net)**

| <b>(Rs in Lakhs)</b>  |                          |                           |
|---|--------------------------|---------------------------|
| Particulars   | As at<br>31st March 2024 | As at<br>31st March, 2023 |
| <b>Deferred Tax Assets (DTA)</b>                            |                          |                           |
| Provision for Employee Benefits                             | 5.26                     | 4.92                      |
| Provision for Expected Credit Loss                          | 7.50                     | 6.60                      |
| Other Expenses on Payment Basis                             | 0.27                     | 0.29                      |
| <b>Total Deferred Tax Assets</b>                            | <b>13.03</b>             | <b>11.81</b>              |
| <b>Deferred Tax Liabilities (DTL)</b>                       |                          |                           |
| Property Plant & Equipments & Intangible Assets             | 31.03                    | 24.09                     |
| Income Credited to PL- Taxable in Future                    | 0.17                     | 0.04                      |
| <b>Total Deferred Tax Liabilities</b>                       | <b>31.20</b>             | <b>24.13</b>              |
| <b>Net Deferred Tax Assets / (Deferred Tax Liabilities)</b> | <b>(18.17)</b>           | <b>(12.32)</b>            |
| <b>Deferred Tax Liabilities (Net)</b>                       | <b>18.17</b>             | <b>12.32</b>              |
| <b>Deferred Tax Assets (Net)</b>                            | <b>-</b>                 | <b>-</b>                  |

**Reconciliation of Income Tax Expenses and the Accounting Profit multiplied by applicable tax rate:**

| <b>(Rs in Lakhs)</b>  |  |  |
|---|--|--|
|   | For the year<br>ended<br>31st March 2024 | For the year<br>ended<br>31st March 2023 |
| <b>Profit Before Tax as per Statement of Profit &amp; Loss</b>                              | 212.86                                   | 333.08                                   |
| Tax Rate for Corporate Entity as per Income Tax Act, 1961                                   | 25.168%                                  | 25.168%                                  |
| Income tax using the Company's domestic tax rate  | 53.57                                    | 83.83                                    |
| <b>Tax Effect of:</b>   |  |  |
| Expenses permanently disallowed from Income Tax   | 0.01                                     | 0.05                                     |
| Depreciation on Land not allowable in Tax Computation                                       | 3.07                                     | -  |
| Deferred Tax adjustment of earlier years  | 3.64                                     | -  |
| Tax adjustment of earlier years / Others  | (0.87)                                   | 3.43                                     |
| <b>Income Tax recognised in Standalone Statement of Profit &amp; Loss at effective rate</b> | <b>59.42</b>                             | <b>87.31</b>                             |

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

**Note - 5 - Deferred Tax Assets - Contd.**

**Movement in Deferred Tax Assets/ Deferred Tax Liabilities**

| <b>Current Reporting Period (2023-24)</b>            |                                 |  |  | <b>(Rs in Lakhs)</b>             |
|--|---------------------------------|--|--|----------------------------------|
| <b>Particulars</b>                                   | <b>As at<br/>1st April 2023</b> | <b>Deferred Tax Change/<br/>Credit to statement of<br/>Profit &amp; Loss</b> | <b>Deferred Tax Change/<br/>Credit to Other<br/>Comprehensive Income</b> | <b>As at<br/>31st March 2024</b> |
| <b>Deferred Tax Assets</b>                           |                                 |  |  |                                  |
| <b>on account of Deductible Temporary Difference</b> |                                 |  |  |                                  |
| Provision for Employee Benefits                      | 4.92                            | 0.32   | 0.02   | 5.26                             |
| Provision for Expected Credit Loss                   | 6.60                            | 0.90   | -  | 7.50                             |
| Other Expenses on Payment Basis                      | 0.29                            | (0.02)   | -  | 0.27                             |
| <b>Total Deferred Tax Assets</b>                     | <b>11.81</b>                    | <b>1.20</b>  | <b>0.02</b>  | <b>13.03</b>                     |
| <b>Deferred Tax Liabilities</b>                      |                                 |  |  |                                  |
| <b>on account of Taxable Temporary Difference</b>    |                                 |  |  |                                  |
| Property Plant & Equipments & Intangible Assets      | 24.09                           | 6.94   | -  | 31.03                            |
| Income Credited to PL- Taxable in Future             | 0.04                            | 0.13   | -  | 0.17                             |
| <b>Total Deferred Tax Liabilities</b>                | <b>24.13</b>                    | <b>7.07</b>  | <b>-</b>   | <b>31.20</b>                     |
| <b>Deferred Tax Assets/ (Liabilities) (Net)</b>      | <b>(12.32)</b>                  | <b>(5.87)</b>  | <b>0.02</b>  | <b>(18.17)</b>                   |
| <b>Previous Reporting Period (2022-23)</b>           |                                 |  |  |                                  |
| <b>Particulars</b>                                   | <b>As at 1st April<br/>2022</b> | <b>Deferred Tax Change/<br/>Credit to statement of<br/>Profit &amp; Loss</b> | <b>Deferred Tax Change/<br/>Credit to Other<br/>Comprehensive Income</b> | <b>As at 31st March<br/>2023</b> |
| <b>Deferred Tax Assets</b>                           |                                 |  |  |                                  |
| <b>on account of Deductible Temporary Difference</b> |                                 |  |  |                                  |
| Provision for Employee Benefits                      | 8.90                            | (3.40)   | (0.58)   | 4.92                             |
| Provision for Expected Credit Loss                   | 4.95                            | 1.65   | -  | 6.60                             |
| Other Expenses on Payment Basis                      | 0.42                            | (0.13)   | -  | 0.29                             |
| <b>Total Deferred Tax Assets</b>                     | <b>14.27</b>                    | <b>(1.88)</b>  | <b>(0.58)</b>  | <b>11.81</b>                     |
| <b>Deferred Tax Liabilities</b>                      |                                 |  |  |                                  |
| <b>on account of Taxable Temporary Difference</b>    |                                 |  |  |                                  |
| Property Plant & Equipments & Intangible Assets      | 20.66                           | 3.43   | -  | 24.09                            |
| Income Credited to PL- Taxable in Future             | 0.01                            | 0.03   | -  | 0.04                             |
| <b>Total Deferred Tax Liabilities</b>                | <b>20.67</b>                    | <b>3.46</b>  | <b>-</b>   | <b>24.13</b>                     |
| <b>Deferred Tax Assets/ (Liabilities) (Net)</b>      | <b>(6.40)</b>                   | <b>(5.34)</b>  | <b>(0.58)</b>  | <b>(12.32)</b>                   |



**Note - 6 - Other Non Current Assets (Unsecured Considered Good)**

(Rs in Lakhs)

| Particulars                       | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|-----------------------------------|--------------------------|---------------------------|
| Capital Advances                  | 2.55                     | 1.00                      |
| Prepaid Expenses                  | -                        | -                         |
| Balances with Revenue Authorities | -                        | -                         |
| Other Advances / Receivables      | -                        | -                         |
| <b>Total</b>                      | <b>2.55</b>              | <b>1.00</b>               |

| Particulars   | Amount | Amount |
|---|--------|--------|
| <b>Above includes due from:</b>                         |        |        |
| Director  | -      | -      |
| Other Officers of the Company                           | -      | -      |
| Firm in which any director is partner                   | -      | -      |
| Private Company in which director is director or member | -      | -      |

**Note - 7 - Inventories**

(Rs in Lakhs)

| Particulars                    | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|--------------------------------|--------------------------|---------------------------|
| Raw materials                  | 1,093.40                 | 1,388.68                  |
| Work-in-progress               | -                        | -                         |
| Finished goods/ Stock in Trade | 886.70                   | 242.30                    |
| Packing materials              | 16.30                    | 10.88                     |
| <b>Total</b>                   | <b>1,996.40</b>          | <b>1,641.86</b>           |

Note: Inventories are valued at lower of cost and net realisable value. The mode of valuation of inventories has been stated in Note No - 1 (3.8). Inventories are hypothecated to bank for secured working capital facilities from Banks (Refer Note No - 40)

**Note - 8 - Trade Receivables - Current**

(Rs in Lakhs)

| Particulars                              | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|--|--------------------------|---------------------------|
| Considered good - secured                | -                        | -                         |
| Considered good - unsecured              | 2,627.16                 | 3,285.29                  |
| Credit impaired - unsecured              | -                        | -                         |
| Less: Allowance for Expected Credit Loss | (29.80)                  | (26.24)                   |
| <b>Total</b>                             | <b>2,597.36</b>          | <b>3,259.05</b>           |

Note:

1) Trade Receivables are hypothecated to secured working capital facilities from Banks (Refer Note No - 40)

2) Trade Receivable Aging Schedule (Refer Note No - 47)

| Particulars   | Amount | Amount |
|---|--------|--------|
| <b>Trade Receivable include due from:</b>               |        |        |
| Directors   | -      | -      |
| Other Officers of the Company                           | -      | -      |
| Firm in which any director is partner                   | -      | -      |
| Private Company in which director is director or member | -      | -      |

**Note - 9 - Cash & Bank Balances**

(Rs in Lakhs)

| Particulars   | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|---|--------------------------|---------------------------|
| <b>Cash and Cash Equivalents</b>  |                          |                           |
| Cash in Hand  | 2.66                     | 3.81                      |
| Bank Balance  |                          |                           |
| In Current Accounts   | 3.03                     | 61.14                     |
| In Deposit Accounts (maturity within 3 months from reporting date)                        | -                        | -                         |
| <b>Total Cash and Cash Equivalents</b>  | <b>5.69</b>              | <b>64.95</b>              |
| <b>Other Bank Balances (see note below)</b>   |                          |                           |
| (a) Other Bank Deposits (original maturity of 3 months or less) (under lien for security) | -                        | -                         |
| (b) Other Bank Deposits (Original Maturity more than 3 months)                            | 50.14                    | 23.11                     |
| <b>Total Other Bank Balances</b>  | <b>50.14</b>             | <b>23.11</b>              |
| <b>Total</b>  | <b>55.83</b>             | <b>88.06</b>              |

| Particulars   | Amount | Amount |
|---|--------|--------|
| Other Bank balances in Fixed Deposit Accounts includes deposits with remaining maturity of more than 12 months from the balance sheet date.                             | -      | 10.53  |
| Other Bank balances in Fixed Deposit Accounts are Pledged as margin money / as security for bank guarantees/ working capital facilities from Banks (Refer Note No - 40) | 50.14  | 23.11  |

**Note - 10 - Loans & Other Financial Assets - Current (Unsecured Considered Good)**

(Rs in Lakhs)

| Particulars                         | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|-------------------------------------|--------------------------|---------------------------|
| <b>Loans</b>                        |                          |                           |
| Loans to related parties            | 200.00                   | 205.26                    |
| Loans to Staff                      | -                        | 0.40                      |
| <b>Total Loans</b>                  | <b>200.00</b>            | <b>205.66</b>             |
| <b>Other Financial Assets</b>       |                          |                           |
| Deposits                            | 0.05                     | -                         |
| GST Receivable                      | 112.27                   | 147.55                    |
| Export Incentives Receivables       | 9.43                     | 15.31                     |
| Other Receivables                   | 4.24                     | 11.01                     |
| <b>Total Other Financial Assets</b> | <b>125.99</b>            | <b>173.87</b>             |
| <b>Total</b>                        | <b>325.99</b>            | <b>379.53</b>             |

| Particulars   | Amount | Amount |
|---|--------|--------|
| <b>Above Includes:</b>                                  |        |        |
| Directors   | -      | -      |
| Other Officers of the Company                           | -      | -      |
| Firm in which any director / Company is partner         | -      | -      |
| Private Company in which director is director or member |        |        |
| - Clairvoyance Industries Private Limited               | 200.00 | -      |
| - Hindparagon Polymers Private Limited                  | -      | 205.26 |

**Note:**

The loan granted to above parties is intended for the purpose of utilizing in the activity of the business. The loan is unsecured and interest is charged thereon. The loan has been utilized for the purpose it was granted.

| <b>Note - 11 - Income Tax Assets</b>                                |                                  | <b>(Rs in Lakhs)</b>              |  |
|---|----------------------------------|-----------------------------------|--|
| <b>Particulars</b>  | <b>As at<br/>31st March 2024</b> | <b>As at<br/>31st March, 2023</b> |  |
| <b>Prepaid Income Tax/ TDS (Net of Provision, if any)</b>           | -                                | <b>16.98</b>                      |  |
| <b>Total</b>  | -                                | <b>16.98</b>                      |  |
| <b>Note - 12 - Other Current Assets (Non Financial Assets)</b>      |                                  | <b>(Rs in Lakhs)</b>              |  |
| <b>Particulars</b>  | <b>As at<br/>31st March 2024</b> | <b>As at<br/>31st March, 2023</b> |  |
| <b>Others (unsecured considered good)</b>                           |                                  |                                   |  |
| Advance to Supplier (Other than capital advances)                   | 18.24                            | 2.45                              |  |
| Balances with Government Authorities                                | -                                | -                                 |  |
| Prepaid Expenses  | 2.97                             | 6.88                              |  |
| Export Incentive - Script/ Licence Receivable / Unconsumed Licences | 1.49                             | 2.10                              |  |
| Others  | 0.40                             | 0.27                              |  |
| <b>Total</b>  | <b>23.10</b>                     | <b>11.70</b>                      |  |
| <b>Particulars</b>  | <b>Amount</b>                    | <b>Amount</b>                     |  |
| <b>Above Includes:</b>  |                                  |                                   |  |
| Directors   | -                                | -                                 |  |
| Other Officers of the Company                                       | -                                | -                                 |  |
| Firm in which any director / Company is partner                     | -                                | -                                 |  |
| Private Company in which director is director or member             | -                                | -                                 |  |

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

| <b>Note - 13 - Equity Share Capital</b>                       |                                  | <b>(Rs in Lakhs)</b>              |  |
|---|----------------------------------|-----------------------------------|--|
| <b>Particulars</b>  | <b>As at<br/>31st March 2024</b> | <b>As at<br/>31st March, 2023</b> |  |
| <b>Authorised</b>   |                                  |                                   |  |
| 12500000 (11500000) Equity Shares of Rs. 10/- each            | 1,250.00                         | 1,150.00                          |  |
| <b>Issued</b>   |                                  |                                   |  |
| 11424110 (10424110) Equity Shares of Rs. 10/- each            | 1,142.41                         | 1,042.41                          |  |
| <b>Subscribed &amp; Paid up</b>                               |                                  |                                   |  |
| 11424110 (10424110) Equity Shares of Rs. 10/- each Fully Paid | 1,142.41                         | 1,042.41                          |  |
| <b>Total</b>  | <b>1,142.41</b>                  | <b>1,042.41</b>                   |  |

**13.1 Rights, preferences and restrictions attached to equity shares:**

The Company has one class of equity shares having a par value of Rs 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.

**13.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

| <b>Current Financial Year</b>                    |                                       | <b>(Rs in Lakhs)</b>                  |                                       |                                       |  |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|
| <b>Particulars</b>                               | <b>As at 31st March 24<br/>Number</b> | <b>As at 31st March 24<br/>Amount</b> | <b>As at 31st March 23<br/>Number</b> | <b>As at 31st March 23<br/>Amount</b> |  |
| <b>Equity Shares of Rs. 10/- each:</b>           |                                       |                                       |                                       |                                       |  |
| Shares outstanding at the beginning of the year  | 1,04,24,110                           | 1,042.41                              | 1,04,24,110                           | 1,042.41                              |  |
| Add: Bonus Shares Issued during the year         | -                                     | -                                     | -                                     | -                                     |  |
| Add: Shares Issued during the year               | 10,00,000                             | 100.00                                | -                                     | -                                     |  |
| Less: Shares bought back during the year         | -                                     | -                                     | -                                     | -                                     |  |
| <b>Shares outstanding at the end of the year</b> | <b>1,14,24,110</b>                    | <b>1,142.41</b>                       | <b>1,04,24,110</b>                    | <b>1,042.41</b>                       |  |
| <b>Previous Financial Year</b>                   |                                       |                                       |                                       |                                       |  |
| <b>Particulars</b>                               | <b>As at 31st March 23<br/>Number</b> | <b>As at 31st March 23<br/>Amount</b> | <b>As at 31st March 22<br/>Number</b> | <b>As at 31st March 22<br/>Amount</b> |  |
| <b>Equity Shares of Rs. 10/- each:</b>           |                                       |                                       |                                       |                                       |  |
| Shares outstanding at the beginning of the year  | 1,04,24,110                           | 1,042.41                              | 1,04,24,110                           | 1,042.41                              |  |
| Add: Bonus Shares Issued during the year         | -                                     | -                                     | -                                     | -                                     |  |
| Add: Shares Issued during the year               | -                                     | -                                     | -                                     | -                                     |  |
| Less: Shares bought back during the year         | -                                     | -                                     | -                                     | -                                     |  |
| <b>Shares outstanding at the end of the year</b> | <b>1,04,24,110</b>                    | <b>1,042.41</b>                       | <b>1,04,24,110</b>                    | <b>1,042.41</b>                       |  |

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**13.3 Shares in the company held by each shareholder holding more than 5 percent shares****Current Financial Year**

| Name of Shareholder                    | As at 31st March 24 | As at 31st March 24 | As at 31st March 23 | As at 31st March 23 |
|--|---------------------|---------------------|---------------------|---------------------|
|  | No of Shares Held   | % of Holding        | No of Shares Held   | % of Holding        |
| <b>Equity Shares of Rs. 10/- each:</b> |                     |                     |                     |                     |
| Dimple S Mangal                        | 7,56,000            | 6.62%               | 7,76,000            | 7.44%               |
| Om Prakash Mangal                      | 14,70,000           | 12.87%              | 14,70,000           | 14.10%              |
| Priyata S Mangal                       | 13,04,555           | 11.42%              | 13,04,555           | 12.51%              |
| Radhika S Mangal                       | 10,24,435           | 8.97%               | 10,24,435           | 9.83%               |
| Sanjay Prakash Mangal                  | 12,08,155           | 10.58%              | 12,08,155           | 11.59%              |
| Veedant S Mangal                       | 14,70,000           | 12.87%              | 14,70,000           | 14.10%              |

**Previous Financial Year**

| Name of Shareholder                    | As at 31st March 23 | As at 31st March 23 | As at 31st March 22 | As at 31st March 22 |
|--|---------------------|---------------------|---------------------|---------------------|
|  | No of Shares Held   | % of Holding        | No of Shares Held   | % of Holding        |
| <b>Equity Shares of Rs. 10/- each:</b> |                     |                     |                     |                     |
| Dimple S Mangal                        | 7,76,000            | 7.44%               | 7,76,000            | 7.44%               |
| Om Prakash Mangal                      | 14,70,000           | 14.10%              | 14,70,000           | 14.10%              |
| Priyata S Mangal                       | 13,04,555           | 12.51%              | 13,04,555           | 12.51%              |
| Radhika S Mangal                       | 10,24,435           | 9.83%               | 10,24,435           | 9.83%               |
| Sanjay Prakash Mangal                  | 12,08,155           | 11.59%              | 12,08,155           | 11.59%              |
| Vedant S Mangal                        | 14,70,000           | 14.10%              | 14,70,000           | 14.10%              |

**13.4 Shares in the company held by promoters:****Disclosure as at March 31, 2024 is as follows**

| Name of Shareholder     | As at 31st March 24 | As at 31st March 24 | As at 31st March 23 | As at 31st March 23 | % Change during the year |
|-------------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|
|                         | No. of Shares held  | % of Holding        | No. of Shares held  | % of Holding        |                          |
| Om Prakash Mangal       | 14,70,000           | 12.87%              | 14,70,000           | 14.10%              | -1.23%                   |
| Sanjay Prakash Mangal   | 12,08,155           | 10.58%              | 12,08,155           | 11.59%              | -1.01%                   |
| Santosh Narayan Nambiar | 8,750               | 0.08%               | 8,750               | 0.08%               | -0.01%                   |

**Disclosure as at March 31, 2023 is as follows**

| Name of Shareholder     | As at 31st March 23 | As at 31st March 23 | As at 31st March 22 | As at 31st March 22 | % Change during the year |
|-------------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|
|                         | No. of Shares held  | % of Holding        | No. of Shares held  | % of Holding        |                          |
| Om Prakash Mangal       | 14,70,000           | 14.10%              | 14,70,000           | 14.10%              | 0.00%                    |
| Sanjay Prakash Mangal   | 12,08,155           | 11.59%              | 12,08,155           | 11.59%              | 0.00%                    |
| Santosh Narayan Nambiar | 8,750               | 0.08%               | 8,750               | 0.08%               | 0.00%                    |

(i) Promoter here means promoter as defined in the Companies Act, 2013.

(ii) percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

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(Standalone Financial Statements as at 31st March, 2024)

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

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### Note - 14 - Other Equity

|  | (Rs in Lakhs)            |                           |
|--|--------------------------|---------------------------|
| Particulars  | As at<br>31st March 2024 | As at<br>31st March, 2023 |
| <b>Securities Premium Reserve</b>                                    |                          |                           |
| Balance at the beginning of the year                                 | 864.00                   | 864.00                    |
| Add : Securities premium credited on share issue                     | 720.00                   | -                         |
| Less: Utilised towards issue of bonus shares during the year         | -                        | -                         |
| Less: Utilised towards expenses on issue of shares                   | -                        | -                         |
| <b>Balance at the end of the year</b>                                | <b>1,584.00</b>          | <b>864.00</b>             |
| <b>Retained Earning</b>  |                          |                           |
| Balance at the beginning of the year                                 | 2,127.96                 | 1,903.90                  |
| Add: Net Profit/(Net Loss) For the year                              | 153.44                   | 245.77                    |
| Add: Remeasurement of defined benefit plan transferred from OCI      | -                        | -                         |
| Other Adjustment   | -                        | -                         |
| Less: Dividend on Equity Shares (14.1)                               | (10.84)                  | (21.71)                   |
| <b>Balance at the end of the year</b>                                | <b>2,270.56</b>          | <b>2,127.96</b>           |
| <b>Money received against share Warrants ( See Note: 14.2, 14.3)</b> |                          |                           |
| Balance at the beginning of the year                                 | 205.00                   | -                         |
| Add: Money received during the year against share warrants issued    | -                        | 205.00                    |
| Add: Allotment money received during the year against share warrants | 615.00                   | -                         |
| Less : Issue of Equity shares against share Warrants                 | (820.00)                 | -                         |
| <b>Balance at the end of the year</b>                                | <b>-</b>                 | <b>205.00</b>             |
| <b>Other Comprehensive Income (OCI)</b>                              |                          |                           |
| Balance at the beginning of the year                                 | 21.32                    | 19.58                     |
| Changes during the year  | 0.07                     | 1.74                      |
| <b>Balance at the end of the year</b>                                | <b>21.39</b>             | <b>21.32</b>              |
| <b>Total Other Equity</b>  | <b>3,875.95</b>          | <b>3,218.28</b>           |

### 14.1 Dividend on equity shares paid during the year.

|  | (Rs in Lakhs)             |                           |
|--|---------------------------|---------------------------|
| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| Final dividend for the year 2022-23                                    |                           |                           |
| [Rs 0.50 (previous year 2021-22 Re 1) per equity shares of Rs 10 each] | 10.84                     | 21.71                     |

#### Note:

Board of Directors of the Company have proposed final dividend of Rs 0.50 per equity share for the financial year 2023-24. Proposed dividend on equity shares are subject to approval at the annual general meeting and hence not recognised as a liability as at 31 March 2024. No interim dividend was declared and paid during the financial year 2023-24.



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(Standalone Financial Statements as at 31st March, 2024)

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

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### 14.2 Reconciliation of the number of share warrants outstanding at the beginning and at the end of the reporting period

(Rs in Lakhs)

| Particulars  | As at 31st March 24 | As at 31st March 24 | As at 31st March 23 | As at 31st March 23 |
|--|---------------------|---------------------|---------------------|---------------------|
|  | Number              | Amount              | Number              | Amount              |
| Share Warrants Outstanding at the Beginning of the Year              | 10,00,000           | 205.00              | -                   | -                   |
| Add: Money received during the year against share warrants issued    | -                   | -                   | 10,00,000           | 205.00              |
| Add: Allotment money received during the year against share warrants | -                   | 615.00              | -                   | -                   |
| Less: Allotment of Equity Shares on Conversion of Share Warrants     | (10,00,000)         | (820.00)            | -                   | -                   |
| <b>Share Warrants Outstanding at the End of the Year</b>             | <b>-</b>            | <b>-</b>            | <b>10,00,000</b>    | <b>205.00</b>       |

| Particulars  | As at 31st March 23 | As at 31st March 23 | As at 31st March 22 | As at 31st March 22 |
|--|---------------------|---------------------|---------------------|---------------------|
|  | Number              | Amount              | Number              | Amount              |
| Share Warrants Outstanding at the Beginning of the Year              | -                   | -                   | -                   | -                   |
| Add: Money received during the year against share warrants issued    | 10,00,000           | 205.00              | -                   | -                   |
| Add: Allotment money received during the year against share warrants | -                   | -                   | -                   | -                   |
| Less: Allotment of Equity Shares on Conversion of Share Warrants     | -                   | -                   | -                   | -                   |
| <b>Share Warrants Outstanding at the End of the Year</b>             | <b>10,00,000</b>    | <b>205.00</b>       | <b>-</b>            | <b>-</b>            |

**14.3** The Company has issued 10,00,000 convertible equity warrants on 6th July 2022 at an issue price of Rs. 82.00 per warrant on preferential basis, on receipt of the subscription money of Rs. 205.00 Lakhs being 25% of the issue price. Such warrants are convertible into equivalent number of fully paid up equity shares of face value of Rs.10/- at a premium of Rs. 72/- each, at an option of the warrant holders, at any time, in one or more tranches, within 18 Months from the date of issue of warrants on the payment of balance 75% amount due on warrants. The warrant holders have exercised their option to convert warrants during the year (2023-24) on payment of balance 75% amount of Rs 615.00 Lakhs, due on warrants and the company has allotted 10,00,000 equity shares against the same.

**Note - 15 - Long Term Borrowings**

(Rs in Lakhs)

| Particulars                      | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|----------------------------------|--------------------------|---------------------------|
| <b>Secured Borrowings</b>        |                          |                           |
| From Banks                       |                          |                           |
| IDBI - Working Capital Term Loan | 160.83                   | 257.33                    |
| <b>Total</b>                     | <b>160.83</b>            | <b>257.33</b>             |

15.1. Primary Security : Second Charge in the form of hypothecation on entire current and moveable fixed assets of the company including stocks, Book Debts (Both present & future, obtained as primary security for WC limit- Refer Note No:19).

Collateral Security: Second charge on assets obtained by bank as collateral security for WC limit (Ref Note No:19).

The above facilities are further guaranteed by two directors of the company in their personal capacity. The Limit is covered under Guaranteed Emergency Credit Line (GECL) operated by NCGTC.

15.2 Maturity Profile (Repayment) of above liability (Rs in Lakhs)

|              |       |
|--------------|-------|
| FY 2023 - 24 | 96.50 |
| FY 2024 - 25 | 96.50 |
| FY 2025 - 26 | 96.50 |
| FY 2026 - 27 | 64.33 |

15.3 Sanctioned Amount Rs 386.00 Lakhs

15.4 The rate of interest applicable is RLLR(Y) + 1.00% pa.

15.5 Tenure 60 Months

15.6 Repayment for principal : 12 Months Moratorium, 48 Months Instalments after Moratorium. Interest to be Serviced on Monthly Basis.

**Note - 16 - Other Non-Current Financial Liabilities**

(Rs in Lakhs)

| Particulars  | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|--------------|--------------------------|---------------------------|
| -            | -                        | -                         |
| <b>Total</b> | <b>-</b>                 | <b>-</b>                  |

**Note - 17 - Long Term Provisions**

(Rs in Lakhs)

| Particulars                     | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|---------------------------------|--------------------------|---------------------------|
| Provision for Employee benefits |                          |                           |
| Gratuity (Unfunded)             | 9.43                     | 7.89                      |
| Leave Encashment                | 4.36                     | 3.28                      |
| <b>Total</b>                    | <b>13.79</b>             | <b>11.17</b>              |

**Note - 18 - Other Non-Current Liabilities**

(Rs in Lakhs)

| Particulars  | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|--------------|--------------------------|---------------------------|
| -            | -                        | -                         |
| <b>Total</b> | <b>-</b>                 | <b>-</b>                  |

**Note - 19 - Short Term Borrowings**

(Rs in Lakhs)

| Particulars   | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|---|--------------------------|---------------------------|
| <b>Secured (Repayable on Demand) (From Bank)</b>                      |                          |                           |
| IDBI Bank Limited (Cash Credit Account)                               | 1,977.03                 | 1,786.66                  |
| <b>Secured (Current Maturity of Long Term Borrowings) (From Bank)</b> |                          |                           |
| IDBI Bank LIMITED (WCTL under GECL) (See Note No:15)                  | 96.50                    | 96.50                     |
| <b>Total</b>  | <b>2,073.53</b>          | <b>1,883.16</b>           |

19.1. The Company has created a charge in favour of IDBI Bank Ltd, for Working Capital by way of first charge in the form of hypothecation of stock of raw material (imported & indigenous), work in progress, finished goods, packing materials and other chargeable current assets of the company (Present and future), hypothecation of entire book debts and other current assets of the company, as security for cash credit and other working capital facilities.

The above facilities are further collaterally secured by way of equitable mortgage of company's shed no. A2-114 and 115, Vatva Industrial Estate, Phase II, GIDC, Ahmedabad. The above facilities are further guaranteed by two directors of the company in their personal capacity.

**Note - 20, 21 - Trade Payables**

(Rs in Lakhs)

| Particulars   | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|---|--------------------------|---------------------------|
| Total outstanding dues of Micro Enterprise and small enterprise | 53.29                    | 0.14                      |
| Total outstanding dues others                                   | 1,078.40                 | 1,501.52                  |
| <b>Total</b>  | <b>1,131.69</b>          | <b>1,501.66</b>           |

Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act:

| Particulars  | Amount | (Rs in Lakhs)<br>Amount |
|--|--------|-------------------------|
| - Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)  |        |                         |
| Principal amount due to micro and small enterprise   | 53.29  | 0.14                    |
| Interest due on above  | -      | -                       |
| - 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 the period             | -      | -                       |
| - Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | -      | -                       |
| - The amount of interest accrued and remaining unpaid at the end of each accounting year   | -      | -                       |
| - Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises  | -      | -                       |

Note:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors.

**Note - 22 - Other Current Financial Liabilities** **(Rs in Lakhs)**

| Particulars                | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|----------------------------|--------------------------|---------------------------|
| Statutory Dues             | 7.21                     | 7.50                      |
| Creditor for Capital Goods | -                        | 20.84                     |
| Unpaid Dividend            | 0.02                     | -                         |
| Trade Security Deposits    | 5.00                     | -                         |
| Others                     | -                        | -                         |
| <b>Total</b>               | <b>12.23</b>             | <b>28.34</b>              |

**Note - 23 - Short Term Provisions** **(Rs in Lakhs)**

| Particulars  | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|--|--------------------------|---------------------------|
| Provision for Expenses                             | 27.59                    | 22.72                     |
| Provision for Employee benefits (Refer note no 37) |                          |                           |
| Gratuity (Unfunded)                                | 5.36                     | 6.95                      |
| Leave Encashment                                   | 1.74                     | 1.40                      |
| Others   | -                        | -                         |
| <b>Total</b>                                       | <b>34.69</b>             | <b>31.07</b>              |

**Note - 24 - Other Current Non Financial Liabilities** **(Rs in Lakhs)**

| Particulars            | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|------------------------|--------------------------|---------------------------|
| Advance from Customers | 2.43                     | 0.45                      |
| <b>Total</b>           | <b>2.43</b>              | <b>0.45</b>               |

**Note - 25 - Current Tax Liabilities** **(Rs in Lakhs)**

| Particulars                                     | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|---|--------------------------|---------------------------|
| Provision for Income Tax [net of prepaid taxes] | 3.79                     | 8.62                      |
| <b>Total</b>                                    | <b>3.79</b>              | <b>8.62</b>               |

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

**Note - 26 - Revenue From Operations**

|                                |                                       | (Rs in Lakhs)                         |
|--------------------------------|---------------------------------------|---------------------------------------|
| Particulars                    | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| <b>Sale of Products</b>        |                                       |                                       |
| Export Sales                   | 174.82                                | 220.47                                |
| Domestic Sales                 | 9,694.61                              | 9,795.01                              |
| <b>Sale of Services</b>        |                                       |                                       |
| Agency Service Income          | 77.33                                 | 58.44                                 |
| <b>Other Operating Revenue</b> |                                       |                                       |
| Export Incentives              | 3.62                                  | 4.62                                  |
| Other Operating Income         | -                                     | -                                     |
| <b>Total</b>                   | <b>9,950.38</b>                       | <b>10,078.54</b>                      |

**Note - 27 - Other Income**

|                                   |                                       | (Rs in Lakhs)                         |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Particulars                       | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Interest Income                   | 115.59                                | 171.89                                |
| Other Non-Operating Income        |                                       |                                       |
| Income from Investment Activities | 0.52                                  | 0.10                                  |
| Other Non-Operating Income        | 10.16                                 | 4.22                                  |
| <b>Total</b>                      | <b>126.27</b>                         | <b>176.21</b>                         |

**27.1 Interest Income comprises:**

|                                |               |               |
|--------------------------------|---------------|---------------|
| Interest on Loans and Advances | 111.70        | 171.31        |
| Interest from Banks Deposit    | 2.64          | 0.58          |
| Interest on Income Others      | 1.25          | -             |
| Interest on Income tax Refund  | -             | -             |
| Interest Income - Ind AS       | -             | -             |
| <b>Total</b>                   | <b>115.59</b> | <b>171.89</b> |

**27.2 Other Non Operating Income Comprises:**

|   |              |             |
|---|--------------|-------------|
| Gain on Foreign Exchange Fluctuation (net)          | 8.57         | 1.12        |
| Outwards Freight Recovered in Invoice               | -            | 3.10        |
| Gain on Sale of Property Plant and Equipments (net) | 0.46         | -           |
| Other Income  | 1.13         | -           |
| <b>Total</b>  | <b>10.16</b> | <b>4.22</b> |

**27.3 Income from Investment Activities Comprises:**

|                     |             |             |
|---------------------|-------------|-------------|
| Gain on Mutual Fund | 0.52        | 0.10        |
| <b>Total</b>        | <b>0.52</b> | <b>0.10</b> |

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

**Note - 28 - Cost Of Materials Consumed**

|   |                                       | (Rs in Lakhs)                         |
|---|---------------------------------------|---------------------------------------|
| Particulars   | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Opening Stock at the beginning of the year  | 1,388.68                              | 1,415.68                              |
| Add : Purchases and Incidental Expenses (Net of returns, claims/<br>discount, if any) | 7,360.62                              | 6,870.79                              |
| Less : Closing Stock at the end of the year   | (1,093.40)                            | (1,388.68)                            |
| <b>Total</b>  | <b>7,655.90</b>                       | <b>6,897.79</b>                       |

**Note - 29 - Purchase Stock-In-Trade**

|  |                                       | (Rs in Lakhs)                         |
|--|---------------------------------------|---------------------------------------|
| Particulars  | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Purchases and Incidental Expenses<br>(Net of returns, claims/discount, if any) | 2,166.96                              | 2,605.14                              |
| <b>Total</b>   | <b>2,166.96</b>                       | <b>2,605.14</b>                       |

**Note - 30 - Changes In Inventories Of Finished Goods, Work-In-Progress and Stock-In-Trade**

|                                 |                                       | (Rs in Lakhs)                         |
|---------------------------------|---------------------------------------|---------------------------------------|
| Particulars                     | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| <b>Opening Stock</b>            |                                       |                                       |
| Work-in-Progress                | -                                     | -                                     |
| Finished Goods / Stock-in Trade | 242.30                                | 171.08                                |
|                                 | 242.30                                | 171.08                                |
| <b>Closing Stock</b>            |                                       |                                       |
| Work-in-Progress                | -                                     | -                                     |
| Finished Goods / Stock-in Trade | (886.70)                              | (242.30)                              |
|                                 | (886.70)                              | (242.30)                              |
| <b>Total</b>                    | <b>(644.40)</b>                       | <b>(71.22)</b>                        |

**Note - 31 - Employee Benefit Expenses**

|  |                                       | (Rs in Lakhs)                         |
|--|---------------------------------------|---------------------------------------|
| Particulars  | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Salaries & Wages   | 168.83                                | 122.21                                |
| Contributions to Provident Fund and Other Funds          | 4.51                                  | 4.38                                  |
| Gratuity and Leave Encashment (Net of reversals, if any) | 4.90                                  | (9.15)                                |
| Staff Welfare Expenses                                   | 2.97                                  | 2.50                                  |
| <b>Total</b>   | <b>181.21</b>                         | <b>119.94</b>                         |

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

**Note - 32 - Finance Costs**

|                                    |                                       | (Rs in Lakhs)                         |
|------------------------------------|---------------------------------------|---------------------------------------|
| Particulars                        | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Interest expense:                  |                                       |                                       |
| On Fixed Loans from Banks          | 28.04                                 | 46.86                                 |
| On CC & Other Borrowing from Banks | 222.23                                | 132.52                                |
| On Other Borrowing                 | 0.42                                  | -                                     |
| Others                             | 0.93                                  | 1.06                                  |
| Other Finance Cost                 | 8.42                                  | 4.58                                  |
| On Income Tax                      | 0.04                                  | 0.20                                  |
| Less: Borrowing Cost Capitalised   | -                                     | (8.09)                                |
| <b>Total</b>                       | <b>260.08</b>                         | <b>177.13</b>                         |

**Note - 33 - Depreciation & Amortisation Expenses**

|  |                                       | (Rs in Lakhs)                         |
|--|---------------------------------------|---------------------------------------|
| Particulars                                    | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Amortisation of Intangible Assets              | 3.79                                  | 3.22                                  |
| Depreciation on Right of Use Assets            | 12.19                                 | 21.28                                 |
| Depreciation on Property, Plant and Equipments | 27.57                                 | 22.76                                 |
| <b>Total</b>                                   | <b>43.55</b>                          | <b>47.26</b>                          |

**Note - 34 - Other Expenses**

|   |                                       | (Rs in Lakhs)                         |
|---|---------------------------------------|---------------------------------------|
| Particulars                                       | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| <b>Manufacturing &amp; Service Expenses</b>       |                                       |                                       |
| Power & Fuel                                      | 3.10                                  | 5.21                                  |
| Loading-Unloading Expenses                        | 6.23                                  | 1.53                                  |
| Other Factory Expenses                            | 0.48                                  | 0.47                                  |
| Repair & Maintenance - Plant & Machinery          | 8.01                                  | 1.07                                  |
| Repair & Maintenance - Building                   | 7.29                                  | 3.87                                  |
| Repair & Maintenance - Others                     | -                                     | 0.09                                  |
| Packing Expenses                                  | 82.30                                 | 44.90                                 |
| Laboratory Expense                                | 1.55                                  | 1.03                                  |
| Water & Water Treatment Charges                   | 5.76                                  | 3.75                                  |
| Insurance Expenses                                | 0.51                                  | 0.67                                  |
| <b>Total Manufacturing &amp; Service Expenses</b> | <b>115.23</b>                         | <b>62.59</b>                          |



**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

**Note - 34 - Other Expenses - Contd.**

|   | <b>(Rs in Lakhs)</b>                          |   |
|---|---|---|
|   | <b>For the year ended<br/>31st March 2024</b> | <b>For the year ended<br/>31st March 2023</b> |
| <b>Administration, Selling &amp; Other Expenses</b>       |   |   |
| Advertisement Expenses                                    | 2.44  | 2.12  |
| Bank Charges  | 2.20  | 2.25  |
| Brokerage Expenses  | -   | 0.03  |
| Business Promotion Expenses                               | 0.39  | 11.09   |
| Consultancy Fees  | 20.19   | 21.71   |
| Conveyance Expense  | 2.86  | 0.47  |
| Director Sitting Fees                                     | 1.80  | 1.80  |
| ECL Provision   | 3.56  | 6.59  |
| Export Clearing / Forwarding / Handling Charges           | 3.34  | 3.49  |
| Godown / Storage Tank Rent                                | 4.83  | 2.18  |
| Insurance Expenses  | 3.83  | 3.92  |
| Lease Rent Expenses                                       | 3.01  | 2.43  |
| Legal Expenses  | 1.89  | 11.30   |
| Misc. Expenses  | 0.02  | 1.35  |
| Other Expenses  | 3.81  | 3.93  |
| Outwards Freight / Loading & Unloading                    | 11.30   | 1.08  |
| Payment to Auditors                                       | 3.55  | 2.75  |
| Postage & Courier Expenses                                | 0.38  | -   |
| Printing & Stationery Expenses                            | 0.81  | 0.10  |
| Prior Period Item (Net)                                   | 0.10  | 0.06  |
| Repair & Maintenance - Others                             | 2.11  | 0.79  |
| Sales Commission Expenses                                 | 2.54  | 0.54  |
| Sample Expense  | 0.89  | 0.04  |
| Telecommunication Expenses                                | 0.51  | 0.47  |
| Royalty Expenses  | 1.00  | 1.00  |
| Travelling Expenses                                       | 5.99  | 0.41  |
| <b>Total Administration, Selling &amp; Other Expenses</b> | <b>85.26</b>                                  | <b>83.04</b>                                  |
| <b>Total</b>  | <b>200.49</b>                                 | <b>145.63</b>                                 |

|   | <b>(Rs in Lakhs)</b>                          |   |
|---|---|---|
|   | <b>For the year ended<br/>31st March 2024</b> | <b>For the year ended<br/>31st March 2023</b> |
| <b>Payment to Auditors (excluding taxes)</b>    |   |   |
| Statutory Audit Fees (including Tax Audit Fees) | 2.75  | 2.75  |
| Cost Audit Fees                                 | 0.80  | -   |
| <b>Total</b>                                    | <b>3.55</b>                                   | <b>2.75</b>                                   |

**Note - 35 - Tax Expense**

|  | <b>(Rs in Lakhs)</b>                          |   |
|--|---|---|
|  | <b>For the year ended<br/>31st March 2024</b> | <b>For the year ended<br/>31st March 2023</b> |
| Tax Expenses                               | 54.46   | 81.84   |
| Deferred Tax Expenses/(Reversal)           | 5.83  | 5.33  |
| Tax in respect of Earlier Years/(Reversal) | (0.87)  | 0.14  |
| <b>Total</b>                               | <b>59.42</b>                                  | <b>87.31</b>                                  |

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

**Note - 36 - Earnings Per Share**

The earning per share is calculated by dividing the profit after tax by weighted average number of shares outstanding for basic & diluted earning per share.

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| Profit after tax (Rs. in Lakhs)                         | 153.44                    | 245.77                    |
| Weighted average number of shares outstanding (Basic)   | 1,06,48,154.00            | 1,04,24,110               |
| Weighted average number of shares outstanding (Diluted) | 1,10,42,096.00            | 1,06,69,313               |
| Nominal value per share (Rs.)                           | 10.00                     | 10.00                     |
| Basic earning per share (Rs.)                           | 1.44                      | 2.36                      |
| Diluted earning per share (Rs.)                         | 1.39                      | 2.30                      |

**Note - 37 - Employee Benefits**

**The Company has the Following Post-Employment Benefit Plans:**

**A. Defined Contribution Plan**

Contribution to defined contribution plan recognised as expense for the year is as under:

| Particulars                               | As at<br>31st March, 2024 | (Rs. in Lakhs)<br>As at<br>31st March, 2023 |
|---|---------------------------|---|
| Employer's Contribution to Provident Fund | 2.81                      | 3.40  |

**B. Defined Benefit Plans**

**Gratuity (Unfunded) :**

(i) The company administers its employees gratuity scheme unfunded liability. The present value of the liability for the defined benefit plan of gratuity obligation is determined based on actuarial valuation by an independent actuary at the period end, which is calculated using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(ii) Gratuity benefits in india are governed by the payment of Gratuity Act, 1972. the Key Features are as under:

|                     |   |
|---------------------|---|
| Benefits Offered    | : 15 / 26 X Salary X Duration Of Service                                      |
| Salary Definition   | : Last Drawn Basic Salary including Dearness Allowance (if any)               |
| Benefit Ceiling     | : Benefit Ceiling Of Rs. 20 Lakhs   |
| Vesting Conditions  | : 5 Years Of Continuous Service (Not Applicable In Case Of Death/ Disability) |
| Benefit Eligibility | : Upon Death Or Resignation Or Withdrawal Or Retirement                       |
| Retirement Age      | : 60 Years  |

(iii) Risks associated to the defined benefit plan of gratuity:

(a) Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons.  
Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

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

(b) Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.

(c) Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

(d) Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One of the actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(e) Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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

| Particulars   | (Rs in Lakhs)             |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>Changes in Present Value of Benefit Obligations</b>                    |                           |                           |
| Present Value of Benefit Obligations (Opening)                            | 14.85                     | 24.05                     |
| Transfer in/(out) obligation  | -                         | (8.85)                    |
| Current Service Cost  | 1.39                      | 2.43                      |
| Interest Cost   | 0.84                      | 1.04                      |
| Benefits Paid   | (2.20)                    | (1.49)                    |
| Actuarial Losses / (Gains)  | (0.09)                    | (2.33)                    |
| <b>Present Value of Benefit Obligation (Closing)</b>                      | <b>14.79</b>              | <b>14.85</b>              |
| <b>Changes in Plan Assets</b>   |                           |                           |
| Opening Value of Plan Assets  | -                         | -                         |
| Changes during the year   | -                         | -                         |
| <b>Closing Value of Plan Assets</b>                                       | <b>-</b>                  | <b>-</b>                  |
| <b>Reconciliation of Net Defined Benefit Liability/ (Assets)</b>          |                           |                           |
| Net Opening provision in Books of Accounts                                | 14.85                     | 24.05                     |
| Transfer in/(out) obligation  | -                         | (8.85)                    |
| Transfer in/(out) plan assets   | -                         | -                         |
| Employee Benefit Expenses   | 2.22                      | 3.47                      |
| Amount recognised in Other Comprehensive (Income)/Expense                 | (0.09)                    | (2.33)                    |
| Benefits Paid   | (2.20)                    | (1.49)                    |
| Contributions to plan assets  | -                         | -                         |
| <b>Present Value of Benefit Obligation (Closing)</b>                      | <b>14.79</b>              | <b>14.85</b>              |
| <b>Bifurcation of Actuarial Losses/ (Gains) (OCI)</b>                     |                           |                           |
| Actuarial Losses / (Gains) Arising from Change in Financial Assumptions   | 0.14                      | (0.39)                    |
| Actuarial Losses / (Gains) Arising from Change in Demographic Assumptions | -                         | -                         |
| Actuarial Losses / (Gains) Arising from Experience Adjustments            | (0.23)                    | (1.94)                    |
| <b>Actuarial Losses / (Gains)</b>   | <b>(0.09)</b>             | <b>(2.33)</b>             |
| <b>Bifurcation of Present Value of Benefit Obligation</b>                 |                           |                           |
| Current – Amount Due Within One Year                                      | 5.36                      | 6.95                      |
| Non - Current – Amount Due After One Year                                 | 9.42                      | 7.90                      |
| <b>Total</b>  | <b>14.79</b>              | <b>14.85</b>              |

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

**Expected Benefit Payments in Future Years**

**(Projections are for Current Members and their Currently Accumulated Benefits)**

|                   |      |      |
|-------------------|------|------|
| Year 1            | 5.36 | 6.95 |
| Year 2            | 0.43 | 0.41 |
| Year 3            | 0.45 | 0.38 |
| Year 4            | 0.47 | 0.41 |
| Year 5            | 0.50 | 0.42 |
| Year 6 to Year 10 | 5.49 | 4.53 |

**Sensitivity Analysis of Defined Benefit Obligation with References to Key Assumptions**

|  |       |       |
|--|-------|-------|
| Discount Rate - 0.50 Percent Increase          | 14.32 | 14.44 |
| Discount Rate - 0.50 Percent Decrease          | 15.29 | 15.29 |
| Salary Escalation Rate - 0.50 Percent Increase | 15.28 | 15.28 |
| Salary Escalation Rate - 0.50 Percent Decrease | 14.33 | 14.44 |
| Withdrawal Rate - 10.00 Percent Increase       | 14.75 | 14.82 |
| Withdrawal Rate - 10.00 Percent Decrease       | 14.82 | 14.88 |

**Amounts Recognized in Balance Sheet**

|   |       |       |
|---|-------|-------|
| Present Value of Benefit Obligation as at beginning of the year | 14.85 | 24.05 |
| Present Value of Benefit Obligation as at end of the year       | 14.79 | 14.85 |

**Amounts Recognized In Statement Of Profit And Loss**

| Particulars   | For the Year Ended<br>31st March, 2024 | For the Year Ended<br>31st March, 2023 |
|---|--|--|
| Current Service Cost  | 1.39                                   | 2.43                                   |
| Transfer in/(out) obligation                                | -                                      | (8.85)                                 |
| Interest Cost   | 0.84                                   | 1.04                                   |
| Expected Return on Plan Assets                              | -                                      | -                                      |
| Net Actuarial Losses / (Gains) Recognized in the Year (OCI) | (0.09)                                 | (2.33)                                 |
| <b>Expenses Recognized in Statement of Profit and Loss</b>  | <b>2.14</b>                            | <b>(7.72)</b>                          |

**Actuarial Assumptions**

|  |   |   |
|--|---|---|
| Discount Rate (%)  | 7.20%   | 7.35%   |
| (Discount rate used for valuing liabilities is based on yields (as on valuation date) of government bonds with a tenure similar to the expected working lifetime of the employees) |   |   |
| Salary Escalation Rate (%)   | 8.33%   | 8.33%   |
| (Estimates of future salary increase are based on inflation, eniority, Promition and Other Relevant factors such as demand and supply In the employment market)                    |   |   |
| Retirement Age   | 60  | 60  |
| Attrition Rate   | 10% at younger ages and reducing to 2% at older ages according to graduated scale | 10% at younger ages and reducing to 2% at older ages according to graduated scale |
| Mortality Rate   | Indian assured lives Mortality (2012-14) Ult.                                     | Indian assured lives Mortality (2012-14) Ult.                                     |

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

**C. Other Long - Term Employee Benefits**

**Leave Encashment (Unfunded) :**

(i) The value of obligation is determined based on company's leave policy. The key features are as under:

|                                  |   |
|----------------------------------|---|
| Benefits Offered                 | : Leave Days x Encashment Salary / Leave Denominator    |
| Salary Definition for Encashment | : Last drawn Gross Salary                               |
| Salary Definition for Availment  | : Last drawn CTC Salary                                 |
| Leave Credited Annually          | : 21 days   |
| Leave Denominator                | : 26 days   |
| Benefit Event                    | : Upon Death Or Resignation Or Withdrawal Or Retirement |
| Retirement Age                   | : 60 Years  |

(iii) Risks associated to the plan:

(a) Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons.  
Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Privilege Leave benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the will be paid earlier than Privilege leave benefit will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Variability in availment rates: If actual availment rates are higher than assumed availment rate assumption then leave balances will be utilised earlier than expected. This will result in reduction in leave balances and Obligation..

(b) Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

(c) Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Entity there can be strain on the cash flows.

(d) Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(e) Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Shop and Establishment Act, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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

(Rs in Lakhs)

| Particulars   | For the Year Ended<br>31st March, 2024 | For the Year Ended<br>31st March, 2023 |
|---|--|--|
| <b>Changes in Present Value of Benefit Obligations</b>  |  |  |
| Present Value of Benefit Obligations (Opening)  | 4.68                                   | 9.91                                   |
| Transfer in/(out) obligation  | -                                      | -                                      |
| Current Service Cost  | 2.23                                   | 0.57                                   |
| Interest Cost   | 0.29                                   | 0.73                                   |
| Benefits Paid   | (1.25)                                 | (1.26)                                 |
| Actuarial Losses / (Gains)  | 0.16                                   | (5.27)                                 |
| <b>Present Value of Benefit Obligation (Closing)</b>  | <b>6.11</b>                            | <b>4.68</b>                            |
| <b>Changes in Plan Assets</b>   |  |  |
| Opening Value of Plan Assets  | -                                      | -                                      |
| Changes during the year   | -                                      | -                                      |
| <b>Closing Value of Plan Assets</b>   | <b>-</b>                               | <b>-</b>                               |
| <b>Reconciliation of Net Defined Benefit Liability/ (Assets)</b>  |  |  |
| Net Opening provision in Books of Accounts  | 4.68                                   | 9.91                                   |
| Transfer in/(out) obligation  | -                                      | -                                      |
| Transfer in/(out) plan assets   | -                                      | -                                      |
| Employee Benefit Expenses   | 1.44                                   | 1.73                                   |
| Actuarial Losses/ (Gains)   | 0.16                                   | (5.27)                                 |
| Benefits Paid   | (0.17)                                 | (1.68)                                 |
| Contributions to plan assets  | -                                      | -                                      |
| <b>Present Value of Benefit Obligation (Closing)</b>  | <b>6.11</b>                            | <b>4.68</b>                            |
| <b>Bifurcation of Actuarial Losses/ (Gains)</b>   |  |  |
| Actuarial Losses / (Gains) Arising from Change in Financial Assumptions   | 0.07                                   | -                                      |
| Actuarial Losses / (Gains) Arising from Change in Demographic Assumptions   | -                                      | -                                      |
| Actuarial Losses / (Gains) Arising from Experience Adjustments  | 0.09                                   | (5.27)                                 |
| <b>Actuarial Losses / (Gains)</b>   | <b>0.16</b>                            | <b>(5.27)</b>                          |
| <b>Bifurcation of Present Value of Benefit Obligation</b>   |  |  |
| Current – Amount Due Within One Year  | 1.75                                   | 1.40                                   |
| Non - Current – Amount Due After One Year   | 4.36                                   | 3.28                                   |
| <b>Total</b>  | <b>6.11</b>                            | <b>4.68</b>                            |
| <b>Expected Benefit Payments in Future Years</b><br><b>(Projections are for Current Members and their Currently Accumulated Benefits)</b> |  |  |
| Year 1  | 1.75                                   | 1.40                                   |
| Year 2  | 0.22                                   | 0.17                                   |
| Year 3  | 0.22                                   | 0.16                                   |
| Year 4  | 0.23                                   | 0.17                                   |
| Year 5  | 0.24                                   | 0.17                                   |
| Year 6 to Year 10   | 2.56                                   | 1.97                                   |
| <b>Sensitivity Analysis of Defined Benefit Obligation with References to Key Assumptions</b>  |  |  |
| Discount Rate - 0.50 Percent Increase   | 5.89                                   | 4.51                                   |
| Discount Rate - 0.50 Percent Decrease   | 6.35                                   | 4.86                                   |
| Salary Escalation Rate - 0.50 Percent Increase  | 6.34                                   | 4.86                                   |
| Salary Escalation Rate - 0.50 Percent Decrease  | 5.89                                   | 4.51                                   |
| Withdrawal Rate - 10.00 Percent Increase  | 6.09                                   | 4.67                                   |
| Withdrawal Rate - 10.00 Percent Decrease  | 6.13                                   | 4.69                                   |
| <b>Amounts Recognized in Balance Sheet</b>  |  |  |
| Present Value of Benefit Obligation as at beginning of the year   | 4.68                                   | 9.91                                   |
| Present Value of Benefit Obligation as at end of the year   | 6.11                                   | 4.68                                   |



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

**Amounts Recognized In Statement Of Profit And Loss**

| <b>Particulars</b>   | <b>For the Year Ended<br/>31st March, 2024</b>                                    | <b>For the Year Ended<br/>31st March, 2023</b>                                    |
|--|---|---|
| Current Service Cost   | 2.23  | 0.57  |
| Transfer in/(out) obligation   | -   | -   |
| Interest Cost  | 0.29  | 0.73  |
| Expected Return on Plan Assets   | -   | -   |
| Net Actuarial Losses/ (Gains)  | 0.16  | (5.27)  |
| <b>Expenses Recognized in Statement of Profit and Loss</b>   | <b>2.68</b>   | <b>(3.97)</b>   |
| <b>Actuarial Assumptions</b>   |   |   |
| Discount Rate (%)  | 7.20%   | 7.35%   |
| (Discount rate used for valuing liabilities is based on yields (as on valuation date) of government bonds with a tenure similar to the expected working lifetime of the employees) |   |   |
| Salary Escalation Rate (%)   | 8.33%   | 8.33%   |
| (Estimates of future salary increase are based on inflation, eniority, Promition and Other Relevant factors such as demand and supply In the employment market)                    |   |   |
| Retirement Age   | 60  | 60  |
| Attrition Rate   | 10% at younger ages and reducing to 2% at older ages according to graduated scale | 10% at younger ages and reducing to 2% at older ages according to graduated scale |
| Mortality Rate   | Indian assured lives Mortality (2012-14) Ult.                                     | Indian assured lives Mortality (2012-14) Ult.                                     |

**Notes to Standalone Financial Statements for the Year ended on 31st March, 2024**

**Note - 38 - Contingent Liabilities and Capital Commitments**

(Rs. in Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| <b><u>(i) Contingent Liabilities</u></b>  |                           |                           |
| a) Claims against the company not acknowledged as debts:  | NIL                       | NIL                       |
| b) Outstanding amount of Foreign Letter of Credit [Net of Purchase of Rs. 140.94 Lakhs (Previous Year Rs. 38.73 Lakhs)].  | 211.17                    | 119.67                    |
| c) Estimated outstanding obligation of custom duty in respect of bonds executed by company in favour of custom authorities in respect of goods lying in custom bonded warehouse.  | NIL                       | NIL                       |
| d) Bill discounted with banks under L/C received (Inland)   | NIL                       | NIL                       |
| (e) Income Tax Liabilities:   | NIL                       | 19.07(*)                  |
| (*) For Assessment Year 2020-21 (Financial Year 2019-20), the Income tax department has raised tax demand u/s 143(1) of Rs 19,07,470/- against which the company has filed application u/s 154 (rectification of mistake). As the company does not anticipate any liability in this regard, further provision is not considered necessary and hence not provided for. |                           |                           |
| <b><u>(ii) Capital Commitments:</u></b>   |                           |                           |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)  | NIL                       | NIL                       |

**Note - 39 - Operating Segment Information**

(a) The company has identified Dyes, Intermediates, Auxiliary, Chemicals and other merchandise etc., which have similar risks and returns, as its sole primary business segment, accordingly, there are no separate reportable segment.

(b) Geographical Information:

Analysis of the Company's revenues and Non - Current Assets by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographical location of assets.

**(i) Total Operating Revenue(\*)**

(Rs. in Lakhs)

| Particulars     | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-----------------|---------------------------|---------------------------|
| India           | 9,775.56                  | 9,858.07                  |
| Other Countries | 174.82                    | 220.47                    |

(\*) There are no transactions with a single external customer which amounts to 10% or more of the Company's revenue.

**(ii) Non - Current Assets(\*\*)**

(Rs. in Lakhs)

| Particulars     | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-----------------|---------------------------|---------------------------|
| India           | 1,546.97                  | 1,546.49                  |
| Other Countries | -                         | -                         |

(\*\*) (Excluding financial instruments and tax assets).

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

**Note - 40 - Property, Plant & Equipment/ Book Debt / Inventories / FDR Pledged / Hypothicated / Lien marked as a Security with the Bank as Under:**

|            | <b>Particulars</b>   | <b>In Favour Of</b> | <b>Description Of Facility</b>  |
|------------|--|---------------------|---|
| <b>(A)</b> | <b>Property Plant &amp; Equipment</b>  |                     |   |
|            | Shed no. A2-114 and 115, Vatva Industrial Estate, Phase II, GIDC, Ahmedabad. | IDBI Bank Limited   | Various Working Capital Facilities and GECL/ WCTL (Refer Note 15 and 19)  |
| <b>(B)</b> | <b>Stock/ Book debts/ Current Assets</b>                                     | IDBI Bank Limited   | Various Working Capital Facilities and GECL/ WCTL (Refer Note 15 and 19)  |
| <b>(C)</b> | <b>Bank FDR</b>  | IDBI Bank Limited   | Other Bank balances in Fixed Deposit Accounts are Pledged as margin money / as security for bank guarantees/ working capital facilities from Banks. |

**Notes to Standalone Financial Statements for the year ended on 31st March, 2024****Note - 41 - Related Party Disclosures**

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out below. Related Parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representations made by the management and information available with the Company and the same has been relied upon by the auditors.

**A. List of Related Parties :****(a) Associates :**

Hindparagon Polyresin Private Limited (Upto 30th September 2023)

**(b) Key Management Personnel ('KMP'):**

|                       |  |
|-----------------------|--|
| Om Prakash Mangal     | Chairman and Non-Executive Director        |
| Sanjay Prakash Mangal | Managing Director                          |
| Santosh N Nambiar     | Whole Time Director                        |
| Hetal Shah            | Chief Financial Officer                    |
| Utsav Trivedi         | Company Secretary (upto 31st January 2023) |
| Avani Patel           | Company Secretary (w.e.f. 1st June 2023)   |

**Independent Directors:**

Jitendra Kumar Sharma  
Apeksha Vyas  
Rushabh Shah

**(c) Others:**

|  |   |
|--|---|
| Dimple S Mangal  | } Relatives of key managerial personnel   |
| Priyata S Mangal   |   |
| Radhika S Mangal   |   |
| Vedant S Mangal  |   |
| OPSP Mangal HUF  |   |
| Omprakash Sanjayprakash HUF                                      |   |
| Sanjayprakash HUF  |   |
| Tanima S Nambiar   | } Enterprise over which key managerial personnel or close member of their family exercise control |
| Hindprakash Overseas Private Limited                             |   |
| Hindprakash Chemicals Private Limited                            |   |
| Hindprakash Global Private Limited                               |   |
| Hindprakash Organic Private Limited                              |   |
| Ecofine Colourchem Private Limited                               |   |
| Clairvoyance Industries Private Limited                          |   |
| Orio Shanghai Colours Private Limited                            |   |
| Hindparagon Polyresins Private Limited (w.e.f. 1st October 2023) |   |
| Innovent Exim Private Limited (*)                                |   |
| Shubhlaxmi Jewel Art Limited                                     |   |
| Si Foods Private Limited   |   |
| Stitched Textiles Limited  |   |
| Yash Chemex Limited  |   |
| Specific Worldwide LLP   |   |
| Nitex Enterprise LLP   |   |
| Axita Cotton Limited   |   |
| Vivanta Industries Limited                                       |   |
| Vivanza Biosciences Limited                                      |   |

\* (formerly known as Rishit Jain Financial Services Private Limited)

## Hindprakash Industries Limited

(Standalone Financial Statements as at 31 March, 2024)

*HindPrakash*

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

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### Note - 41 - Related Party Disclosures

#### B. Details of Related Party transactions during the year:

(Rs. in Lakhs)

| Nature of Transaction                 | Associates Companies/<br>Firms |        | Key Management Personnel |       | Enterprise Over Which KMP<br>Exercise Significant<br>Influence |        | Relatives of Key Managerial<br>Personnel |       |
|---------------------------------------|--------------------------------|--------|--------------------------|-------|--|--------|--|-------|
| Sale of Products / Services           | -                              | -      | -                        | -     | 10.62  | -      | -  | -     |
| Sale of PPE                           | -                              | -      | -                        | -     | 4.92   | -      | -  | -     |
| Interest Income                       | -                              | 4.74   | -                        | -     | 99.28  | 149.70 | -  | -     |
| Lease Rent Expense                    | -                              | -      | -                        | -     | 2.83   | 2.69   | -  | -     |
| Warehouse Charges Expenses            | -                              | -      | -                        | -     | 1.13   | 0.99   | -  | -     |
| Expenses (purchase for Staff Welfare) | -                              | -      | -                        | -     | 1.19   | 3.25   | -  | -     |
| Interest Paid                         | -                              | -      | 0.42                     | -     | -  | -      | -  | -     |
| Share Warrant (Money received)        | -                              | -      | -                        | -     | 479.70   | 159.90 | -  | -     |
| Borrowings (Net of Reypayment)        | -                              | -      | -                        | -     | -  | -      | -  | -     |
| Loan and Advances (Net of Reypayment) | -                              | 201.00 | -                        | -     | 704.00   | -      | -  | -     |
| Purchase of Shares                    | -                              | -      | -                        | -     | -  | 50.00  | -  | -     |
| Sale of Investments                   | -                              | -      | -                        | -     | 32.00  | -      | -  | -     |
| Director Sitting Fees                 | -                              | -      | 1.80                     | 1.80  | -  | -      | -  | -     |
| Royalty Paid                          | -                              | -      | 1.08                     | 1.00  | -  | -      | -  | -     |
| Salary Paid                           | -                              | -      | 26.92                    | 30.24 | -  | -      | 24.00                                    | 20.88 |
| Dividend Paid                         | -                              | -      | 0.04                     | 0.09  | -  | -      | -  | -     |

**Notes to Standalone Financial Statements for the year ended on 31st March, 2024**

**Note - 41 - Related Party Disclosures**

**C. Disclosures in Respect of Transactions with Related Parties during the year: (Rs. in Lakhs)**

| Nature of Transaction                 | Name of Related Party                   | Total         |               |
|---------------------------------------|---|---------------|---------------|
|                                       |   | 31 March 2024 | 31 March 2023 |
| Sale of Products / Services           | Ecofine Colourchem Private Limited      | 10.62         | -             |
| Sale of PPE                           | Hindprakash Overseas Private Limited    | 4.92          | -             |
| Interest Income                       | Hindparagon Polyresin Private Limited   | 44.65         | 4.74          |
|                                       | Clairvoyance Industries Private Limited | -             | 2.85          |
|                                       | Ecofine Colourchem Private Limited      | -             | 31.75         |
|                                       | Ecofine Colourchem Private Limited      | 2.31          | -             |
|                                       | Hindprakash Global Private Limited      | 6.78          | 37.76         |
|                                       | Hindprakash Overseas Private Limited    | 29.76         | 17.50         |
|                                       | Hindprakash Organic Private Limited     | 11.51         | 3.42          |
|                                       | Orio Shanghai Colours Private Limited   | 0.87          | 56.42         |
|                                       | Innovent Exim Private Limited           | 3.40          | -             |
|                                       |   |               |               |
| Lease Rent Expense                    | Hindprakash Chemicals Private Limited   | 2.83          | 2.69          |
| Warehouse Chargs Expenses             | Hindprakash Chemicals Private Limited   | 1.13          | 0.99          |
| Expenses (purchase for Staff Welfare) | Hindprakash Organic Private Limited     | 1.19          | 3.25          |
| Interest Paid                         | Sanjay Prakash Mangal                   | 0.42          | -             |
| Share Warrant (Money received)        | Hindprakash Global Private Limited      | 215.25        | 71.75         |
|                                       | Hindprakash Chemicals Private Limited   | 264.45        | 88.15         |
| Borrowings (Net of Reypayment)        | Sanjay Prakash Mangal                   | -             | -             |
| Loan and Advances (Net of Reypayment) | Clairvoyance Industries Private Limited | 200.00        | -             |
|                                       | Ecofine Colourchem Private Limited      | 31.00         | -             |
|                                       | Hindprakash Overseas Private Limited    | 303.00        | -             |
|                                       | Hindprakash Global Private Limited      | -             | -             |
|                                       | Hindprakash Organic Private Limited     | -             | -             |
|                                       | Orio Shanghai Colours Private Limited   | -             | -             |
|                                       | Innovent Exim Private Limited           | -             | -             |
|                                       | Hindparagon Polyresin Private Limited   | 170.00        | 201.00        |
| Purchase of Shares                    | Hindprakash Chemicals Private Limited   | -             | 50.00         |
| Sale of Investments                   | Hindprakash Chemicals Private Limited   | 32.00         | -             |
| Director Sitting Fees                 | Jitendra Kumar Sharma                   | 0.60          | 0.60          |
|                                       | Apeksha Vyas                            | 0.60          | 0.60          |
|                                       | Rushabh Shah                            | 0.60          | 0.60          |
| Royalty Paid                          | Sanjay Prakash Mangal                   | 1.08          | 1.00          |
| Salary Paid                           | Santosh N Nambiar                       | -             | 3.12          |
|                                       | Sanjay Prakash Mangal                   | 16.80         | 16.80         |
|                                       | Dimple S Mangal                         | 18.00         | 17.88         |
|                                       | Hetal Shah                              | 6.46          | 6.34          |
|                                       | Utsav Trivedi                           | -             | 3.98          |
|                                       | Avani Patel                             | 3.66          | -             |
|                                       | Tanima S Nambiar                        | 6.00          | 3.00          |
| Dividend Paid                         | Santosh N Nambiar                       | 0.04          | 0.09          |

**Notes to Standalone Financial Statements for the year ended on 31st March, 2024**

**D. Year end balances.**

**(Rs. in Lakhs)**

| Nature of Transaction                           | Name of Related Party                   | Total          |                |
|---|---|----------------|----------------|
|   |   | 31 March 2024  | 31 March 2023  |
| Loan Given                                      | Hindparagon Polyresin Private Limited   | 4,15,45,067.00 | 2,05,26,348.00 |
|   | Clairviyance Industries Private Limited | 2,00,00,000.00 | -              |
|   | Ecofine Colourchem Private Limited      | 33,07,703.00   | -              |
|   | Hindprakash Overseas Private Limited    | 3,29,78,634.00 | -              |
| Guarantee by Related Party to Company's Bankers | <b>IDBI Bank</b>                        |                |                |
|   | - Sanjay Prakash Mangal                 | }              | 3,386.00       |
|   | - Santosh N Nambiar                     |                |                |



**Notes to Standalone Financial Statements for the year ended on 31st March, 2024****Note - 41 - Related Party Disclosures****E. Breakup of Compensation Paid to Key Managerial Personnel /  
Relatives of Key Managerial Personnel****(Rs. in Lakhs)**

| Particulars                                  | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| <b><u>Short - Term Employee Benefits</u></b> |               |               |
| Santosh N Nambiar                            | -             | 3.12          |
| Sanjay Prakash Mangal                        | 16.80         | 16.80         |
| Hetal Shah                                   | 6.46          | 6.34          |
| Utsav Trivedi                                | -             | 3.98          |
| Avani Patel                                  | 3.66          | -             |
| Dimple S Mangal                              | 18.00         | 17.88         |
| Tanima S Nambiar                             | 6.00          | 3.00          |

Key Managerial Personnel who are under the employment of the Company and entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Standalone Financial Statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

**F.** All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties.

(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**
**Note - 42 - Financial Instruments**
**Financial Risk Management - Objectives and Policies**

The Company's financial liabilities mainly comprise the loans and borrowings in domestic currency, money related to capital expenditures, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets comprise mainly of investments, security deposits, cash and cash equivalents, other balances with banks, trade and other receivables that derive directly from its business operations.

The Company is exposed to the Market Risk, Credit Risk and Liquidity Risk from its financial instruments.

The Management of the Company has implemented a risk management system which is monitored by the Board of Directors of the Company. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Company are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims to identify, assess, mitigate the risks in order to minimize the potential adverse effect on the Company's financial performance.

The following disclosures summarize the Company's exposure to the financial risks and the information regarding use of derivatives employed (if any) to manage the exposures to such risks. Quantitative Sensitivity Analysis has been provided to reflect the impact of reasonably possible changes in market rate on financial results, cash flows and financial positions of the Company.

**A. Financial Assets and Liabilities**

(Rs in Lakhs)

| Particulars                    | As at 31st March, 2024 |               |          | As at 31st March, 2023 |               |          |
|--------------------------------|------------------------|---------------|----------|------------------------|---------------|----------|
|                                | Amortised Cost **      | FVTPL ***     | FVTOCI   | Amortised Cost **      | FVTPL ***     | FVTOCI   |
| <b>Assets Measured at</b>      |                        |               |          |                        |               |          |
| Investments*                   | -                      | 462.37        | -        | 50.00                  | 443.85        | -        |
| Trade Receivables              | 2597.36                | -             | -        | 3,259.05               | -             | -        |
| Cash and Cash equivalent       | 5.69                   | -             | -        | 64.95                  | -             | -        |
| Other Bank Balances            | 50.14                  | -             | -        | 23.11                  | -             | -        |
| Loans                          | 200.00                 | -             | -        | 205.66                 | -             | -        |
| Other Financial Assets         | 1587.48                | -             | -        | 731.17                 | -             | -        |
| <b>Total</b>                   | <b>4440.67</b>         | <b>462.37</b> | <b>-</b> | <b>4333.94</b>         | <b>443.85</b> | <b>-</b> |
| <b>Liabilities Measured at</b> |                        |               |          |                        |               |          |
| Borrowings                     | 2234.36                | -             | -        | 2,140.49               | -             | -        |
| Trade Payables                 | 1131.68                | -             | -        | 1,501.66               | -             | -        |
| Lease Liabilities              | -                      | -             | -        | -                      | -             | -        |
| Other Financial Liabilities    | 12.23                  | -             | -        | 28.34                  | -             | -        |
| <b>Total</b>                   | <b>3378.27</b>         | <b>-</b>      | <b>-</b> | <b>3,670.49</b>        | <b>-</b>      | <b>-</b> |

(\*) Investment in associates are measured at cost.

(\*\*) Fair value of financial assets and liabilities measured at amortized cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk. The fair values are assessed by the management using Level 3 inputs.

(\*\*\*) The financial instruments measured at FVTPL represents investments having been valued using Level 2 / Level 3 valuation hierarchy.

**Fair Value Hierarchy**

The fair value of financial instruments as referred to in note below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 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 Other Price Risk". Financial instrument affected by the Market Risk includes loans and borrowings in foreign as well as domestic currency, retention money related to capital expenditures, trade and other payables etc.

**(a) Interest Rate Risk**

Interest Rate Risk is the risk that fair value or future cash outflows of a financial instrument will fluctuate because of changes in market interest rates. An upward movement in the interest rate would adversely affect the borrowing cost of the Company. The Company is exposed to long term and short - term borrowings. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking actions as necessary to maintain an appropriate balance. The Company has not used any interest rate derivatives.

➤ **Exposure to Interest Rate Risk**

| Particulars                                 | (Rs. in Lakhs)            |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| Borrowing bearing Fixed Rate of Interest    | -                         | -                         |
| Borrowing bearing Variable Rate of Interest | 2234.36                   | 2140.49                   |

➤ **Sensitivity Analysis**

Profit / (Loss) estimates to higher / lower interest rate expense from borrowings bearing variable rate of interest as a result of changes in interest rate.

| Particulars (*)                             | (Rs. in Lakhs)                            |   |
|---|---|---|
|   | For the year ended on<br>31st March, 2024 | For the year ended<br>on 31st March, 2023 |
| Interest Rate – Increase by 50 Basis Points | (11.17)                                   | (10.70)                                   |
| Interest Rate – Decrease by 50 Basis Points | 11.17                                     | 10.70                                     |

(\*) Holding all other variable constant. Tax impact not considered.

**(b) Foreign Currency Risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the Company.

➤ **Exposure to Foreign Currency Risk**

The Carrying amount of Company's unhedged Foreign Currency denominated monetary items are as follows:

| Particulars   | (USD/Rs. in Lakhs)        |                  |                           |                  |
|---|---------------------------|------------------|---------------------------|------------------|
|   | As at<br>31st March, 2024 |                  | As at<br>31st March, 2023 |                  |
|   | Amount<br>in USD          | Amount<br>in Rs. | Amount<br>in USD          | Amount<br>in Rs. |
| Net Unhedged Assets<br>(Trade Receivables, Other Receivables) | 0.40                      | 32.82            | 0.25                      | 20.55            |
| Net Unhedged Liabilities                                      | 2.60                      | 219.79           | 0.47                      | 38.92            |
| <b>Net Exposure Assets / (Liabilities)</b>                    | <b>(2.20)</b>             | <b>(186.97)</b>  | <b>(0.21)</b>             | <b>(18.37)</b>   |

➤ **Sensitivity Analysis**

The sensitivity of profit or (loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars (*)            | (Figures in Lakhs)                     |  |
|----------------------------|--|--|
|                            | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|                            | Amount in Rs.                          | Amount in Rs.                          |
| INR / USD – Increase by 5% | (9.35)                                 | (0.92)                                 |
| INR / USD – Decrease by 5% | 9.35                                   | 0.92                                   |

(\*) Holding all other variable constant. Tax impact not considered.

(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**
**B. Market Risk (Contd...)**
**(c) Other Price Risk**

Other Price Risk is the Risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Company is exposed to price risk arising mainly from investments in equity/equity-oriented instruments recognized at FVTPL/FVTOCI.

| Particulars          | (Rs. in Lakhs)                       |                                      |
|----------------------|--------------------------------------|--------------------------------------|
|                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Investments (FVTPL)  | 462.37                               | 443.85                               |
| Investments (FVTOCI) | -                                    | -                                    |

**C. Credit Risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortized cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

**Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorized as follows:**

| Basis of Categorisation | Asset Class Exposed to Credit Risk   | Provision for Expected Credit Loss   |
|-------------------------|--|--|
| Low Credit Risk         | Cash and cash equivalents, other bank balances, loans and other financial assets | 12 month expected credit loss.   |
| Moderate Credit Risk    | Other financial assets   | 12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at life time expected credit loss |
| High Credit Risk        | Other financial assets   | Life time expected credit loss (when there is significant deterioration) or specific provision whichever is higher   |

**Financial assets (other than trade receivables) that expose the entity to credit risk (Gross exposure):**

| Particulars                       | (Rs. in Lakhs)                       |                                      |
|-----------------------------------|--------------------------------------|--------------------------------------|
|                                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>Low Credit Risk</b>            |                                      |                                      |
| Cash and Cash Equivalents         | 5.69                                 | 64.94                                |
| Bank Balances other than above    | 50.14                                | 23.11                                |
| Loans                             | 978.31                               | 205.66                               |
| Other Financial Assets            | 809.17                               | 720.34                               |
| <b>Moderate/ High Credit Risk</b> |                                      |                                      |
| Other Receivable                  | -                                    | 10.84                                |
| <b>Total</b>                      | <b>1843.31</b>                       | <b>1024.89</b>                       |

(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**
**C. Credit Risk (Contd...)**
**I. Cash and Cash Equivalent and Bank Balance:**

Credit risk related to cash and cash equivalents and bank balance is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

**II. Loans and other Financial Assets Measured at Amortized Cost:**

Other financial assets measured at amortized cost includes export benefits receivables, bank deposits with maturity of more than 12 months and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

**III. Trade Receivables:**

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

**(a) Concentration of Trade Receivables:**

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentration of credit risk are controlled and managed accordingly. Such identified concentration of credit risk on trade receivables other than credit impaired are disclosed below:

| <b>(Rs in Lakhs)</b>                   |                               |
|--|-------------------------------|
| <b>Party Name</b>                      | <b>As at 31st March, 2024</b> |
| Ashtha Chemical                        | 41.16                         |
| Bhatia Colour Company                  | 513.35                        |
| Chamak Paint & Coating Private Limited | 27.97                         |
| Ilshin Trading Co Limited              | 21.77                         |
| Kiri Industries Limited                | 298.64                        |
| Pioneer Technochem                     | 43.92                         |
| Polychem Industries                    | 112.59                        |
| R. S. Tradelinks International         | 57.14                         |
| Toshniwal Sons                         | 366.01                        |
| VAP Chem                               | 554.85                        |

| <b>(Rs in Lakhs)</b>                           |                               |
|--|-------------------------------|
| <b>Party Name</b>                              | <b>As at 31st March, 2023</b> |
| Asiatic Colour Chem Industries Private Limited | 212.69                        |
| Associated Dyestuff Private Limited            | 116.14                        |
| B R Impex                                      | 78.34                         |
| Bhatia Colour Company                          | 206.73                        |
| Jay Chemical Industries Private Limited        | 192.15                        |
| Paragon Fine And Speciality Chemical Limited   | 290.99                        |
| Polychem Industries                            | 623.52                        |
| Prabha Chem Industries Private Limited         | 598.95                        |
| Shri Siddhivinayak Industries                  | 65.67                         |
| VAP Chem                                       | 201.24                        |

**(b) Expected Credit Losses:**
**Expected credit loss for trade receivables and other receivables under simplified approach:**

The Company recognizes lifetime expected credit losses on trade receivables & other receivables using a simplified approach, wherein Company has defined percentage of provision by analyzing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables/other receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the Company has evaluated recovery of

(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

receivables on a case to case basis. The Company computes credit loss allowance based on provision matrix. The provision matrix is prepared on historically observed default rate over the expected life of trade receivable and is adjusted for forward looking estimate.

**The Provision Matrix at the end of Reporting Period is as Follows:**

| Particulars        | Expected Loss Rate |
|--------------------|--------------------|
| < 90 Days          | 0.10%              |
| 90 to 120 days     | 0.30%              |
| 120 to 180 days    | 0.50%              |
| 180 to 365 days    | 1.00%              |
| 1 Year to 2 Years  | 25.00%             |
| 2 Years to 3 Years | 50.00%             |
| >3 Years           | 100.00%            |

**IV. Movement in Allowances on Trade Receivables / Deposits/ Other Receivables etc.**

| Movement in Expected Credit Loss Allowance on Trade Receivable |  | (Rs. in Lakhs)                         |
|--|--|--|
| Particular   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
| Balance at the beginning of the reporting period               | 26.24                                  | 19.66                                  |
| Allowance measured at lifetime expected credit losses          | 3.56                                   | 6.58                                   |
| <b>Balance at the end of reporting period</b>                  | <b>29.80</b>                           | <b>26.24</b>                           |

**D. Liquidity Risk**

Liquidity Risk is the risk that the Company will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**➤ Financing Arrangements:**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| Particulars                     | (Rs. in Lakhs)            |                           |
|---------------------------------|---------------------------|---------------------------|
|                                 | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>Expiring within One Year</b> |                           |                           |
| - CC / EPC Facility             | 172.97                    | 363.34                    |
| <b>Expiring beyond One Year</b> | -                         | -                         |

The cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

**➤ Maturities of Financial Liabilities:**

The table below analyses financial liabilities of the Company into the relevant maturity grouping based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

**Maturity Table of Financial Liabilities:  
As at 31<sup>st</sup> March, 2024**

| Particulars  | (Rs. in Lakhs)      |              |              |                      |                |
|--|---------------------|--------------|--------------|----------------------|----------------|
|  | Less than<br>1 Year | 1-2 Years    | 2-3 Years    | More than<br>3 Years | Total          |
| Borrowings (including current maturities of non-current borrowing and excluding lease liabilities) | 2073.53             | 96.50        | 64.33        | -                    | 2234.36        |
| Trade Payables   | 1131.68             | -            | -            | -                    | 1131.68        |
| Other Financial Liabilities  | 12.23               | -            | -            | -                    | 12.23          |
| <b>Total</b>   | <b>3217.44</b>      | <b>96.50</b> | <b>64.33</b> | <b>-</b>             | <b>3378.28</b> |

**As at 31<sup>st</sup> March, 2023**

| Particulars  | (Rs. in Lakhs)      |           |           |                      |         |
|--|---------------------|-----------|-----------|----------------------|---------|
|  | Less than<br>1 Year | 1-2 Years | 2-3 Years | More than<br>3 Years | Total   |
| Borrowings (including current maturities of non-current borrowing and excluding lease liabilities) | 1883.16             | 96.50     | 96.50     | 64.33                | 2140.49 |

(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

|                             |                |              |              |              |                |
|-----------------------------|----------------|--------------|--------------|--------------|----------------|
| Trade Payables              | 1501.66        | -            | -            | -            | <b>1501.66</b> |
| Other Financial Liabilities | 28.34          | -            | -            | -            | <b>28.34</b>   |
| <b>Total</b>                | <b>3413.16</b> | <b>96.50</b> | <b>96.50</b> | <b>64.33</b> | <b>3670.50</b> |

**E. Capital Management**

The Company's capital management objectives are:

- To ensure the company's ability to continue as a going concern
- To provide an adequate return to share holders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by total equity.

| Particulars                      | (Rs. in Lakhs)         |                        |
|----------------------------------|------------------------|------------------------|
|                                  | As at 31st March, 2024 | As at 31st March, 2023 |
| Total Borrowings                 | 2234.36                | 2140.49                |
| Less: Cash and Cash Equivalents  | 5.69                   | 64.95                  |
| <b>Net Debt (A)</b>              | <b>2228.67</b>         | <b>2075.55</b>         |
| <b>Total Equity (B)</b>          | <b>5018.36</b>         | <b>4260.69</b>         |
| <b>Debt Equity Ratio (A)/(B)</b> | <b>0.44</b>            | <b>0.49</b>            |

The Company has complied with the covenants as per the terms and conditions of the major borrowing facilities throughout the Reporting Period.



(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**
**Note – 43 - Balance Confirmation of Receivables**

Confirmation letters have not been obtained from all the parties in respect of trade receivable, other Non-Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

**Note – 44 - Balance Confirmation of Payables**

Confirmation letters have not been obtained from all the parties in respect of trade payable and other Current Liabilities. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

**Note – 45 - Disclosure under section 186(4)**

Loans given for the purpose of utilizing in the activity of the business (Outstanding Balance as on 31-03-2024(31-03-2023)): Bhatia Colour Company Nil (PY NA), Clairvoyance Industries Private Limited Rs. 200.00 Lakhs (PY Nil), Ecofine Colourchem Private Limited Rs. 33.08 Lakhs (PY Nil), Hindparagon Polyresins Private Limited Rs. 415.45 Lakhs (PY Rs. 205.26 Lakhs), Hindprakash Global Private Limited Nil (PY Nil), Hindprakash Organic Private Limited Nil (PY Nil), Hindprakash Overseas Private Limited Rs. 329.79 Lakhs (PY Nil), Innovent Exim Private Limited Nil (PY Nil), Orio Shanghai Colours Private Limited Nil (PY Nil), Akik Dyechem NA (PY Nil), Amaze Marble Limited Liability Partnership NA (PY Nil), Mangalam Global Enterprise Limited NA (PY Nil), Mangalam Worldwide Limited NA (PY Nil), Vap Chem NA (PY Nil).

**Note – 46 - Events occurring after the Balance sheet Date**

The Group evaluates events and transactions that occur subsequent to the balance sheet date but Prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. There are no subsequent events to be recognized or reported that are not already disclosed.

**Note – 47– Trade Receivables Ageing Schedule**

| <b>As at 31<sup>st</sup> March 2024</b>          |   | <b>(Rs. in Lakhs)</b>     |                          |                    |                    |                          |                |
|--|---|---------------------------|--------------------------|--------------------|--------------------|--------------------------|----------------|
| <b>Particulars</b>                               | <b>Outstanding for following periods from due date of payment</b> |                           |                          |                    |                    |                          | <b>Total</b>   |
|  | <b>Not Due</b>  | <b>Less than 6 Months</b> | <b>6 Months - 1 Year</b> | <b>1 - 2 Years</b> | <b>2 - 3 Years</b> | <b>More than 3 Years</b> |                |
| <b>Undisputed Trade Receivables</b>              |   |                           |                          |                    |                    |                          |                |
| - Considered Good                                | 1447.38   | 1151.21                   | 1.64                     | 0.44               | 0.55               | 25.94                    | <b>2627.16</b> |
| - Which have Significant increase in Credit Risk | -   | -                         | -                        | -                  | -                  | -                        | -              |
| - Credit Impaired                                | -   | -                         | -                        | -                  | -                  | -                        | -              |
| Less: Allowance for Doubtful Debts               |   |                           |                          |                    |                    |                          | (-) 29.80      |
| Less: Allowance for Credit Impaired              |   |                           |                          |                    |                    |                          | -              |
| <b>Total</b>                                     |   |                           |                          |                    |                    |                          | <b>2597.36</b> |

| <b>As at 31<sup>st</sup> March 2023</b>          |   | <b>(Rs. in Lakhs)</b>     |                          |                    |                    |                          |                |
|--|---|---------------------------|--------------------------|--------------------|--------------------|--------------------------|----------------|
| <b>Particulars</b>                               | <b>Outstanding for following periods from due date of payment</b> |                           |                          |                    |                    |                          | <b>Total</b>   |
|  | <b>Not Due</b>  | <b>Less than 6 Months</b> | <b>6 Months - 1 Year</b> | <b>1 - 2 Years</b> | <b>2 - 3 Years</b> | <b>More than 3 Years</b> |                |
| <b>Undisputed Trade Receivables</b>              |   |                           |                          |                    |                    |                          |                |
| - Considered Good                                | 2119.76   | 1119.47                   | 19.05                    | 0.55               | 7.87               | 18.59                    | <b>3285.29</b> |
| - Which have Significant increase in Credit Risk | -   | -                         | -                        | -                  | -                  | -                        | -              |
| - Credit Impaired                                | -   | -                         | -                        | -                  | -                  | -                        | -              |
|  | 2119.76   | 1119.47                   | 19.05                    | 0.55               | 7.87               | 18.59                    | <b>3285.29</b> |
| Less: Allowance for Doubtful Debts               |   |                           |                          |                    |                    |                          | (-) 26.24      |
| Less: Allowance for Credit Impaired              |   |                           |                          |                    |                    |                          | -              |
| <b>Total</b>                                     |   |                           |                          |                    |                    |                          | <b>3259.05</b> |

(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**
**Note – 48– Trade Payables Ageing Schedule:**

| <b>As at 31<sup>st</sup> March 2024</b> |   | <b>(Rs. in Lakhs)</b> |                         |                    |                    |                          |                |
|---|---|-----------------------|-------------------------|--------------------|--------------------|--------------------------|----------------|
| <b>Particulars</b>                      | <b>Outstanding for following periods from due date of payment</b> |                       |                         |                    |                    |                          | <b>Total</b>   |
|   | <b>Unbilled</b>   | <b>Not Due</b>        | <b>Less than 1 Year</b> | <b>1 - 2 Years</b> | <b>2 - 3 Years</b> | <b>More than 3 Years</b> |                |
| - MSME                                  | -   | 53.28                 | -                       | -                  | -                  | -                        | <b>53.28</b>   |
| - Others                                | -   | 176.46                | 901.94                  | -                  | -                  | -                        | <b>1078.40</b> |
| - Disputed Dues - MSME                  | -   | -                     | -                       | -                  | -                  | -                        | -              |
| - Disputed Dues - Others                | -   | -                     | -                       | -                  | -                  | -                        | -              |

| <b>As at 31<sup>st</sup> March 2023</b> |   | <b>(Rs. in Lakhs)</b> |                         |                    |                    |                          |                |
|---|---|-----------------------|-------------------------|--------------------|--------------------|--------------------------|----------------|
| <b>Particulars</b>                      | <b>Outstanding for following periods from due date of payment</b> |                       |                         |                    |                    |                          | <b>Total</b>   |
|   | <b>Unbilled</b>   | <b>Not Due</b>        | <b>Less than 1 Year</b> | <b>1 - 2 Years</b> | <b>2 - 3 Years</b> | <b>More than 3 Years</b> |                |
| - MSME                                  | -   | -                     | 0.14                    | -                  | -                  | -                        | <b>0.14</b>    |
| - Others                                | -   | 710.16                | 791.36                  | -                  | -                  | -                        | <b>1501.52</b> |
| - Disputed Dues - MSME                  | -   | -                     | -                       | -                  | -                  | -                        | -              |
| - Disputed Dues - Others                | -   | -                     | -                       | -                  | -                  | -                        | -              |

**Note – 49– Utilisation of borrowed funds and share premium**

As on March 31, 2024 there is no Unutilised Amounts in respect of any Issue of Securities and Long Term Borrowings from Banks and Financial Institutions. The Borrowed Funds have been utilised for the Specific Purpose for which the Funds were raised.

**Note – 50– LEASES (Right of Use Assets)**

Gujarat Industrial Development Corporation has executed long term lease agreement in favour of the company in respect of industrial plot (Land) situated at Vatva (Gujarat) and Saykha (Gujarat). The company has paid in full the lease payment / other obligation. (See note no: 2).

**Note – 51 – GST Grant (Subsidy)**

Company is eligible to receive GST grant/subsidy in respect of new investment made in GIDC Saykha. Company is preparing application and other papers which are yet to be submitted to the government department. Company will recognise the same as income when there is reasonable assurance that the Company will comply with all the necessary conditions attached to them.

**Note – 52– Audit Trail**

The Company uses an 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. Further, there is no instance of audit trail feature being tampered with in respect of the accounting software. The privileged access to database continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

**Note – 53– Additional regulatory information**

- (a) The Company has borrowed from Banks on the basis of security of current assets. The quarterly returns and statements of current assets filed by the company with banks are generally in agreement with the books of accounts and no material discrepancies were noticed. The marginal differences are due to regrouping, reclassification, valuation policies and subsequent adjustment on account of information received by the company post submission of quarterly return/statements.

(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**
**Current reporting period (31<sup>st</sup> March 2024):**

| (Rs. in Lakhs) |           |                         |                                |  |                      |                                 |
|----------------|-----------|-------------------------|--------------------------------|--|----------------------|---------------------------------|
| Quarter        | Bank      | Particulars Of Security | Amount As Per Books Of Account | Amount As Reported In The Quarterly Return Statement | Amount Of Difference | Reason For Material Differences |
| Jun-23         | IDBI Bank | Inventory               | 1,591.16                       | 1,591.16   | -                    |                                 |
| Jun-23         | IDBI Bank | Trade Receivable        | 2,925.13                       | 2,924.76   | (0.37)               |                                 |
| Jun-23         | IDBI Bank | Trade Payable           | 1,288.11                       | 1,254.94   | (33.17)              |                                 |
| Sep-23         | IDBI Bank | Inventory               | 1,553.51                       | 1,533.02   | (20.49)              |                                 |
| Sep-23         | IDBI Bank | Trade Receivable        | 2,353.66                       | 2,344.80   | (8.86)               |                                 |
| Sep-23         | IDBI Bank | Trade Payable           | 832.28                         | 742.66   | (89.62)              |                                 |
| Dec-23         | IDBI Bank | Inventory               | 1,929.91                       | 1,929.91   | -                    |                                 |
| Dec-23         | IDBI Bank | Trade Receivable        | 2,042.57                       | 2,053.20   | 10.63                |                                 |
| Dec-23         | IDBI Bank | Trade Payable           | 886.52                         | 824.07   | (62.45)              |                                 |
| Mar-24*        | IDBI Bank | Inventory               | 1,996.40                       | 1,820.89   | (175.51)             |                                 |
| Mar-24*        | IDBI Bank | Trade Receivable        | 2,627.16                       | 2,668.63   | 41.47                |                                 |
| Mar-24*        | IDBI Bank | Trade Payable           | 1,128.68                       | 1,124.90   | (3.78)               |                                 |

\* Mar.'2024 Quarterly Return Statement submitted as on 28<sup>th</sup> March'2024.

**Previous reporting period (31<sup>st</sup> March 2023):**

| (Rs. in Lakhs) |           |                         |                                |  |                      |                                 |
|----------------|-----------|-------------------------|--------------------------------|--|----------------------|---------------------------------|
| Quarter        | Bank      | Particulars Of Security | Amount As Per Books Of Account | Amount As Reported In The Quarterly Return Statement | Amount Of Difference | Reason For Material Differences |
| Jun-22         | IDBI Bank | Inventory               | 1,334.85                       | 1,332.21   | 2.64                 |                                 |
| Jun-22         | IDBI Bank | Trade Receivable        | 2,454.39                       | 2,452.23   | 2.16                 |                                 |
| Jun-22         | IDBI Bank | Trade Payable           | 660.94                         | 630.62   | 30.32                |                                 |
| Sep-22         | IDBI Bank | Inventory               | 1,154.07                       | 1,145.10   | 8.97                 |                                 |
| Sep-22         | IDBI Bank | Trade Receivable        | 2,407.07                       | 2,399.22   | 7.85                 |                                 |
| Sep-22         | IDBI Bank | Trade Payable           | 419.22                         | 406.03   | 13.19                |                                 |
| Dec-22         | IDBI Bank | Inventory               | 1,190.79                       | 1,110.55   | 80.24                |                                 |
| Dec-22         | IDBI Bank | Trade Receivable        | 2,134.03                       | 2,212.85   | (78.82)              |                                 |
| Dec-22         | IDBI Bank | Trade Payable           | 363.34                         | 354.87   | 8.47                 |                                 |
| Mar-23         | IDBI Bank | Inventory               | 1,641.86                       | 1,625.34   | 16.52                |                                 |
| Mar-23         | IDBI Bank | Trade Receivable        | 3,285.29                       | 3,268.42   | 16.87                |                                 |
| Mar-23         | IDBI Bank | Trade Payable           | 1,495.90                       | 1,496.99   | (1.09)               |                                 |

(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

(b) Accounting Ratios:

| Sr # | Ratio                           | Unit     | Numerator   | Denominator                 | 31-Mar-24 | 31-Mar-23 | Variance in % | Explanation for any change in the ratio by > 25% as compare to preceding year |
|------|---------------------------------|----------|---|-----------------------------|-----------|-----------|---------------|---|
| 1    | Current Ratio                   | In Times | Current Assets  | Current Liabilities         | 1.53      | 1.56      | (1.53%)       | NA  |
| 2    | Debt Equity Ratio               | In Times | Total Debt  | Shareholder's Equity        | 0.45      | 0.50      | (11.37%)      | NA  |
| 3    | Debt Service Coverage Ratio     | In Times | Earnings Available for Debt Service                     | Debt Service                | 1.33      | 1.81      | (26.79%)      | See Note (i)  |
| 4    | Return on Equity Ratio          | In %     | Net Profit after taxes available to Equity Share Holder | Average Share Holder Equity | 3.31%     | 6.08%     | (45.56%)      | See Note (ii)   |
| 5    | Inventory Turnover              | In Times | Cost of Goods Sold                                      | Average Inventory           | 5.17      | 5.93      | (12.79%)      | NA  |
| 6    | Trade Receivable Turnover Ratio | In Times | Net Credit Sale   | Average Trade Receivable    | 3.40      | 3.61      | (5.97%)       | NA  |
| 7    | Trade Payables Turnover Ratio   | In Times | Net Credit Purchase                                     | Average Trade Payable       | 7.24      | 10.44     | (30.72%)      | See Note (iii)  |
| 8    | Net Capital Turnover Ratio      | In Times | Net Sales   | Average Working Capital     | 5.43      | 3.94      | 37.81%        | See Note (iv)   |
| 9    | Net Profit Ratio                | In %     | Net Profit after taxes                                  | Net Sales                   | 1.54%     | 2.44%     | (36.76%)      | See Note (v)  |
| 10   | Return on Capital Employed      | In %     | Earnings Before Interest and Taxes                      | Capital Employed            | 6.64%     | 8.29%     | (19.92%)      | NA  |
| 11   | Return on Investment            | In %     | Income from Investment                                  | Cost of Investment          | 0.00      | 0.00      | -             | NA  |

Reason for Variance

(i) Decreased due to repayment of GECL WCTL (Covid Loan) during the year.

(ii) Due to decrease in net profit.

(iii) Decreased due to increase in Trade Payable level.

(iv) Due to decrease in average working capital.

(v) Due to decrease in net profit.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company does not have any Investment Property.

(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

- (e) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets.
- (f) There are no Loans or Advances in the nature of loans that are granted to Promoters, Directors, KMPs and their Related Parties (as defined under Companies act, 2013), either severally or jointly with any other person, that are outstanding as on 31 March 2024:
  - (i) Repayable on Demand; or
  - (ii) Without specifying any terms or period of repayment
- (g) Capital Work in Progress ageing schedule: Refer Note No. 2B
- (h) There are no Intangible Assets under development as on 31 March 2024.
- (i) No Proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (j) The Company is not declared Willful Defaulter by any Bank or Financial Institution or Other Lender.
- (k) The Company has not undertaken any transactions with Companies struck off under section 248 of the companies act, 2013 or section 560 of companies act, 1956.
- (l) No Charges or satisfaction of charges are yet to be registered with registrar of companies beyond the statutory period as on 31 March 2024.
- (m) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with Companies (restriction on number of layers) Rules, 2017.
- (n) No Scheme of arrangements has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (o) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (ultimate beneficiaries) by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (p) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (ultimate beneficiaries) by or on behalf of the funding party or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (q) No Transactions has been surrendered or disclosed as income during the year in the tax assessment under the income tax act, 1961. There are no such previously unrecorded income or related assets.
- (r) The Company is not covered under section 135 of the Companies act Corporate Social Responsibility (CSR).
- (s) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(Standalone Financial Statements as at 31 March 2024)

**Notes to the Standalone Financial Statements for the year ended on 31st March, 2024**

**Note – 54 -** Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year classification / disclosure.

**Note – 55 - Authorisation of financial statements**

The Financial statements for the year ended 31 March 2024 were approved by the board of directors on 28<sup>th</sup> May 2024.

**For and on behalf of the Board of Directors,  
Hindprakash Industries Limited (CIN: L24100GJ2008PLC055401)**

**Sanjay Prakash Mangal**

Managing Director (DIN:02825484)

**Santosh N Nambiar**

Whole Time Director (DIN:00144542)

**Hetal Shah**

Chief Financial Officer (PAN:AHWPS1850P)

**Avani Patel**

Company Secretary (Mem No.:A66815)

**Place: Ahmedabad**

**Date: 28-05-2024**

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
HINDPRAKASH INDUSTRIES LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

1. We have audited the accompanying consolidated financial statements of Hindprakash Industries Limited ("the Holding Company") which includes the Holding Company's share of profit in its associate, which comprise the Consolidated Balance Sheet as at 31st March 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of financial information of the associate referred to in the Other Matters section below, 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of as at 31st March 2024 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

**Basis for Opinion**

3. 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 Holding Company and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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.
4. We believe that the audit evidence obtained by us along with information as given in "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

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

| Key Audit Matter  | How the matter was address in our audit   |
|---|---|
| <b>Revenue Recognition:</b><br>Revenue mainly comprises of sale of goods to its customers. Revenue from sale of goods is recognized when control is transferred to the customer and there is no other unfulfilled obligation.<br>This requires detailed analysis of each contract/customer purchase order regarding timing of revenue recognition. In appropriate assessment (Contd...) | We applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: <ul style="list-style-type: none"> <li>• Assessing the accounting policies for revenue recognition by comparing with the applicable accounting standards;</li> <li>• Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of goods;</li> <li>• Performed testing on selected samples of customer contracts/customer purchase orders. Checked terms and conditions related</li> </ul> |
| The key audit matter  | How the matter was address in our audit   |



|   |  |
|---|--|
| <p><b>Revenue Recognition:</b> (...Contd.) could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. Accordingly, timing of recognition of revenue is a key audit matter.</p> | <p>to acceptance of goods, acknowledged delivery receipts and tested the transit time to deliver the goods and its revenue recognition. Our tests of details focused on cut-off samples to verify only revenue pertaining to current year is recognized based on delivery documents along with terms and conditions set out in customer contracts/ customer purchase orders.</p> |
|---|--|

#### **Information Other than the Consolidated Financial Statements and Auditors' Report thereon**

6. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report (but does not include the consolidated financial statements and our auditor's report thereon) and the rest of the Annual Report (the "Other Information"). The Other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibility of Management and those charged with governance for the Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and other comprehensive income, consolidated changes in equity and consolidated cash flows in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective Board of Directors of the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the holding company and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the holding company and of its associate are responsible for overseeing the financial reporting process of the respective entities.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors;
  - Conclude on the appropriateness of Board of Directors' 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 holding company and its associate 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 Company and its associate to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which shall be audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.
13. We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. 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.
15. 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

- a) The consolidated financial statements include the holding company's share of net profit of Rs 1.84 Lakhs and total comprehensive income of Rs 1.84 Lakhs for the year ended 31st March 2024, as considered in the consolidated financial statements, in respect of 1 associate, whose financial information have not been audited by us. This financial information is unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub- section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate is based solely on such unaudited financial information and representation received from the management. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

16. As required by Section 143(3) of the Act, based on our audit and on the consideration of unaudited financial information of the associate as noted in "Other Matter" section, we report to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on 31st March 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 with reference to consolidated financial statements, and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and as noted in "Other Matter" section:
  - i. There were no pending litigations which would impact the consolidated financial position.
  - ii. There were no long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
  - iv. (a) The management of the Holding Company, has represented to us that, to the best of their knowledge and belief, as disclosed in Note 53(l) to the consolidated financial statements, no funds 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 or its associate company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its associate company provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The management of the Holding Company, has represented to us that, to the best of its knowledge and belief, as disclosed in Note 53(m) to the consolidated financial statements, no funds have been received by the Holding Company or its associate company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its associate company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause 16(g)(iv)(a) and 16(g)(iv)(b) contain any material misstatement.

- v. The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.
- vi. Based on our examination which included test checks, the Holding 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, as described in note 52 to the consolidated financial statements. 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.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, is applicable from 1st April 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 31st March 2024.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; the remuneration paid to any director of the Holding Company is not in excess of the limit laid down under Section 197 of the Act and no other details are prescribed to be given.

- 17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO**

Chartered Accountants

FRN: 148674W

UDIN: 24149403BKGQX5373

Ahmedabad; 28th May 2024

**“Annexure A” to the Independent Auditors’ Report of even date to the members of  
HINDPRAKASH INDUSTRIES ENTERPRISE LIMITED on the Consolidated Financial Statements  
for the year ended 31st March 2024**

(Referred to in para 16 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Independent Auditors’ Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

**Opinion**

1. In conjunction with our audit of the Consolidated Financial Statements of Hindprakash Industries Limited (“the Holding Company”) and its associate as at and for the year ended 31st March 2024, we have audited the internal financial controls over financial reporting with reference to the financial statements, as at that date.
2. In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its associate, has in all material respects, adequate internal financial controls over financial reporting with reference to the consolidated financial statements and such internal financial controls over financial reporting with reference to the consolidated financial statements were operating effectively as at 31st March 2024, based on the internal controls over financial reporting with reference to consolidated financial statements criteria established by the entities considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

3. The respective Board of Directors of the Holding Company and its associate are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting established by the respective entities considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of Company’s 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**

4. Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to the consolidated financial statements, as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting with reference to financial statements. 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 with reference to the consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to the consolidated financial statements.

**Other Matter**

7. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements, in so far as it relates to,

unaudited associate company, incorporated in India, is based on representation received from the management (also refer "Other Matter" paragraph of the report of even date).

Our opinion is not modified in respect of the above matter.

**Meaning of Internal Financial Controls over Financial Reporting with reference to the Consolidated Financial Statements**

8. A company's internal financial controls over financial reporting with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to the consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and payments of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to the Consolidated Financial Statements**

9. Because of the inherent limitations of internal financial controls over financial reporting with reference to the consolidated financial statements, 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 with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO**

Chartered Accountants

FRN: 148674W

UDIN: 24149403BKGQX5373

Ahmedabad; 28th May 2024

**“Annexure B” to the Independent Auditors’ Report of even date to the members of  
HINDPRAKASH INDUSTRIES LIMITED on the Consolidated Financial Statements  
for the year ended 31st March 2024**

(Referred to in paragraph 17 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Report on the Matters Specified Paragraphs 3 and 4 of the Companies (Auditor’s Report) Order, 2020 (“CARO”/ “the Order”) Issued by the Central Government in Terms of Section 143(11) of the Companies Act, 2013 (“the Act”)**

In our opinion and according to the information and explanations given to us and on consideration of the unaudited financial information of the associate as noted in “Other Matter” section of our report of even date, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given in their reports under the Order:

| Sr.<br>No | Name | CIN | Holding<br>Company/<br>Subsidiary | Clause number of the CARO<br>Report which is unfavourable or<br>qualified or adverse |
|-----------|------|-----|-----------------------------------|--|
| NIL       |      |     |                                   |  |

**KUNAL KEDIA**

(M. No.: 149403), Partner  
for and on behalf of

**K K A K & CO**

Chartered Accountants  
FRN: 148674W  
UDIN: 24149403BKGQQX5373

Ahmedabad; 28th May 2024



# Hindprakash Industries Limited

(Consolidated Financial Statements as at 31st March, 2024)

## Consolidated Balance Sheet as at 31st March, 2024

**HindPrakash**

16th Annual Report 2023-24

(Rs in Lakhs)

| Sr. No.   | Particulars   | Note No. | As at 31st March 2024 | As at 31st March, 2023 |
|-----------|---|----------|-----------------------|------------------------|
| <b>I</b>  | <b>ASSETS</b>   |          |                       |                        |
| <b>A</b>  | <b>Non-Current Assets</b>   |          |                       |                        |
|           | a) Property Plant & Equipments  | 2        | 416.57                | 431.37                 |
|           | b) Right of Use Assets  | 2        | 1,096.06              | 1,108.25               |
|           | c) Intangible Assets  | 2        | 2.08                  | 5.87                   |
|           | d) Capital work-in-progress   | 2        | 29.71                 | -                      |
|           | e) Goodwill on Consolidation  |          | -                     | 8.91                   |
|           | f) Financial Assets   |          |                       |                        |
|           | - Investments   | 3        | 462.37                | 485.68                 |
|           | - Other Financial Assets  | 4        | 1,461.50              | 557.30                 |
|           | g) Income Tax Assets (Net)  | 11       | -                     | 16.98                  |
|           | h) Deferred Tax Assets (Net)  | 5        | -                     | -                      |
|           | i) Other Non-Current Assets   | 6        | 2.55                  | 1.00                   |
|           | <b>Total Non-Current Assets</b>   |          | <b>3,470.84</b>       | <b>2,615.36</b>        |
| <b>B</b>  | <b>Current Assets</b>   |          |                       |                        |
|           | a) Inventories  | 7        | 1,996.40              | 1,641.86               |
|           | b) Financial Assets   |          |                       |                        |
|           | - Trade receivables   | 8        | 2,597.36              | 3,259.05               |
|           | - Cash and cash equivalents   | 9        | 5.69                  | 64.95                  |
|           | - Bank Balances other than above  | 9        | 50.14                 | 23.11                  |
|           | - Loans   | 10       | 200.00                | 205.66                 |
|           | - Other Financial Assets  | 10       | 125.99                | 173.87                 |
|           | c) Other Current Assets   | 12       | 23.10                 | 11.70                  |
|           | <b>Total Current Assets</b>   |          | <b>4,998.68</b>       | <b>5,380.20</b>        |
|           | <b>TOTAL ASSETS</b>   |          | <b>8,469.52</b>       | <b>7,995.56</b>        |
| <b>II</b> | <b>EQUITY AND LIABILITIES</b>   |          |                       |                        |
| <b>1</b>  | <b>EQUITY</b>   |          |                       |                        |
|           | a) Equity Share capital   | 13       | 1,142.41              | 1,042.41               |
|           | b) Other Equity   | 14       | 3,875.95              | 3,219.02               |
|           | c) Non Controlling Interest   |          | -                     | -                      |
|           | <b>Total EQUITY</b>   |          | <b>5,018.36</b>       | <b>4,261.43</b>        |
| <b>2</b>  | <b>LIABILITIES</b>  |          |                       |                        |
| <b>A</b>  | <b>Non-Current Liabilities</b>  |          |                       |                        |
|           | a) Financial Liabilities  |          |                       |                        |
|           | - Long Term Borrowings  | 15       | 160.83                | 257.33                 |
|           | - Other Financial Liabilities   | 16       | -                     | -                      |
|           | b) Long Term Provisions   | 17       | 13.79                 | 11.17                  |
|           | c) Deferred Tax Liabilities (Net)   | 5        | 18.18                 | 12.33                  |
|           | d) Other Non-Current Liabilities  | 18       | -                     | -                      |
|           | <b>Total Non-Current Liabilities</b>  |          | <b>192.80</b>         | <b>280.83</b>          |
| <b>B</b>  | <b>Current Liabilities</b>  |          |                       |                        |
|           | a) Financial Liabilities  |          |                       |                        |
|           | - Short Term Borrowings   | 19       | 2,073.53              | 1,883.16               |
|           | - Trade payables  | 20,21    |                       |                        |
|           | (i) Total outstanding dues of Micro Enterprise and Small Enterprises                                    |          | 53.29                 | 0.14                   |
|           | (ii) Total outstanding dues of Creditors other than Micro Enterprise and Small Enterprises              |          | 1,078.40              | 1,501.52               |
|           | - Other Financial Liabilities   | 22       | 12.23                 | 28.34                  |
|           | b) Short-Term Provisions  | 23       | 34.69                 | 31.07                  |
|           | c) Other Current Liabilities  | 24       | 2.43                  | 0.45                   |
|           | d) Current Tax Liabilities (Net)  | 25       | 3.79                  | 8.62                   |
|           | <b>Total Current Liabilities</b>  |          | <b>3,258.36</b>       | <b>3,453.30</b>        |
|           | <b>TOTAL LIABILITIES</b>  |          | <b>3,451.16</b>       | <b>3,734.13</b>        |
|           | <b>TOTAL EQUITY &amp; LIABILITIES</b>   |          | <b>8,469.52</b>       | <b>7,995.56</b>        |
|           | Summary of Material Accounting Policies and Notes forming part of the Consolidated Financial Statements | 1-54     | -                     | -                      |

This is the Consolidated Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors,  
Hindprakash Industries Limited (CIN: L24100GJ2008PLC055401)

**Kunal Kedia**  
(M. No.: 149403), Partner  
for & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

**Sanjay Prakash Mangal**  
Managing Director (DIN:02825484)  
**Santosh N Nambiar**  
Whole Time Director (DIN:00144542)  
**Hetal Shah**  
Chief Financial Officer (PAN:AHWPS1850P)  
**Avani Patel**  
Company Secretary (Mem No:A66815)

Place: Ahmedabad  
Date: 28th May 2024

Place: Ahmedabad  
Date: 28th May 2024

**Consolidated Statement of Changes in Equity for the year ended on 31st March, 2024**

(Rs in Lakhs)

**A. Equity Share Capital**

| Particulars                                     | As at<br>31st March, 2024 |
|---|---------------------------|
| <b>As at 31 March 2022</b>                      | <b>1,042.41</b>           |
| Changes in Equity Share Capital during the year | -                         |
| <b>As at 31 March 2023</b>                      | <b>1,042.41</b>           |
| Changes in Equity Share Capital during the year | 100.00                    |
| <b>As at 31 March 2024</b>                      | <b>1,142.41</b>           |

**B. Other Equity**

| Particulars   | Securities<br>Premium | Other<br>Comprehensive<br>Income | Retained<br>earnings | Money Received<br>Against Share<br>Warrants | Total           |
|---|-----------------------|----------------------------------|----------------------|---|-----------------|
| <b>Balance as at 31 March, 2022</b>                   | <b>864.00</b>         | <b>19.58</b>                     | <b>1,903.90</b>      | <b>-</b>                                    | <b>2,787.48</b> |
| Net Profit/ (Loss) during the Year                    | -                     | -                                | 246.51               | -   | 246.51          |
| Other Comprehensive Income/ (Expense)                 | -                     | 1.74                             | -                    | -   | 1.74            |
| Dividend  | -                     | -                                | (21.71)              | -   | (21.71)         |
| Received During the Year                              | -                     | -                                | -                    | 205.00                                      | 205.00          |
| Warrants converted in to Equity Shares                | -                     | -                                | -                    | -   | -               |
| Capitalised During the Year                           | -                     | -                                | -                    | -   | -               |
| Other Adjustments                                     | -                     | -                                | -                    | -   | -               |
| <b>Balance as at 31 March, 2023</b>                   | <b>864.00</b>         | <b>21.32</b>                     | <b>2,128.70</b>      | <b>205.00</b>                               | <b>3,219.02</b> |
| Net Profit/ (Loss) during the Year                    | -                     | -                                | 155.28               | -   | 155.28          |
| Other Comprehensive Income/ (Expense)                 | -                     | 0.07                             | -                    | -   | 0.07            |
| Dividend  | -                     | -                                | (10.84)              | -   | (10.84)         |
| Received During the Year                              | -                     | -                                | -                    | 615.00                                      | 615.00          |
| Warrants converted in to Equity Shares                | -                     | -                                | -                    | (820.00)                                    | (820.00)        |
| Capitalised During the Year                           | 720.00                | -                                | -                    | -   | 720.00          |
| Other Adjustment/ Disposal of<br>Controlling Interest | (2.58)                | -                                | -                    | -   | (2.58)          |
| <b>Balance as at 31 March, 2024</b>                   | <b>1,581.42</b>       | <b>21.39</b>                     | <b>2,273.14</b>      | <b>-</b>                                    | <b>3,875.95</b> |

**Nature and Purpose of Reserves**

**(a) Securities Premium:** The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

**(b) Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

Summary of Material Accounting Policies and Notes forming part of the Consolidated Financial Statements

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For and on behalf of the Board of Directors,  
Hindprakash Industries Limited (CIN: L24100GJ2008PLC055401)

**Kunal Kedia**

(M. No.: 149403), Partner  
for & on behalf of

**K K A K & Co**

Chartered Accountants

FRN: 148674W

**Sanjay Prakash Mangal**

Managing Director (DIN:02825484)

**Santosh N Nambiar**

Whole Time Director (DIN:00144542)

**Hetal Shah**

Chief Financial Officer (PAN:AHWPS1850P)

**Avani Patel**

Company Secretary (Mem No:A66815)

Place: Ahmedabad  
Date: 28th May 2024

Place: Ahmedabad  
Date: 28th May 2024

**Consolidated Statement of Profit & Loss for the year ended on 31st March, 2024**

|             |  |          |                                    | (Rs in Lakhs)                      |
|-------------|--|----------|------------------------------------|------------------------------------|
| Sr. No.     | Particulars  | Note No. | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
| <b>I</b>    | <b>Income</b>  |          |                                    |                                    |
|             | a) Revenue from operations   | 26       | 9,950.38                           | 10,078.54                          |
|             | b) Other income  | 27       | 126.27                             | 175.10                             |
|             | <b>Total Income</b>  |          | <b>10,076.65</b>                   | <b>10,253.64</b>                   |
| <b>II</b>   | <b>Expenses</b>  |          |                                    |                                    |
|             | a) Cost of materials consumed  | 28       | 7,655.90                           | 6,897.79                           |
|             | b) Purchase of Stock-in-Trade  | 29       | 2,166.96                           | 2,605.14                           |
|             | c) Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade                                 | 30       | (644.40)                           | (71.22)                            |
|             | d) Employee Benefit Expenses   | 31       | 181.21                             | 119.94                             |
|             | e) Finance costs   | 32       | 260.08                             | 177.13                             |
|             | f) Depreciation and amortization expense   | 33       | 43.55                              | 47.26                              |
|             | g) Other Expenses  | 34       | 200.49                             | 145.63                             |
|             | <b>Total Expenses</b>  |          | <b>9,863.79</b>                    | <b>9,921.67</b>                    |
| <b>III</b>  | <b>Profit before Share of Profit/(Loss) of Associates, Exceptional Items and Tax (I-II)</b>                      |          | <b>212.86</b>                      | <b>331.97</b>                      |
| <b>IV</b>   | Share of Profit/(Loss) of Associates   |          | 1.84                               | 1.85                               |
| <b>V</b>    | Exceptional items  |          | -                                  | -                                  |
| <b>VI</b>   | <b>Profit before Tax (after Share of Profit/(Loss) of Associates &amp; Exceptional Items and Tax) (III+IV+V)</b> |          | <b>214.70</b>                      | <b>333.82</b>                      |
| <b>VII</b>  | <b>Tax Expense</b>   | 35       |                                    |                                    |
|             | a) Current tax   |          | 54.46                              | 81.84                              |
|             | b) Deferred tax  |          | 5.83                               | 5.33                               |
|             | c) Income Tax (Prior Period)   |          | (0.87)                             | 0.14                               |
|             | <b>Total Tax Expenses</b>  |          | <b>59.42</b>                       | <b>87.31</b>                       |
| <b>VIII</b> | <b>Profit for the year</b>   |          | <b>155.28</b>                      | <b>246.51</b>                      |
| <b>IX</b>   | <b>Other Comprehensive Income</b>  |          |                                    |                                    |
|             | a) Items that will not be reclassified to Profit & Loss  |          | 0.09                               | 2.33                               |
|             | Income tax in respect of above   |          | (0.02)                             | (0.59)                             |
|             | b) Items that may be reclassified to Profit & Loss   |          | -                                  | -                                  |
|             | Income tax in respect of above   |          | -                                  | -                                  |
|             | <b>Total Other Comprehensive Income</b>  |          | <b>0.07</b>                        | <b>1.74</b>                        |
| <b>X</b>    | <b>Total Comprehensive Income for the Year (VIII+IX)</b>   |          | <b>155.35</b>                      | <b>248.25</b>                      |
| <b>XI</b>   | <b>Net Profit / (Loss) After Tax for the Period</b>  |          |                                    |                                    |
|             | <b>Attributable to:</b>  |          |                                    |                                    |
|             | - Owners of the Company  |          | 155.28                             | 246.51                             |
|             | - Non-Controlling Interests  |          | -                                  | -                                  |
|             |  |          | <b>155.28</b>                      | <b>246.51</b>                      |
| <b>XII</b>  | <b>Total Other Comprehensive Income / (Expense)</b>  |          |                                    |                                    |
|             | <b>Attributable to:</b>  |          |                                    |                                    |
|             | - Owners of the Company  |          | 0.07                               | 1.74                               |
|             | - Non-Controlling Interests  |          | -                                  | -                                  |
|             |  |          | <b>0.07</b>                        | <b>1.74</b>                        |
| <b>XIII</b> | <b>Total Comprehensive Income / (Expense) for the Period</b>   |          |                                    |                                    |
|             | <b>Attributable to:</b>  |          |                                    |                                    |
|             | - Owners of the Company  |          | 155.35                             | 248.25                             |
|             | - Non-Controlling Interests  |          | -                                  | -                                  |
|             |  |          | <b>155.35</b>                      | <b>248.25</b>                      |
| <b>XIV</b>  | <b>Earnings per equity share of Rs. 10/- each (in Rs.)</b>   |          |                                    |                                    |
|             | a) Basic   |          | 1.46                               | 2.36                               |
|             | b) Diluted   |          | 1.41                               | 2.31                               |
|             | Summary of Material Accounting Policies and Notes forming part of the Consolidated Financial Statements          | 1-54     |                                    |                                    |

This is the Consolidated Statement of Profit & Loss referred to in our report of even date

For and on behalf of the Board of Directors,  
Hindprakash Industries Limited (CIN: L24100GJ2008PLC055401)

**Kunal Kedia**  
(M. No.: 149403), Partner  
for & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

**Sanjay Prakash Mangal**  
Managing Director (DIN:02825484)  
**Santosh N Nambiar**  
Whole Time Director (DIN:00144542)  
**Hetal Shah**  
Chief Financial Officer (PAN:AHWPS1850P)  
**Avani Patel**  
Company Secretary (Mem No:A66815)

Place: Ahmedabad  
Date: 28th May 2024

Place: Ahmedabad  
Date: 28th May 2024

**Consolidated Statement of Cash Flow for the year ended 31st March, 2024**

(Rs in Lakhs)

| Particulars  | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
|--|---------------------------------------|---------------------------------------|
| <b>A. Cash Flow From Operating Activities</b>  |                                       |                                       |
| Net Profit / (Loss) Before Tax   | 214.70                                | 333.82                                |
| <b>Adjustments For:</b>  |                                       |                                       |
| Share of Profit/(Loss) from Associates   | (1.84)                                | (1.85)                                |
| Depreciation on Property Plant and Equipment, ROU Assets and Intangible Assets         | 43.55                                 | 47.26                                 |
| Dividend Income  | -                                     | -                                     |
| Interest Income  | (115.59)                              | (170.77)                              |
| Finance Costs  | 260.08                                | 177.13                                |
| Non-Cash Items / Provisions  | 5.81                                  | (9.65)                                |
| (Gain) / Loss on Sale of Property, Plant and Equipments (Net)                          | (0.46)                                | -                                     |
| (Gain) / Loss on Sale of Investments (Net)   | -                                     | -                                     |
| Unrealised Foreign Exchange (Gain)/Loss (Net)  | 2.09                                  | (1.36)                                |
| Allowance for Doubtful Debts   | 3.56                                  | 6.59                                  |
| <b>Operating Profit / (Loss) Before Working Capital Changes</b>                        | <b>411.90</b>                         | <b>381.17</b>                         |
| <b>Changes In Working Capital:</b>   |                                       |                                       |
| <b>Adjustments for Increase / Decrease in Operating Assets / Liabilities:</b>          |                                       |                                       |
| (Increase) / Decrease Trade Receivables  | 658.34                                | (947.13)                              |
| (Increase) / Decrease Inventories  | (354.54)                              | (46.57)                               |
| (Increase) / Decrease Other Non-Current Assets   | 0.05                                  | (4.53)                                |
| (Increase) / Decrease Other Current Assets   | (11.40)                               | 4.97                                  |
| Increase / (Decrease) Trade Payables   | (372.02)                              | 1,189.83                              |
| Increase / (Decrease) Advances   | 47.60                                 | 57.74                                 |
| Increase / (Decrease) Other Liabilities  | (14.12)                               | (44.24)                               |
| <b>Cash Generated from Operations</b>  | <b>365.81</b>                         | <b>591.24</b>                         |
| Income Taxes Paid (Net Of Refunds)   | (41.44)                               | (74.31)                               |
| <b>Net Cash Flow from / (Utilised In) Operating Activities (A)</b>                     | <b>324.37</b>                         | <b>516.93</b>                         |
| <b>B. Cash Flow From Investing Activities</b>  |                                       |                                       |
| Payments for Purchase and Construction of CWIP, Property, Plant & Equipment            | (46.20)                               | (206.58)                              |
| Proceeds from Sale of Property, Plant & Equipment                                      | 4.17                                  | -                                     |
| (Increase)/Decrease in Long-Term Investments   | 32.00                                 | (487.00)                              |
| (Increase)/Decrease in Advance given for purchase of Capital Goods                     | (1.55)                                | (1.00)                                |
| (Increase)/Decrease in Advance given for purchase of Investment                        | (125.93)                              | (544.83)                              |
| (Increase)/Decrease in Investment in Mutual Funds                                      | -                                     | -                                     |
| (Increase)/Decrease in Loans Given   | (772.65)                              | (204.80)                              |
| Interest Received  | 115.59                                | 170.77                                |
| (Increase)/Decrease in Bank Balances Not Considered as Cash and Cash Equivalents       | (27.03)                               | (9.10)                                |
| Dividend Received  | -                                     | -                                     |
| <b>Net Cash Flow from / (Used In) Investing Activities (B)</b>                         | <b>(821.60)</b>                       | <b>(1,282.54)</b>                     |
| <b>C. Cash Flow From Financing Activities</b>  |                                       |                                       |
| Proceeds from Issue of Equity Shares, Securities Premium & Convertible Equity Warrants | 615.00                                | 205.00                                |
| Increase / (Decrease) in Long Term Borrowings  | (96.50)                               | (88.46)                               |
| Increase / (Decrease) in Short Term Borrowings   | 190.37                                | 1,312.95                              |
| Installment paid for Lease hold Land   | -                                     | (369.53)                              |
| Payment of Dividend  | (10.84)                               | (21.72)                               |
| Interest Paid / Finance Cost   | (260.08)                              | (210.77)                              |
| <b>Net Cash Flow from / (Used In) Financing Activities (C)</b>                         | <b>437.95</b>                         | <b>827.47</b>                         |

| Particulars  | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
|--|---------------------------------------|---------------------------------------|
| <b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>   | <b>(59.28)</b>                        | <b>61.86</b>                          |
| Opening Balance of Cash and Cash Equivalents   | 64.95                                 | 3.11                                  |
| Foreign Exchange (Loss) / Gain on Restatement of Foreign Currency Cash and Cash Equivalents  | 0.02                                  | (0.02)                                |
| Closing Balance of Cash and Cash Equivalents   | <b>5.69</b>                           | <b>64.95</b>                          |
| <b>1 Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b>   |                                       |                                       |
| <b>Cash and Cash Equivalents Includes</b>  | <b>5.69</b>                           | <b>64.95</b>                          |
| (A) Cash on Hand   | 2.66                                  | 3.81                                  |
| (B) Balances with Banks  |                                       |                                       |
| (i) In Current Accounts  | 3.03                                  | 61.14                                 |
| (ii) In Fixed Deposit Accounts   | -                                     | -                                     |
| (iii) In Cash Credit / Bank Overdraft Accounts   | -                                     | -                                     |
| <b>2</b> The Consolidated Statement of Cash Flow has been Prepared in Accordance with the Indirect Method as Set Out in the Indian Accounting Standard (Ind As) - 7 - 'Statement of Cash Flows'. |                                       |                                       |
| <b>3</b> Movement in Financial Liabilities arising from Financing Activities:  |                                       |                                       |

**For the year ended 31st March 2024**

(Rs in Lakhs)

| Particulars                                      | Long Term Borrowings | Short Term Borrowing | Lease Liabilities | Interest        | Dividend |
|--|----------------------|----------------------|-------------------|-----------------|----------|
| <b>Balance as at 1 April 2023</b>                | <b>257.33</b>        | <b>1,883.16</b>      | -                 | -               | -        |
| Payment of Lease Liabilities                     | -                    | -                    | -                 | -               | -        |
| Increase / (Decrease) in Short Term Borrowings   | -                    | 190.37               | -                 | -               | -        |
| Increase / (Decrease) in Long Term Borrowings    | (96.50)              | -                    | -                 | -               | -        |
| Interest Expense Paid                            | -                    | -                    | -                 | (260.08)        | -        |
| Dividend Paid                                    | -                    | -                    | -                 | -               | -        |
| <b>Net Cash Movement during the year</b>         | <b>(96.50)</b>       | <b>190.37</b>        | -                 | <b>(260.08)</b> | -        |
| Lease Liabilities Recognised during the year     | -                    | -                    | -                 | -               | -        |
| Finance Cost Accrued                             | -                    | -                    | -                 | -               | -        |
| Lease Liabilities Reversed during the year       | -                    | -                    | -                 | -               | -        |
| Interest on Fixed Loan Amortisation              | -                    | -                    | -                 | -               | -        |
| Interest Charged to Statement of Profit and Loss | -                    | -                    | -                 | 260.08          | -        |
| Borrowing Cost Capitalised                       | -                    | -                    | -                 | -               | -        |
| <b>Balance as at 31 March 2024</b>               | <b>160.83</b>        | <b>2,073.53</b>      | -                 | -               | -        |

**For the year ended 31st March 2023**

(Rs in Lakhs)

| Particulars                                      | Long Term Borrowings | Short Term Borrowing | Lease Liabilities | Interest        | Dividend       |
|--|----------------------|----------------------|-------------------|-----------------|----------------|
| <b>Balance as at 1 April 2022</b>                | <b>345.79</b>        | <b>570.21</b>        | <b>369.53</b>     | -               | -              |
| Payment of Lease Liabilities                     | -                    | -                    | (369.53)          | -               | -              |
| Increase / (Decrease) in Short Term Borrowings   | -                    | 1,312.95             | -                 | -               | -              |
| Increase / (Decrease) in Long Term Borrowings    | (88.46)              | -                    | -                 | -               | -              |
| Interest Expense Paid                            | -                    | -                    | -                 | (210.77)        | -              |
| Dividend Paid                                    | -                    | -                    | -                 | -               | (21.72)        |
| <b>Net Cash Movement during the year</b>         | <b>(88.46)</b>       | <b>1,312.95</b>      | <b>(369.53)</b>   | <b>(210.77)</b> | <b>(21.72)</b> |
| Lease Liabilities Recognised during the year     | -                    | -                    | -                 | -               | -              |
| Finance Cost Accrued                             | -                    | -                    | -                 | -               | -              |
| Lease Liabilities Reversed during the year       | -                    | -                    | -                 | -               | -              |
| Interest on Fixed Loan Amortisation              | -                    | -                    | -                 | -               | -              |
| Interest Charged to Statement of Profit and Loss | -                    | -                    | -                 | 177.13          | -              |
| Borrowing Cost Capitalised                       | -                    | -                    | -                 | 33.64           | -              |
| <b>Balance as at 31 March 2023</b>               | <b>257.33</b>        | <b>1,883.16</b>      | -                 | -               | -              |

Summary of Material Accounting Policies and Notes forming part of the Consolidated Financial Statements

This is the Consolidated Statement of Cash Flow referred to in our report of even date

For and on behalf of the Board of Directors,  
Hindprakash Industries Limited (CIN: L24100GJ2008PLC055401)

**Kunal Kedia**  
(M. No.: 149403), Partner  
for & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

**Sanjay Prakash Mangal**  
Managing Director (DIN:02825484)  
**Santosh N Nambiar**  
Whole Time Director (DIN:00144542)  
**Hetal Shah**  
Chief Financial Officer (PAN:AHWPS1850P)  
**Avani Patel**  
Company Secretary (Mem No:A66815)  
Place: Ahmedabad  
Date: 28th May 2024

Place: Ahmedabad  
Date: 28th May 2024

**Note: 1 Notes to the Consolidated Financial Statements for the year ended on 31<sup>st</sup> March, 2024**

**1.1 Corporate Information:**

Hindprakash Industries Limited ('the Company'/'the Holding Company') is a listed public limited company domiciled and incorporated in India. The registered office of the Company is located at 301, "HINDPRAKASH HOUSE", Plot No. 10/6, Phase – I, GIDC, Vatva, Ahmedabad - 382445, Gujarat, India. Its Equity Shares are listed on the main boards of National Stock Exchange Limited of India Limited (NSE) and BSE Limited with effect from 7<sup>th</sup> November, 2022, prior to which they were listed on SME platform of National Stock Exchange of India Limited (NSE). These Consolidated financial statements comprise financial statements of the Company and its associate (collectively referred to as the "Group") (individually referred to as the "Entity") for the year ended 31 March 2024.

The Group is engaged in activity of manufacturing/ dealing/ trading of dyes, intermediates, auxiliary, chemicals and other merchandise, etc.

Following are the details of the associates consolidated in these financial statements:

| Name of the Entity  | Principal Activities                    | Country of Incorporation | % Equity Interest |               |
|---|---|--------------------------|-------------------|---------------|
|   |   |                          | 31 March 2024     | 31 March 2023 |
| Hindparagon Polyresins Private Limited<br>(% of equity interest up to 30-09-2023: 50%)<br>(ceases to be an associate w.e.f. 01-10-2023) | Manufacturing/<br>Dealing in Chemicals. | India                    | 18%               | 50%           |

**1.2 General Information & Statement of Compliance with Ind AS:**

These financial statements are the consolidated financial statements prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

For all period up to and including the financial year ended March 31, 2022, the Holding Company had prepared its financial statements in accordance with the Accounting Standard notified under the Section 133 of the Companies Act, 2013 read with the Rule 7 of Companies (Accounts) Rules 2015/ Rule 3 of Companies (Accounting Standards) Rules 2021 ("Previous GAAP"), as applicable.

**1.3 Material Accounting Policies:**

**1.3.1 Basis of Preparation and Presentation**

The Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- (a) Certain Financial Assets and Liabilities (including derivative instruments), and
- (b) Defined Benefit Plans - Plan Assets

The Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated.

**Principles of Consolidation**

The consolidated financial statements shall comprise of financial statements of the Holding Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany

transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

#### **Associates and Jointly Controlled Entities - Equity Accounting**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A jointly controlled entity 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 and jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a jointly controlled entity is initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses and that of other comprehensive income of the associate or jointly controlled entity. Distributions received from an associate or a jointly controlled entity reduce the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group, Jointly Controlled Entity and Associate entities are eliminated to the extent of the interest in the Jointly Controlled Entity and Associate entities.

If an entity's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity 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. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. After application of the equity method, at each reporting date, the Group determines whether there is objective evidence that the investment in the associate or jointly controlled entity is impaired. If there exists such evidence, the Group determines extent of impairment and then recognises the loss in the Statement of Profit and Loss. Upon loss of significant influence over the associate or joint control over the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or the jointly controlled entity and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

The list of Companies included in consolidation, relationship with the Company and shareholding therein is as under. The reporting date for the entities is 31st March, 2024 except otherwise specified.



| Sr | Name  | Country of Incorporation | Relationship | Shareholding as on 31 March 2024 | Shareholding as on 31 March 2023 |
|----|---|--------------------------|--------------|----------------------------------|----------------------------------|
| 1  | Hindparagon Polyresins Private Limited<br>(% of equity interest up to 30-09-2023: 50%)<br>(ceases to be an associate w.e.f. 01-10-2023) | India                    | Associate    | 18% by HIL                       | 50% by HIL                       |

### 1.3.2 Fair Value Measurement

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

The Group has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 1.3.3 Current and Non-Current Classification

The Group presents assets and liabilities in the Balance Sheet based on Current / Non-Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **1.3.4 Property, Plant and Equipment**

#### **(a) Tangible Assets**

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets. In case of land the Group has availed fair value as deemed cost on the date of transition to Ind AS.

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 entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

#### **Depreciation**

Free hold land is not depreciated. Leasehold land and the improvement costs are amortized over the period of the lease. Depreciation on Property, Plant and Equipment is provided using Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as per details given below:

| <b>Name of Property, Plants and Equipment</b> | <b>Useful Life</b> |
|---|--------------------|
| Factory Building                              | 30 Years           |
| Building (Other than Factory Building)        | 10 Years           |
| Plant and Machineries                         | 15 Years           |
| Furniture and Fixtures                        | 10 Years           |
| Office Equipment                              | 5 Years            |
| Computer and Other Data Processing units      | 3 Years            |
| Motor Vehicles                                | 8 - 10 Years       |
| Electrical Installation and Other Equipment   | 10 Years           |
| Laboratory Equipments                         | 10 Years           |

Wherever considered necessary, the useful life has been assessed by the management based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **Derecognition**

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### **(b) Capital Work-in-Progress and Capital Advances**

Cost of Property, Plant and Equipment not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-

Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as "Other Non-Current Assets".

### **(c) Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization / depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

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 entity and the cost can be measured reliably.

#### **Amortization**

The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The Group's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life as tabulated below:

| <b>Particulars</b> | <b>Useful Life</b> |
|--------------------|--------------------|
| Computer Software  | 3 Years            |

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **Derecognition**

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### **1.3.5 Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets**

The Entities in the Group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Entities in the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **1.3.6 Lease**

#### **(a) The Entities in the Group as a Lessee**

The Entities in 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 Entities in 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 at 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 are 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 Entities in 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 Entities in the Group uses incremental borrowing rate.

**(b) The Entities in the Group as a Lessor**

Leases for which the Entities in the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

**1.3.7 Investment Properties**

Items of investment properties are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Entities in the Group and the cost of the item can be measured reliably.

**1.3.8 Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of finished goods, work-in-progress, raw materials, chemicals, stores and spares, components, consumables, packing materials, trading and other products are determined on First In First Out (FIFO) / average / weighted average basis.

Net realizable value is estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

**1.3.9 Borrowing Costs**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

### **1.3.10 Employee Benefits**

#### **(A) Short-Term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### **(B) Post-Employment Benefits**

##### **(i) Defined Contribution Plans**

The Entities in the Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

##### **(ii) Defined Benefit Plans**

Gratuity Scheme: The gratuity is paid @ 15 days basic salary for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

##### **(iii) Other Long - Term Employee Benefits**

Entitlement to annual leave is recognized when they accrue to employees. The obligation is measured on the basis of independent actuarial valuation

### **1.3.11 Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The Entities in the Group is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Entities in the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Entities in the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Gain/loss on contracts settlements of raw materials purchases with suppliers are accounted in the statement of profit and loss.

**Export Incentives**

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

**Interest Income**

Interest Income from a Financial Assets is recognised using effective interest rate method.

**Dividend Income**

Dividend Income is recognised when the Entities in the Group's right to receive the amount has been established.

**Surplus / (Loss) on disposal of Property, Plants and Equipment / Investments**

Surplus or loss on disposal of property, plants and equipment or investment is recorded on transfers of title from the Entities in the Group, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

**Rental Income**

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

**Insurance Claim**

Claim receivable on account of insurance is accounted for to the extent the Entities in the Group is reasonably certain of their ultimate collections.

**Other Income**

Revenue from other income is recognized when the payment of that related income is received or credited.

**1.3.12 Foreign Currency Transactions and Translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

**1.3.13 Government Grants and Subsidies**

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the Entities in the Group will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the Entities in the Group will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the



period of the grants during which the Entities in the Group recognizes interest expense corresponding to such grants.

### **1.3.14 Financial Instruments – Financial Assets**

#### **(A) Initial Recognition and Measurement**

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

#### **(B) Subsequent Measurement**

##### **a) Financial Assets measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

##### **b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Further, the Entities in the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Entities in the Group has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Entities in the Group recognizes dividend income from such instruments in the Statement of Profit and Loss.

##### **c) Financial Assets measured at Fair Value through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Entities in the Group changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 - Financial Instruments.

#### **(C) Investments**

Investments are classified in to Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non - Current Investments. However, that part of Non - Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under "Current Investments" under "Current portion of Non-Current Investments" in consonance with Current/Non-Current classification of Schedule - III of the Act.

All the equity investment which covered under the scope of Ind AS 109, "Financial Instruments" is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL).



**(D) Investment in Subsidiaries, Associates and Joint Ventures**

The Entities in the Group has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

**(E) Impairment of Financial Assets**

In accordance with Ind AS 109, the Entities in the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

**1.3.15 Financial Instruments – Financial Liabilities**

**(A) Initial Recognition and Measurement**

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**(B) Subsequent Measurement**

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**1.3.16 Derivative Financial Instruments and Hedge Accounting**

The Entities in the Group enters into derivative contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

The Entities in the Group formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial assets ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Entities in the Group's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, 'Financial Instruments'.

Recognition and measurement of cash flow hedge:

The Entities in the Group strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the statement of profit and loss.

The accumulated gains / losses on the derivatives accounted in hedge reserve are transferred to the statement of profit and loss in the same period in which gains / losses on the underlying item hedged are recognised in the statement of profit and loss.

Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in hedge reserve is transferred to the statement of profit and loss.

**Fair Value Hedge:**

The Entities in the Group designates derivative contracts or non-derivative Financial Assets/ Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

**1.3.17 Derecognition of Financial Instruments**

The Entities in the Group derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognised from the Entities in the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**1.3.18 Financial Instruments – Offsetting**

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Entities in the Group has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**1.3.19 Taxes on Income**

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

**(a) Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

**(b) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**Presentation**

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

**1.3.20 Segment Reporting**

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. The Group has considered Business Segments as Primary Segments.

**Segments Accounting Policies**

The Group prepares its Segment Information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

**Inter - Segment Transfer**

The Group generally accounts the Inter - Segment transfers at an agreed value of the transactions.

**Allocation of Common Costs**

Common allocable costs are allocated to each segment reporting according to the relative contribution of each segment to the total of common costs.

**Unallocated Items**

Unallocated Items include the General Corporate Income and Expense items which are not allocated to any of the Business Segments.

**1.3.21 Research and Development**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred.

Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

**1.3.22 Earnings per Share**

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

**1.3.23 Provisions, Contingent Liabilities**

Provisions are recognised when the Entities in the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entities in the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

**1.3.24 Events after Reporting Date**

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

**1.3.25 Non – Current Assets Held For Sales**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

#### **1.3.26 Cash Flows Statement**

Cash Flows Statements are reported using the method set out in the Ind AS – 7, "Cash Flow Statements", whereby the Net Profit / (Loss) before tax is adjusted for the effects of the transactions of a Non-Cash nature, any deferrals or accrual of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

#### **1.3.27 Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **1.3.28 Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

### **1.4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty:**

The preparation of the Entities in the Group's Financial Statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

#### **1.4.1 Income Tax**

The Entities in the Group's tax jurisdiction is in India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered for uncertain.

#### **1.4.2 Property Plant and Equipment/ Intangible Assets**

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life 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 life and residual values are based on the Entities in 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.

#### **1.4.3 Defined Benefits Obligations**

The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS – 19, "Employee Benefits" over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to complexities involved in the valuation and its long term in nature, a defined

benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.

**1.4.4 Fair value measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

**1.4.5 Recoverability of Trade Receivables**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**1.4.6 Provisions**

The timing of recognition and quantification of the liability (including litigations) requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**1.4.7 Impairment of Financial and Non – Financial Assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Entities in the Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Entity in the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets Entity in the Group estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**1.4.8 Recognition of Deferred Tax Assets and Liabilities**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Entity in the Group uses judgment to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

## Hindprakash Industries Limited

(Consolidated Financial Statements as at 31st March, 2024)

**Notes to the Consolidated Financial Statements for  
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**Note - 2 : Property, Plant & Equipments, Right Of Use, Intangibles, Capital Work-In-Progress**

### A. PROPERTY, PLANT & EQUIPMENTS

(Rs in Lakhs)

| Particulars                        | Building      | Computer Equipments | Furniture & Fixture | Plant & Machinery | Office Equipments | Vehicle      | Total         |
|------------------------------------|---------------|---------------------|---------------------|-------------------|-------------------|--------------|---------------|
| <b>Gross Block (Cost)</b>          |               |                     |                     |                   |                   |              |               |
| <b>As at 31 March 2022</b>         | <b>191.72</b> | <b>5.19</b>         | <b>1.44</b>         | <b>122.92</b>     | <b>15.02</b>      | <b>12.52</b> | <b>348.81</b> |
| Additions                          | 88.98         | 0.21                | 0.18                | 145.81            | 3.03              | -            | 238.21        |
| Disposals/ Adjustments             | -             | -                   | -                   | -                 | -                 | -            | -             |
| <b>As at 31 March 2023</b>         | <b>280.70</b> | <b>5.40</b>         | <b>1.62</b>         | <b>268.73</b>     | <b>18.05</b>      | <b>12.52</b> | <b>587.02</b> |
| Additions                          | -             | 1.01                | 0.06                | 15.09             | 0.32              | -            | 16.48         |
| Disposals/ Adjustments             | -             | -                   | -                   | (4.17)            | -                 | -            | (4.17)        |
| <b>As at 31 March 2024</b>         | <b>280.70</b> | <b>6.41</b>         | <b>1.68</b>         | <b>279.65</b>     | <b>18.37</b>      | <b>12.52</b> | <b>599.33</b> |
| <b>Accumulated Depreciation</b>    |               |                     |                     |                   |                   |              |               |
| <b>As at 31 March 2022</b>         | <b>45.06</b>  | <b>4.87</b>         | <b>0.76</b>         | <b>61.25</b>      | <b>11.33</b>      | <b>9.62</b>  | <b>132.89</b> |
| Additions                          | 7.21          | 0.06                | 0.14                | 12.30             | 1.57              | 1.48         | 22.76         |
| Disposals/ Adjustments             | -             | -                   | -                   | -                 | -                 | -            | -             |
| <b>As at 31 March 2023</b>         | <b>52.27</b>  | <b>4.93</b>         | <b>0.90</b>         | <b>73.55</b>      | <b>12.90</b>      | <b>11.10</b> | <b>155.65</b> |
| Additions                          | 8.01          | 0.18                | 0.13                | 17.70             | 0.76              | 0.79         | 27.57         |
| Disposals/ Adjustments             | -             | -                   | -                   | (0.46)            | -                 | -            | (0.46)        |
| <b>As at 31 March 2024</b>         | <b>60.28</b>  | <b>5.11</b>         | <b>1.03</b>         | <b>90.79</b>      | <b>13.66</b>      | <b>11.89</b> | <b>182.76</b> |
| <b>Net Block</b>                   |               |                     |                     |                   |                   |              |               |
| Balance as at 31 March 2023        | 228.43        | 0.47                | 0.72                | 195.18            | 5.15              | 1.42         | 431.37        |
| <b>Balance as at 31 March 2024</b> | <b>220.42</b> | <b>1.30</b>         | <b>0.65</b>         | <b>188.86</b>     | <b>4.71</b>       | <b>0.63</b>  | <b>416.57</b> |

## Hindprakash Industries Limited

(Consolidated Financial Statements as at 31st March, 2024)

### Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024

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#### B. Right Of Use, Intangibles, Capital Work-In-Progress

(Rs in Lakhs)

| Particulars                                    | ROU Asset<br>(Lease Hold<br>Land) | Intangible<br>Asset (Computer<br>Software) | Capital Work In<br>Progress |
|--|-----------------------------------|--|-----------------------------|
| <b>Gross Block (Cost)</b>                      |                                   |  |                             |
| <b>As at 31 March 2022</b>                     | <b>932.40</b>                     | <b>15.02</b>                               | <b>270.89</b>               |
| Additions                                      | 270.89                            | 2.01                                       | 98.45                       |
| Disposals/ Adjustments                         | -                                 | -  | (369.34)                    |
| <b>As at 31 March 2023</b>                     | <b>1,203.29</b>                   | <b>17.03</b>                               | <b>-</b>                    |
| Additions                                      | -                                 | -  | 40.58                       |
| Disposals/ Adjustments                         | -                                 | -  | (10.87)                     |
| <b>As at 31 March 2024</b>                     | <b>1,203.29</b>                   | <b>17.03</b>                               | <b>29.71</b>                |
| <b>Accumulated Depreciation / Amortisation</b> |                                   |  |                             |
| <b>As at 31 March 2022</b>                     | <b>73.76</b>                      | <b>7.94</b>                                | <b>-</b>                    |
| Charge for the year                            | 21.28                             | 3.22                                       | -                           |
| Reversal on Disposal/ Adjustments              | -                                 | -  | -                           |
| <b>As at 31 March 2023</b>                     | <b>95.04</b>                      | <b>11.16</b>                               | <b>-</b>                    |
| Charge for the year                            | 12.19                             | 3.79                                       | -                           |
| Reversal on Disposal/ Adjustments              | -                                 | -  | -                           |
| <b>As at 31 March 2024</b>                     | <b>107.23</b>                     | <b>14.95</b>                               | <b>-</b>                    |
| <b>Net Block</b>                               |                                   |  |                             |
| Balance as at 31 March 2023                    | 1,108.25                          | 5.87                                       | -                           |
| <b>Balance as at 31 March 2024</b>             | <b>1,096.06</b>                   | <b>2.08</b>                                | <b>29.71</b>                |



## Hindprakash Industries Limited

(Consolidated Financial Statements as at 31st March, 2024)

### Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024

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#### Capital Work in Progress Aging Schedule

(Rs in Lakhs)

| Particulars                    | Amount in CWIP for a period of |             |             |                      | As at<br>31 Mar 2024 |
|--------------------------------|--------------------------------|-------------|-------------|----------------------|----------------------|
|                                | Less than 1<br>Year            | 1 - 2 Years | 2 - 3 Years | More than 3<br>Years |                      |
| Building - Compound Wall - WIP | -                              | -           | -           | -                    | -                    |
| Building Admin - WIP           | 18.60                          | -           | -           | -                    | 18.60                |
| Plant & Machinery - WIP        | 3.61                           | -           | -           | -                    | 3.61                 |
| Preoperative Project Expenses  | 7.50                           | -           | -           | -                    | 7.50                 |
| <b>Total</b>                   | <b>29.71</b>                   | <b>-</b>    | <b>-</b>    | <b>-</b>             | <b>29.71</b>         |

| Particulars                    | Amount in CWIP for a period of |             |             |                      | As at<br>31 Mar 2023 |
|--------------------------------|--------------------------------|-------------|-------------|----------------------|----------------------|
|                                | Less than 1<br>Year            | 1 - 2 Years | 2 - 3 Years | More than 3<br>Years |                      |
| Building - Compound Wall - WIP | -                              | -           | -           | -                    | -                    |
| Building Admin - WIP           | -                              | -           | -           | -                    | -                    |
| Plant & Machinery - WIP        | -                              | -           | -           | -                    | -                    |
| Preoperative Project Expenses  | -                              | -           | -           | -                    | -                    |
| <b>Total</b>                   | <b>-</b>                       | <b>-</b>    | <b>-</b>    | <b>-</b>             | <b>-</b>             |

**Hindprakash Industries Limited**

(Consolidated Financial Statements as at 31st March, 2024)

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024****HindPrakash**

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**Note - 3 - Investments- Non Current**

|   |                          | (Rs in Lakhs)             |
|---|--------------------------|---------------------------|
| Particulars   | As at<br>31st March 2024 | As at<br>31st March, 2023 |
| <b>UNQUOTED INVESTMENTS</b>   |                          |                           |
| <b>Investment in Equity Instruments (Associates)<br/>(Measured at Cost)</b>   |                          |                           |
| Nil (5,00,000) Equity shares - Hindparagon Polyresins Private Limited (of Rs. 10/- each Fully Paidup) (Unquoted) (Ceases to be associates wef 01-10-2023) | -                        | 41.83                     |
| <b>Investment in Equity Instruments (Others)<br/>(Measured at FVTPL)#</b>   |                          |                           |
| 19,00,000 (19,00,000) Equity shares - Orio Shanghai Colours Private Limited (of Rs. 10/- each Fully Paidup)   | 437.00                   | 437.00                    |
| 1,80,000 (Nil) Equity shares - Hindparagon Polyresins Private Limited (of Rs. 10/- each Fully Paidup)   | 18.00                    | -                         |
| <b>Other Investment (Measured at FVTPL) #</b>   |                          |                           |
| 50 (50) Shares of Green Environment Service Co-op Society Ltd   | 3.00                     | 3.00                      |
| Green Environment Water Booking   | 0.70                     | 0.70                      |
| <b>Investment in Mutual Funds (Measured at FVTPL)</b>   |                          |                           |
| LIC MF BALANCED ADVANTAGE FUND R PLAN   | 3.67                     | 3.15                      |
| <b>Total - Unquoted Investments</b>   | <b>462.37</b>            | <b>485.68</b>             |
| Aggregate book value of quoted investments  | -                        | -                         |
| Aggregate market value of quoted investments  | -                        | -                         |
| Aggregate carrying value of unquoted investments  | 462.37                   | 485.68                    |
| Aggregate amount of impairment in value of investments  | -                        | -                         |

# The Company has considered cost is representing fair value.

**Note - 4 - Other Financial Assets- Non Current (Unsecured Considered Good)**

|                                     |                          | (Rs in Lakhs)             |
|-------------------------------------|--------------------------|---------------------------|
| Particulars                         | As at<br>31st March 2024 | As at<br>31st March, 2023 |
| Loans                               | 778.31                   | -                         |
| Advance for Purchase of Investments | 670.76                   | 544.83                    |
| Security Deposits                   | 12.43                    | 12.47                     |
| Other Receivables                   | -                        | -                         |
| <b>Total</b>                        | <b>1,461.50</b>          | <b>557.30</b>             |

| Particulars   | As at<br>31st March 2024 | As at<br>31st March 2023 |
|---|--------------------------|--------------------------|
| <b>Above includes due from:</b>                         |                          |                          |
| Director  | -                        | -                        |
| Other Officers of the Company                           | -                        | -                        |
| Firm in which any director is partner                   | -                        | -                        |
| Private Company in which director is director or member | -                        | -                        |
| Ecofine Colourchem Private Limited                      | 33.08                    | -                        |
| Hindparagon Polyresins Private Limited                  | 415.45                   | -                        |
| Hindprakash Overseas Private Limited                    | 329.79                   | -                        |

**Notes to the Consolidated Financial Statements for  
the year ended on 31st March, 2024**

**Note - 5 - Deferred Tax Assets (Net)**

|   |                          |                           | (Rs in Lakhs) |
|---|--------------------------|---------------------------|---------------|
| Particulars   | As at<br>31st March 2024 | As at<br>31st March, 2023 |               |
| <b>Deferred Tax Assets (DTA)</b>                            |                          |                           |               |
| Provision for Employee Benefits                             | 5.26                     | 4.92                      |               |
| Provision for Expected Credit Loss                          | 7.50                     | 6.59                      |               |
| Other Expenses on Payment Basis                             | 0.27                     | 0.29                      |               |
| <b>Total Deferred Tax Assets</b>                            | <b>13.03</b>             | <b>11.80</b>              |               |
| <b>Deferred Tax Liabilities (DTL)</b>                       |                          |                           |               |
| Property Plant & Equipments & Intangible Assets             | 31.03                    | 24.09                     |               |
| Income Credited to PL- Taxable in Future                    | 0.17                     | 0.04                      |               |
| <b>Total Deferred Tax Liabilities</b>                       | <b>31.20</b>             | <b>24.13</b>              |               |
| <b>Net Deferred Tax Assets / (Deferred Tax Liabilities)</b> | <b>(18.17)</b>           | <b>(12.33)</b>            |               |
| <b>Deferred Tax Liabilities (Net)</b>                       | <b>18.17</b>             | <b>12.33</b>              |               |
| <b>Deferred Tax Assets (Net)</b>                            | <b>-</b>                 | <b>-</b>                  |               |

**Reconciliation of Income Tax Expenses and the Accounting Profit  
multiplied by applicable tax rate:**

|   |  |  | (Rs in Lakhs) |
|---|--|--|---------------|
|   | For the year<br>ended<br>31st March 2024 | For the year<br>ended<br>31st March 2023 |               |
| <b>Profit Before Tax as per Statement of Profit &amp; Loss</b>                                    | 212.86                                   | 331.97                                   |               |
| Tax Rate for Corporate Entity as per Income Tax Act, 1961   | 25.168%                                  | 25.168%                                  |               |
| Income tax using the Company's domestic tax rate  | 53.57                                    | 83.55                                    |               |
| <b>Tax Effect of:</b>   |  |  |               |
| Expenses permanently disallowed from Income Tax   | 0.01                                     | 0.05                                     |               |
| Depreciation on Land not allowable in Tax Computation   | 3.07                                     | -  |               |
| Deferred Tax adjustment of earlier years  | 3.64                                     | -  |               |
| Tax adjustment of earlier years / Others  | (0.87)                                   | 3.71                                     |               |
| <b>Income Tax recognised in Consolidated Statement of<br/>Profit &amp; Loss at effective rate</b> | <b>59.42</b>                             | <b>87.31</b>                             |               |

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**

**Note - 5 - Deferred Tax Assets - Contd.**

**Movement in Deferred Tax Assets/ Deferred Tax Liabilities**

| <b>Current Reporting Period (2023-24)</b>            |                             |  |  | <b>(Rs in Lakhs)</b>         |
|--|-----------------------------|--|--|------------------------------|
| <b>Particulars</b>                                   | <b>As at 1st April 2023</b> | <b>Deferred Tax Change/ Credit to statement of Profit &amp; Loss</b> | <b>Deferred Tax Change/ Credit to Other Comprehensive Income</b> | <b>As at 31st March 2024</b> |
| <b>Deferred Tax Assets</b>                           |                             |  |  |                              |
| <b>on account of Deductible Temporary Difference</b> |                             |  |  |                              |
| Provision for Employee Benefits                      | 4.92                        | 0.32   | 0.02   | 5.26                         |
| Provision for Expected Credit Loss                   | 6.59                        | 0.90   | -  | 7.49                         |
| Other Expenses on Payment Basis                      | 0.29                        | (0.02)   | -  | 0.27                         |
| <b>Total Deferred Tax Assets</b>                     | <b>11.80</b>                | <b>1.20</b>  | <b>0.02</b>  | <b>13.02</b>                 |
| <b>Deferred Tax Liabilities</b>                      |                             |  |  |                              |
| <b>on account of Taxable Temporary Difference</b>    |                             |  |  |                              |
| Property Plant & Equipments & Intangible Assets      | 24.09                       | 6.94   | -  | 31.03                        |
| Income Credited to PL- Taxable in Future             | 0.04                        | 0.13   | -  | 0.17                         |
| <b>Total Deferred Tax Liabilities</b>                | <b>24.13</b>                | <b>7.07</b>  | <b>-</b>   | <b>31.20</b>                 |
| <b>Deferred Tax Assets/ (Liabilities) (Net)</b>      | <b>(12.33)</b>              | <b>(5.87)</b>  | <b>0.02</b>  | <b>(18.18)</b>               |
| <b>Previous Reporting Period (2022-23)</b>           |                             |  |  |                              |
| <b>Particulars</b>                                   | <b>As at 1st April 2022</b> | <b>Deferred Tax Change/ Credit to statement of Profit &amp; Loss</b> | <b>Deferred Tax Change/ Credit to Other Comprehensive Income</b> | <b>As at 31st March 2023</b> |
| <b>Deferred Tax Assets</b>                           |                             |  |  |                              |
| <b>on account of Deductible Temporary Difference</b> |                             |  |  |                              |
| Provision for Employee Benefits                      | 8.90                        | (3.40)   | (0.58)   | 4.92                         |
| Provision for Expected Credit Loss                   | 4.95                        | 1.64   | -  | 6.59                         |
| Other Expenses on Payment Basis                      | 0.42                        | (0.13)   | -  | 0.29                         |
| <b>Total Deferred Tax Assets</b>                     | <b>14.27</b>                | <b>(1.89)</b>  | <b>(0.58)</b>  | <b>11.80</b>                 |
| <b>Deferred Tax Liabilities</b>                      |                             |  |  |                              |
| <b>on account of Taxable Temporary Difference</b>    |                             |  |  |                              |
| Property Plant & Equipments & Intangible Assets      | 20.66                       | 3.43   | -  | 24.09                        |
| Income Credited to PL- Taxable in Future             | 0.01                        | 0.03   | -  | 0.04                         |
| <b>Total Deferred Tax Liabilities</b>                | <b>20.67</b>                | <b>3.46</b>  | <b>-</b>   | <b>24.13</b>                 |
| <b>Deferred Tax Assets/ (Liabilities) (Net)</b>      | <b>(6.40)</b>               | <b>(5.35)</b>  | <b>(0.58)</b>  | <b>(12.33)</b>               |

**Notes to the Consolidated Financial Statements for  
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**Note - 6 - Other Non Current Assets (Unsecured Considered Good)**

**(Rs in Lakhs)**

| Particulars                       | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|-----------------------------------|--------------------------|---------------------------|
| Capital Advances                  | 2.55                     | 1.00                      |
| Prepaid Expenses                  | -                        | -                         |
| Balances with Revenue Authorities | -                        | -                         |
| Other Advances / Receivables      | -                        | -                         |
| <b>Total</b>                      | <b>2.55</b>              | <b>1.00</b>               |

| Particulars   | Amount | Amount |
|---|--------|--------|
| <b>Above includes due from:</b>                         |        |        |
| Director  | -      | -      |
| Other Officers of the Company                           | -      | -      |
| Firm in which any director is partner                   | -      | -      |
| Private Company in which director is director or member | -      | -      |

**Note - 7 - Inventories**

**(Rs in Lakhs)**

| Particulars                    | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|--------------------------------|--------------------------|---------------------------|
| Raw materials                  | 1,093.40                 | 1,388.68                  |
| Work-in-progress               | -                        | -                         |
| Finished goods/ Stock in Trade | 886.70                   | 242.30                    |
| Packing materials              | 16.30                    | 10.88                     |
| <b>Total</b>                   | <b>1,996.40</b>          | <b>1,641.86</b>           |

Note: Inventories are valued at lower of cost and net realisable value. The mode of valuation of inventories has been stated in Note No - 1 (3.8). Inventories are hypothecated to bank for secured working capital facilities from Banks (Refer Note No - 40)

**Note - 8 - Trade Receivables - Current**

**(Rs in Lakhs)**

| Particulars                              | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|--|--------------------------|---------------------------|
| Considered good - secured                | -                        | -                         |
| Considered good - unsecured              | 2,627.16                 | 3,285.29                  |
| Credit impaired - unsecured              | -                        | -                         |
| Less: Allowance for Expected Credit Loss | (29.80)                  | (26.24)                   |
| <b>Total</b>                             | <b>2,597.36</b>          | <b>3,259.05</b>           |

Note:

- 1) Trade Receivables are hypothecated to secured working capital facilities from Banks (Refer Note No - 40)
- 2) Trade Receivable Aging Schedule (Refer Note No - 47)

| Particulars   | Amount | Amount |
|---|--------|--------|
| <b>Trade Receivable include due from:</b>               |        |        |
| Directors   | -      | -      |
| Other Officers of the Company                           | -      | -      |
| Firm in which any director is partner                   | -      | -      |
| Private Company in which director is director or member | -      | -      |

**Notes to the Consolidated Financial Statements for  
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**Note - 9 - Cash & Bank Balances**

**(Rs in Lakhs)**

| Particulars   | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|---|--------------------------|---------------------------|
| <b>Cash and Cash Equivalents</b>  |                          |                           |
| Cash in Hand  | 2.66                     | 3.81                      |
| Bank Balance  |                          |                           |
| In Current Accounts   | 3.03                     | 61.14                     |
| In Deposit Accounts (maturity within 3 months from reporting date)                        | -                        | -                         |
| <b>Total Cash and Cash Equivalents</b>  | <b>5.69</b>              | <b>64.95</b>              |
| <b>Other Bank Balances (see note below)</b>   |                          |                           |
| (a) Other Bank Deposits (original maturity of 3 months or less) (under lien for security) | -                        | -                         |
| (b) Other Bank Deposits (Original Maturity more than 3 months)                            | 50.14                    | 23.11                     |
| <b>Total Other Bank Balances</b>  | <b>50.14</b>             | <b>23.11</b>              |
| <b>Total</b>  | <b>55.83</b>             | <b>88.06</b>              |

| Particulars   | Amount | Amount |
|---|--------|--------|
| Other Bank balances in Fixed Deposit Accounts includes deposits with remaining maturity of more than 12 months from the balance sheet date.                             | -      | 10.53  |
| Other Bank balances in Fixed Deposit Accounts are Pledged as margin money / as security for bank guarantees/ working capital facilities from Banks (Refer Note No - 40) | 50.14  | 23.11  |

**Note - 10 - Loans & Other Financial Assets - Current (Unsecured Considered Good)**

**(Rs in Lakhs)**

| Particulars                         | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|-------------------------------------|--------------------------|---------------------------|
| <b>Loans</b>                        |                          |                           |
| Loans to related parties            | 200.00                   | 205.26                    |
| Loans to Staff                      | -                        | 0.40                      |
| <b>Total Loans</b>                  | <b>200.00</b>            | <b>205.66</b>             |
| <b>Other Financial Assets</b>       |                          |                           |
| Deposits                            | 0.05                     | -                         |
| GST Receivable                      | 112.27                   | 147.55                    |
| Export Incentives Receivables       | 9.43                     | 15.31                     |
| Other Receivables                   | 4.24                     | 11.01                     |
| <b>Total Other Financial Assets</b> | <b>125.99</b>            | <b>173.87</b>             |
| <b>Total</b>                        | <b>325.99</b>            | <b>379.53</b>             |

| Particulars   | Amount | Amount |
|---|--------|--------|
| <b>Above Includes:</b>                                  |        |        |
| Directors   | -      | -      |
| Other Officers of the Company                           | -      | -      |
| Firm in which any director / Company is partner         | -      | -      |
| Private Company in which director is director or member |        |        |
| - Clairvoyance Industries Private Limited               | 200.00 | -      |
| - Hindparagon Polymers Private Limited                  | -      | 205.26 |

**Note:**

The loan granted to above parties is intended for the purpose of utilizing in the activity of the business. The loan is unsecured and interest is charged thereon. The loan has been utilized for the purpose it was granted.

**Notes to the Consolidated Financial Statements for  
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| <b>Note - 11 - Income Tax Assets</b>                                |                                  | <b>(Rs in Lakhs)</b>              |  |
|---|----------------------------------|-----------------------------------|--|
| <b>Particulars</b>  | <b>As at<br/>31st March 2024</b> | <b>As at<br/>31st March, 2023</b> |  |
| <b>Prepaid Income Tax/ TDS (Net of Provision, if any)</b>           | -                                | <b>16.98</b>                      |  |
| <b>Total</b>  | -                                | <b>16.98</b>                      |  |
| <b>Note - 12 - Other Current Assets (Non Financial Assets)</b>      |                                  | <b>(Rs in Lakhs)</b>              |  |
| <b>Particulars</b>  | <b>As at<br/>31st March 2024</b> | <b>As at<br/>31st March, 2023</b> |  |
| <b>Others (unsecured considered good)</b>                           |                                  |                                   |  |
| Advance to Supplier (Other than capital advances)                   | 18.24                            | 2.45                              |  |
| Balances with Government Authorities                                | -                                | -                                 |  |
| Prepaid Expenses  | 2.97                             | 6.88                              |  |
| Export Incentive - Script/ Licence Receivable / Unconsumed Licences | 1.49                             | 2.10                              |  |
| Others  | 0.40                             | 0.27                              |  |
| <b>Total</b>  | <b>23.10</b>                     | <b>11.70</b>                      |  |
| <b>Particulars</b>  | <b>Amount</b>                    | <b>Amount</b>                     |  |
| <b>Above Includes:</b>  |                                  |                                   |  |
| Directors   | -                                | -                                 |  |
| Other Officers of the Company                                       | -                                | -                                 |  |
| Firm in which any director / Company is partner                     | -                                | -                                 |  |
| Private Company in which director is director or member             | -                                | -                                 |  |



**Notes to the Consolidated Financial Statements for**

| Particulars   | (Rs in Lakhs)            |                           |
|---|--------------------------|---------------------------|
|   | As at<br>31st March 2024 | As at<br>31st March, 2023 |
| <b>Paid up</b>  |                          |                           |
| 11424110 (10424110) Equity Shares of Rs. 10/- each Fully Paid | 1,142.41                 | 1,042.41                  |
| <b>Total</b>  | <b>1,142.41</b>          | <b>1,042.41</b>           |

**13.1 Rights, preferences and restrictions attached to equity shares:**

The Company has one class of equity shares having a par value of Rs 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.

**13.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

(Rs in Lakhs)

| <b>Current Financial Year</b>                    |                               |                               |                               |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Particulars                                      | As at 31st March 24<br>Number | As at 31st March 24<br>Amount | As at 31st March 23<br>Number | As at 31st March 23<br>Amount |
| <b>Equity Shares of Rs. 10/- each:</b>           |                               |                               |                               |                               |
| Shares outstanding at the beginning of the year  | 1,04,24,110                   | 1,042.41                      | 1,04,24,110                   | 1,042.41                      |
| Add: Bonus Shares Issued during the year         | -                             | -                             | -                             | -                             |
| Add: Shares Issued during the year               | 10,00,000                     | 100.00                        | -                             | -                             |
| Less: Shares bought back during the year         | -                             | -                             | -                             | -                             |
| <b>Shares outstanding at the end of the year</b> | <b>1,14,24,110</b>            | <b>1,142.41</b>               | <b>1,04,24,110</b>            | <b>1,042.41</b>               |
| <b>Previous Financial Year</b>                   |                               |                               |                               |                               |
| Particulars                                      | As at 31st March 23<br>Number | As at 31st March 23<br>Amount | As at 31st March 22<br>Number | As at 31st March 22<br>Amount |
| <b>Equity Shares of Rs. 10/- each:</b>           |                               |                               |                               |                               |
| Shares outstanding at the beginning of the year  | 1,04,24,110                   | 1,042.41                      | 1,04,24,110                   | 1,042.41                      |
| Add: Bonus Shares Issued during the year         | -                             | -                             | -                             | -                             |
| Add: Shares Issued during the year               | -                             | -                             | -                             | -                             |
| Less: Shares bought back during the year         | -                             | -                             | -                             | -                             |
| <b>Shares outstanding at the end of the year</b> | <b>1,04,24,110</b>            | <b>1,042.41</b>               | <b>1,04,24,110</b>            | <b>1,042.41</b>               |

**Notes to the Consolidated Financial Statements for**

**13.3 Shares in the company held by each shareholder holding more than 5 percent shares**

**Current Financial Year**

| Name of Shareholder                    | As at 31st March 24 | As at 31st March 24 | As at 31st March 23 | As at 31st March 23 |
|--|---------------------|---------------------|---------------------|---------------------|
|  | No of Shares Held   | % of Holding        | No of Shares Held   | % of Holding        |
| <b>Equity Shares of Rs. 10/- each:</b> |                     |                     |                     |                     |
| Dimple S Mangal                        | 7,56,000            | 6.62%               | 7,76,000            | 7.44%               |
| Om Prakash Mangal                      | 14,70,000           | 12.87%              | 14,70,000           | 14.10%              |
| Priyata S Mangal                       | 13,04,555           | 11.42%              | 13,04,555           | 12.51%              |
| Radhika S Mangal                       | 10,24,435           | 8.97%               | 10,24,435           | 9.83%               |
| Sanjay Prakash Mangal                  | 12,08,155           | 10.58%              | 12,08,155           | 11.59%              |
| Veedant S Mangal                       | 14,70,000           | 12.87%              | 14,70,000           | 14.10%              |

**Previous Financial Year**

| Name of Shareholder                    | As at 31st March 23 | As at 31st March 23 | As at 31st March 22 | As at 31st March 22 |
|--|---------------------|---------------------|---------------------|---------------------|
|  | No of Shares Held   | % of Holding        | No of Shares Held   | % of Holding        |
| <b>Equity Shares of Rs. 10/- each:</b> |                     |                     |                     |                     |
| Dimple S Mangal                        | 7,76,000            | 7.44%               | 7,76,000            | 7.44%               |
| Om Prakash Mangal                      | 14,70,000           | 14.10%              | 14,70,000           | 14.10%              |
| Priyata S Mangal                       | 13,04,555           | 12.51%              | 13,04,555           | 12.51%              |
| Radhika S Mangal                       | 10,24,435           | 9.83%               | 10,24,435           | 9.83%               |
| Sanjay Prakash Mangal                  | 12,08,155           | 11.59%              | 12,08,155           | 11.59%              |
| Vedant S Mangal                        | 14,70,000           | 14.10%              | 14,70,000           | 14.10%              |

**13.4 Shares in the company held by promoters:**

**Disclosure as at March 31, 2024 is as follows**

| Name of Shareholder     | As at 31st March 24 | As at 31st March 24 | As at 31st March 23 | As at 31st March 23 | % Change during the year |
|-------------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|
|                         | No. of Shares held  | % of Holding        | No. of Shares held  | % of Holding        |                          |
| Om Prakash Mangal       | 14,70,000           | 12.87%              | 14,70,000           | 14.10%              | -1.23%                   |
| Sanjay Prakash Mangal   | 12,08,155           | 10.58%              | 12,08,155           | 11.59%              | -1.01%                   |
| Santosh Narayan Nambiar | 8,750               | 0.08%               | 8,750               | 0.08%               | -0.01%                   |

**Disclosure as at March 31, 2023 is as follows**

| Name of Shareholder     | As at 31st March 23 | As at 31st March 23 | As at 31st March 22 | As at 31st March 22 | % Change during the year |
|-------------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|
|                         | No. of Shares held  | % of Holding        | No. of Shares held  | % of Holding        |                          |
| Om Prakash Mangal       | 14,70,000           | 14.10%              | 14,70,000           | 14.10%              | 0.00%                    |
| Sanjay Prakash Mangal   | 12,08,155           | 11.59%              | 12,08,155           | 11.59%              | 0.00%                    |
| Santosh Narayan Nambiar | 8,750               | 0.08%               | 8,750               | 0.08%               | 0.00%                    |

(i) Promoter here means promoter as defined in the Companies Act, 2013.

(ii) percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

## Hindprakash Industries Limited

(Consolidated Financial Statements as at 31st March, 2024)



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### Notes to the Consolidated Financial Statements for

#### Note - 14 - Other Equity

|  | (Rs in Lakhs)            |                           |
|--|--------------------------|---------------------------|
| Particulars  | As at<br>31st March 2024 | As at<br>31st March, 2023 |
| <b>Securities Premium Reserve</b>                                    |                          |                           |
| Balance at the beginning of the year                                 | 864.00                   | 864.00                    |
| Add : Securities premium credited on share issue                     | 720.00                   | -                         |
| Less: Utilised towards issue of bonus shares during the year         | -                        | -                         |
| Less: Utilised towards expenses on issue of shares                   | -                        | -                         |
| <b>Balance at the end of the year</b>                                | <b>1,584.00</b>          | <b>864.00</b>             |
| <b>Retained Earning</b>  |                          |                           |
| Balance at the beginning of the year                                 | 2,128.70                 | 1,903.90                  |
| Add: Net Profit/(Net Loss) For the year                              | 155.28                   | 246.51                    |
| Add: Remeasurement of defined benefit plan transferred from OCI      | -                        | -                         |
| Other Adjustment/ Disposal of Controlling Interest                   | (2.58)                   | -                         |
| Less: Dividend on Equity Shares (14.1)                               | (10.84)                  | (21.71)                   |
| <b>Balance at the end of the year</b>                                | <b>2,270.56</b>          | <b>2,128.70</b>           |
| <b>Money received against share Warrants ( See Note: 14.2, 14.3)</b> |                          |                           |
| Balance at the beginning of the year                                 | 205.00                   | -                         |
| Add: Money received during the year against share warrants issued    | -                        | 205.00                    |
| Add: Allotment money received during the year against share warrants | 615.00                   | -                         |
| Less : Issue of Equity shares against share Warrants                 | (820.00)                 | -                         |
| <b>Balance at the end of the year</b>                                | <b>-</b>                 | <b>205.00</b>             |
| <b>Other Comprehensive Income (OCI)</b>                              |                          |                           |
| Balance at the beginning of the year                                 | 21.32                    | 19.58                     |
| Changes during the year  | 0.07                     | 1.74                      |
| <b>Balance at the end of the year</b>                                | <b>21.39</b>             | <b>21.32</b>              |
| <b>Total Other Equity</b>  | <b>3,875.95</b>          | <b>3,219.02</b>           |

#### 14.1 Dividend on equity shares paid during the year.

|  | (Rs in Lakhs)             |                           |
|--|---------------------------|---------------------------|
| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| Final dividend for the year 2022-23                                    |                           |                           |
| [Rs 0.50 (previous year 2021-22 Re 1) per equity shares of Rs 10 each] | 10.84                     | 21.71                     |

#### Note:

Board of Directors of the Company have proposed final dividend of Rs 0.50 per equity share for the financial year 2023-24. Proposed dividend on equity shares are subject to approval at the annual general meeting and hence not recognised as a liability as at 31 March 2024. No interim dividend was declared and paid during the financial year 2023-24.

## Hindprakash Industries Limited

(Consolidated Financial Statements as at 31st March, 2024)



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### Notes to the Consolidated Financial Statements for

#### 14.2 Reconciliation of the number of share warrants outstanding at the beginning and at the end of the reporting period

(Rs in Lakhs)

| Particulars  | As at 31st March 24 | As at 31st March 24 | As at 31st March 23 | As at 31st March 23 |
|--|---------------------|---------------------|---------------------|---------------------|
|  | Number              | Amount              | Number              | Amount              |
| Share Warrants Outstanding at the Beginning of the Year              | 10,00,000           | 205.00              | -                   | -                   |
| Add: Money received during the year against share warrants issued    | -                   | -                   | 10,00,000           | 205.00              |
| Add: Allotment money received during the year against share warrants | -                   | 615.00              | -                   | -                   |
| Less: Allotment of Equity Shares on Conversion of Share Warrants     | (10,00,000)         | (820.00)            | -                   | -                   |
| <b>Share Warrants Outstanding at the End of the Year</b>             | <b>-</b>            | <b>-</b>            | <b>10,00,000</b>    | <b>205.00</b>       |

| Particulars  | As at 31st March 23 | As at 31st March 23 | As at 31st March 22 | As at 31st March 22 |
|--|---------------------|---------------------|---------------------|---------------------|
|  | Number              | Amount              | Number              | Amount              |
| Share Warrants Outstanding at the Beginning of the Year              | -                   | -                   | -                   | -                   |
| Add: Money received during the year against share warrants issued    | 10,00,000           | 205.00              | -                   | -                   |
| Add: Allotment money received during the year against share warrants | -                   | -                   | -                   | -                   |
| Less: Allotment of Equity Shares on Conversion of Share Warrants     | -                   | -                   | -                   | -                   |
| <b>Share Warrants Outstanding at the End of the Year</b>             | <b>10,00,000</b>    | <b>205.00</b>       | <b>-</b>            | <b>-</b>            |

**14.3** The Company has issued 10,00,000 convertible equity warrants on 6th July 2022 at an issue price of Rs. 82.00 per warrant on preferential basis, on receipt of the subscription money of Rs. 205.00 Lakhs being 25% of the issue price. Such warrants are convertible into equivalent number of fully paid up equity shares of face value of Rs.10/- at a premium of Rs. 72/- each, at an option of the warrant holders, at any time, in one or more tranches, within 18 Months from the date of issue of warrants on the payment of balance 75% amount due on warrants. The warrant holders have exercised their option to convert warrants during the year (2023-24) on payment of balance 75% amount of Rs 615.00 Lakhs, due on warrants and the company has allotted 10,00,000 equity shares against the same.

**Notes to the Consolidated Financial Statements for  
the year ended on 31st March, 2024**

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**Note - 15 - Long Term Borrowings**

**(Rs in Lakhs)**

| Particulars                      | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|----------------------------------|--------------------------|---------------------------|
| <b>Secured Borrowings</b>        |                          |                           |
| From Banks                       |                          |                           |
| IDBI - Working Capital Term Loan | 160.83                   | 257.33                    |
| <b>Total</b>                     | <b>160.83</b>            | <b>257.33</b>             |

15.1. Primary Security : Second Charge in the form of hypothecation on entire current and moveable fixed assets of the company including stocks, Book Debts (Both present & future, obtained as primary security for WC limit- Refer Note No:19).

Collateral Security: Second charge on assets obtained by bank as collateral security for WC limit (Ref Note No:19).

The above facilities are further guaranteed by two directors of the company in their personal capacity. The Limit is covered under Guaranteed Emergency Credit Line (GECL) operated by NCGTC.

15.2 Maturity Profile (Repayment) of above liability (Rs in Lakhs)

|              |       |
|--------------|-------|
| FY 2023 - 24 | 96.50 |
| FY 2024 - 25 | 96.50 |
| FY 2025 - 26 | 96.50 |
| FY 2026 - 27 | 64.33 |

15.3 Sanctioned Amount Rs 386.00 Lakhs

15.4 The rate of interest applicable is RLLR(Y) + 1.00% pa.

15.5 Tenure 60 Months

15.6 Repayment for principal : 12 Months Moratorium, 48 Months Instalments after Moratorium. Interest to be Serviced on Monthly Basis.

**Note - 16 - Other Non-Current Financial Liabilities**

**(Rs in Lakhs)**

| Particulars  | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|--------------|--------------------------|---------------------------|
| -            | -                        | -                         |
| <b>Total</b> | <b>-</b>                 | <b>-</b>                  |

**Note - 17 - Long Term Provisions**

**(Rs in Lakhs)**

| Particulars                     | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|---------------------------------|--------------------------|---------------------------|
| Provision for Employee benefits |                          |                           |
| Gratuity (Unfunded)             | 9.43                     | 7.89                      |
| Leave Encashment                | 4.36                     | 3.28                      |
| <b>Total</b>                    | <b>13.79</b>             | <b>11.17</b>              |

**Note - 18 - Other Non-Current Liabilities**

**(Rs in Lakhs)**

| Particulars  | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|--------------|--------------------------|---------------------------|
| -            | -                        | -                         |
| <b>Total</b> | <b>-</b>                 | <b>-</b>                  |

**Notes to the Consolidated Financial Statements for  
the year ended on 31st March, 2024**

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**Note - 19 - Short Term Borrowings**

**(Rs in Lakhs)**

| Particulars   | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|---|--------------------------|---------------------------|
| <b>Secured (Repayable on Demand) (From Bank)</b>                      |                          |                           |
| IDBI Bank Limited (Cash Credit Account)                               | 1,977.03                 | 1,786.66                  |
| <b>Secured (Current Maturity of Long Term Borrowings) (From Bank)</b> |                          |                           |
| IDBI Bank LIMITED (WCTL under GECL) (See Note No:15)                  | 96.50                    | 96.50                     |
| <b>Total</b>  | <b>2,073.53</b>          | <b>1,883.16</b>           |

19.1. The Company has created a charge in favour of IDBI Bank Ltd, for Working Capital by way of first charge in the form of hypothecation of stock of raw material (imported & indigenous), work in progress, finished goods, packing materials and other chargeable current assets of the company (Present and future), hypothecation of entire book debts and other current assets of the company, as security for cash credit and other working capital facilities. [HIL]

The above facilities are further collaterally secured by way of equitable mortgage of company's shed no. A2-114 and 115, Vatva Industrial Estate, Phase II, GIDC, Ahmedabad. The above facilities are further guaranteed by two directors of the company in their personal capacity. [HIL]

**Note - 20, 21 - Trade Payables**

**(Rs in Lakhs)**

| Particulars   | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|---|--------------------------|---------------------------|
| Total outstanding dues of Micro Enterprise and small enterprise | 53.29                    | 0.14                      |
| Total outstanding dues others                                   | 1,078.40                 | 1,501.52                  |
| <b>Total</b>  | <b>1,131.69</b>          | <b>1,501.66</b>           |

**Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act:**

| Particulars  | Amount | (Rs in Lakhs)<br>Amount |
|--|--------|-------------------------|
| - Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)  |        |                         |
| Principal amount due to micro and small enterprise   | 53.29  | 0.14                    |
| Interest due on above  | -      | -                       |
| - 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 the period             | -      | -                       |
| - Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | -      | -                       |
| - The amount of interest accrued and remaining unpaid at the end of each accounting year   | -      | -                       |
| - Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises  | -      | -                       |

**Note:**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors.

**Notes to the Consolidated Financial Statements for  
the year ended on 31st March, 2024**

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**Note - 22 - Other Current Financial Liabilities**

**(Rs in Lakhs)**

| Particulars                | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|----------------------------|--------------------------|---------------------------|
| Statutory Dues             | 7.21                     | 7.50                      |
| Creditor for Capital Goods | -                        | 20.84                     |
| Unpaid Dividend            | 0.02                     | -                         |
| Trade Security Deposits    | 5.00                     | -                         |
| Others                     | -                        | -                         |
| <b>Total</b>               | <b>12.23</b>             | <b>28.34</b>              |

**Note - 23 - Short Term Provisions**

**(Rs in Lakhs)**

| Particulars  | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|--|--------------------------|---------------------------|
| Provision for Expenses                             | 27.59                    | 22.72                     |
| Provision for Employee benefits (Refer note no 37) |                          |                           |
| Gratuity (Unfunded)                                | 5.36                     | 6.95                      |
| Leave Encashment                                   | 1.74                     | 1.40                      |
| Others   | -                        | -                         |
| <b>Total</b>                                       | <b>34.69</b>             | <b>31.07</b>              |

**Note - 24 - Other Current Non Financial Liabilities**

**(Rs in Lakhs)**

| Particulars            | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|------------------------|--------------------------|---------------------------|
| Advance from Customers | 2.43                     | 0.45                      |
| <b>Total</b>           | <b>2.43</b>              | <b>0.45</b>               |

**Note - 25 - Current Tax Liabilities**

**(Rs in Lakhs)**

| Particulars                                     | As at<br>31st March 2024 | As at<br>31st March, 2023 |
|---|--------------------------|---------------------------|
| Provision for Income Tax [net of prepaid taxes] | 3.79                     | 8.62                      |
| <b>Total</b>                                    | <b>3.79</b>              | <b>8.62</b>               |



**Notes to the Consolidated Financial Statements for**

**Note - 26 - Revenue From Operations**

|                                |                                       | (Rs in Lakhs)                         |
|--------------------------------|---------------------------------------|---------------------------------------|
| Particulars                    | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| <b>Sale of Products</b>        |                                       |                                       |
| Export Sales                   | 174.82                                | 220.47                                |
| Domestic Sales                 | 9,694.61                              | 9,795.01                              |
| <b>Sale of Services</b>        |                                       |                                       |
| Agency Service Income          | 77.33                                 | 58.44                                 |
| <b>Other Operating Revenue</b> |                                       |                                       |
| Export Incentives              | 3.62                                  | 4.62                                  |
| Other Operating Income         | -                                     | -                                     |
| <b>Total</b>                   | <b>9,950.38</b>                       | <b>10,078.54</b>                      |

**Note - 27 - Other Income**

|                                   |                                       | (Rs in Lakhs)                         |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Particulars                       | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Interest Income                   | 115.59                                | 170.78                                |
| Other Non-Operating Income        |                                       |                                       |
| Income from Investment Activities | 0.52                                  | 0.10                                  |
| Other Non-Operating Income        | 10.16                                 | 4.22                                  |
| <b>Total</b>                      | <b>126.27</b>                         | <b>175.10</b>                         |

**27.1 Interest Income comprises:**

|                                |               |               |
|--------------------------------|---------------|---------------|
| Interest on Loans and Advances | 111.70        | 170.20        |
| Interest from Banks Deposit    | 2.64          | 0.58          |
| Interest on Income Others      | 1.25          | -             |
| Interest on Income tax Refund  | -             | -             |
| Interest Income - Ind AS       | -             | -             |
| <b>Total</b>                   | <b>115.59</b> | <b>170.78</b> |

**27.2 Other Non Operating Income Comprises:**

|   |              |             |
|---|--------------|-------------|
| Gain on Foreign Exchange Fluctuation (net)          | 8.57         | 1.12        |
| Outwards Freight Recovered in Invoice               | -            | 3.10        |
| Gain on Sale of Property Plant and Equipments (net) | 0.46         | -           |
| Other Income  | 1.13         | -           |
| <b>Total</b>  | <b>10.16</b> | <b>4.22</b> |

**27.3 Income from Investment Activities Comprises:**

|                     |             |             |
|---------------------|-------------|-------------|
| Gain on Mutual Fund | 0.52        | 0.10        |
| <b>Total</b>        | <b>0.52</b> | <b>0.10</b> |

**Notes to the Consolidated Financial Statements for**

**Note - 28 - Cost Of Materials Consumed**

|   |                                       | (Rs in Lakhs)                         |
|---|---------------------------------------|---------------------------------------|
| Particulars   | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Opening Stock at the beginning of the year  | 1,388.68                              | 1,415.68                              |
| Add : Purchases and Incidental Expenses (Net of returns, claims/<br>discount, if any) | 7,360.62                              | 6,870.79                              |
| Less : Closing Stock at the end of the year   | (1,093.40)                            | (1,388.68)                            |
| <b>Total</b>  | <b>7,655.90</b>                       | <b>6,897.79</b>                       |

**Note - 29 - Purchase Stock-In-Trade**

|  |                                       | (Rs in Lakhs)                         |
|--|---------------------------------------|---------------------------------------|
| Particulars  | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Purchases and Incidental Expenses<br>(Net of returns, claims/discount, if any) | 2,166.96                              | 2,605.14                              |
| <b>Total</b>   | <b>2,166.96</b>                       | <b>2,605.14</b>                       |

**Note - 30 - Changes In Inventories Of Finished Goods, Work-In-Progress and Stock-In-Trade**

|                                 |                                       | (Rs in Lakhs)                         |
|---------------------------------|---------------------------------------|---------------------------------------|
| Particulars                     | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| <b>Opening Stock</b>            |                                       |                                       |
| Work-in-Progress                | -                                     | -                                     |
| Finished Goods / Stock-in Trade | 242.30                                | 171.08                                |
|                                 | 242.30                                | 171.08                                |
| <b>Closing Stock</b>            |                                       |                                       |
| Work-in-Progress                | -                                     | -                                     |
| Finished Goods / Stock-in Trade | (886.70)                              | (242.30)                              |
|                                 | (886.70)                              | (242.30)                              |
| <b>Total</b>                    | <b>(644.40)</b>                       | <b>(71.22)</b>                        |

**Note - 31 - Employee Benefit Expenses**

|  |                                       | (Rs in Lakhs)                         |
|--|---------------------------------------|---------------------------------------|
| Particulars  | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Salaries & Wages   | 168.83                                | 122.21                                |
| Contributions to Provident Fund and Other Funds          | 4.51                                  | 4.38                                  |
| Gratuity and Leave Encashment (Net of reversals, if any) | 4.90                                  | (9.15)                                |
| Staff Welfare Expenses                                   | 2.97                                  | 2.50                                  |
| <b>Total</b>   | <b>181.21</b>                         | <b>119.94</b>                         |

**Notes to the Consolidated Financial Statements for**

**Note - 32 - Finance Costs**

|                                    |                                       | (Rs in Lakhs)                         |
|------------------------------------|---------------------------------------|---------------------------------------|
| Particulars                        | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Interest expense:                  |                                       |                                       |
| On Fixed Loans from Banks          | 28.04                                 | 46.86                                 |
| On CC & Other Borrowing from Banks | 222.23                                | 132.52                                |
| On Other Borrowing                 | 0.42                                  | -                                     |
| Others                             | 0.93                                  | 1.06                                  |
| Other Finance Cost                 | 8.42                                  | 4.58                                  |
| On Income Tax                      | 0.04                                  | 0.20                                  |
| Less: Borrowing Cost Capitalised   | -                                     | (8.09)                                |
| <b>Total</b>                       | <b>260.08</b>                         | <b>177.13</b>                         |

**Note - 33 - Depreciation & Amortisation Expenses**

|  |                                       | (Rs in Lakhs)                         |
|--|---------------------------------------|---------------------------------------|
| Particulars                                    | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| Amortisation of Intangible Assets              | 3.79                                  | 3.22                                  |
| Depreciation on Right of Use Assets            | 12.19                                 | 21.28                                 |
| Depreciation on Property, Plant and Equipments | 27.57                                 | 22.76                                 |
| <b>Total</b>                                   | <b>43.55</b>                          | <b>47.26</b>                          |

**Note - 34 - Other Expenses**

|   |                                       | (Rs in Lakhs)                         |
|---|---------------------------------------|---------------------------------------|
| Particulars                                       | For the year ended<br>31st March 2024 | For the year ended<br>31st March 2023 |
| <b>Manufacturing &amp; Service Expenses</b>       |                                       |                                       |
| Power & Fuel                                      | 3.10                                  | 5.21                                  |
| Loading-Unloading Expenses                        | 6.23                                  | 1.53                                  |
| Other Factory Expenses                            | 0.48                                  | 0.47                                  |
| Repair & Maintenance - Plant & Machinery          | 8.01                                  | 1.07                                  |
| Repair & Maintenance - Building                   | 7.29                                  | 3.87                                  |
| Repair & Maintenance - Others                     | -                                     | 0.09                                  |
| Packing Expenses                                  | 82.30                                 | 44.90                                 |
| Laboratory Expense                                | 1.55                                  | 1.03                                  |
| Water & Water Treatment Charges                   | 5.76                                  | 3.75                                  |
| Insurance Expenses                                | 0.51                                  | 0.67                                  |
| <b>Total Manufacturing &amp; Service Expenses</b> | <b>115.23</b>                         | <b>62.59</b>                          |

**Notes to the Consolidated Financial Statements for**

**Note - 34 - Other Expenses - Contd.**

|   | <b>(Rs in Lakhs)</b>                          |   |
|---|---|---|
|   | <b>For the year ended<br/>31st March 2024</b> | <b>For the year ended<br/>31st March 2023</b> |
| <b>Administration, Selling &amp; Other Expenses</b>       |   |   |
| Advertisement Expenses                                    | 2.44  | 2.12  |
| Bank Charges  | 2.20  | 2.25  |
| Brokerage Expenses  | -   | 0.03  |
| Business Promotion Expenses                               | 0.39  | 11.09   |
| Consultancy Fees  | 20.19   | 21.71   |
| Conveyance Expense  | 2.86  | 0.47  |
| Director Sitting Fees                                     | 1.80  | 1.80  |
| ECL Provision   | 3.56  | 6.59  |
| Export Clearing / Forwarding / Handling Charges           | 3.34  | 3.49  |
| Godown / Storage Tank Rent                                | 4.83  | 2.18  |
| Insurance Expenses  | 3.83  | 3.92  |
| Lease Rent Expenses                                       | 3.01  | 2.43  |
| Legal Expenses  | 1.89  | 11.30   |
| Misc. Expenses  | 0.02  | 1.35  |
| Other Expenses  | 3.81  | 3.93  |
| Outwards Freight / Loading & Unloading                    | 11.30   | 1.08  |
| Payment to Auditors                                       | 3.55  | 2.75  |
| Postage & Courier Expenses                                | 0.38  | -   |
| Printing & Stationery Expenses                            | 0.81  | 0.10  |
| Prior Period Item (Net)                                   | 0.10  | 0.06  |
| Rates & Taxes   | 1.91  | 1.14  |
| Repair & Maintenance - Others                             | 2.11  | 0.79  |
| Sales Commission Expenses                                 | 2.54  | 0.54  |
| Sample Expense  | 0.89  | 0.04  |
| Telecommunication Expenses                                | 0.51  | 0.47  |
| Royalty Expenses  | 1.00  | 1.00  |
| Travelling Expenses                                       | 5.99  | 0.41  |
| <b>Total Administration, Selling &amp; Other Expenses</b> | <b>85.26</b>                                  | <b>83.04</b>                                  |
| <b>Total</b>  | <b>200.49</b>                                 | <b>145.63</b>                                 |

|   | <b>(Rs in Lakhs)</b>                          |   |
|---|---|---|
|   | <b>For the year ended<br/>31st March 2024</b> | <b>For the year ended<br/>31st March 2023</b> |
| <b>Payment to Auditors (excluding taxes)</b>    |   |   |
| Statutory Audit Fees (including Tax Audit Fees) | 2.75  | 2.75  |
| Cost Audit Fees                                 | 0.80  | -   |
| <b>Total</b>                                    | <b>3.55</b>                                   | <b>2.75</b>                                   |

**Note - 35 - Tax Expense**

|  | <b>(Rs in Lakhs)</b>                          |   |
|--|---|---|
|  | <b>For the year ended<br/>31st March 2024</b> | <b>For the year ended<br/>31st March 2023</b> |
| Tax Expenses                               | 54.46   | 81.84   |
| Deffered Tax Expenses/(Reversal)           | 5.83  | 5.33  |
| Tax in respect of Earlier Years/(Reversal) | (0.87)  | 0.14  |
| <b>Total</b>                               | <b>59.42</b>                                  | <b>87.31</b>                                  |

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2024**

**Note - 36 - Earnings Per Share**

The earning per share is calculated by dividing the profit after tax by weighted average number of shares outstanding for basic & diluted earning per share.

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| Profit after tax (Rs. in Lakhs)                         | 155.28                    | 246.51                    |
| Weighted average number of shares outstanding (Basic)   | 1,06,48,154               | 1,04,24,110               |
| Weighted average number of shares outstanding (Diluted) | 1,10,42,096               | 1,06,69,313               |
| Nominal value per share (Rs.)                           | 10.00                     | 10.00                     |
| Basic earning per share (Rs.)                           | 1.46                      | 2.36                      |
| Diluted earning per share (Rs.)                         | 1.41                      | 2.31                      |

**Note - 37 - Employee Benefits**

**The Company has the Following Post-Employment Benefit Plans:**

**A. Defined Contribution Plan**

Contribution to defined contribution plan recognised as expense for the year is as under:

| Particulars                               | As at<br>31st March, 2024 | (Rs. in Lakhs)<br>As at<br>31st March, 2023 |
|---|---------------------------|---|
| Employer's Contribution to Provident Fund | 2.81                      | 3.40  |

**B. Defined Benefit Plans**

**Gratuity (Unfunded) :**

(i) The company administers its employees gratuity scheme unfunded liability. The present value of the liability for the defined benefit plan of gratuity obligation is determined based on actuarial valuation by an independent actuary at the period end, which is calculated using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(ii) Gratuity benefits in india are governed by the payment of Gratuity Act, 1972. the Key Features are as under:

|                     |   |
|---------------------|---|
| Benefits Offered    | : 15 / 26 X Salary X Duration Of Service                                      |
| Salary Definition   | : Last Drawn Basic Salary including Dearness Allowance (if any)               |
| Benefit Ceiling     | : Benefit Ceiling Of Rs. 20 Lakhs   |
| Vesting Conditions  | : 5 Years Of Continuous Service (Not Applicable In Case Of Death/ Disability) |
| Benefit Eligibility | : Upon Death Or Resignation Or Withdrawal Or Retirement                       |
| Retirement Age      | : 60 Years  |

(iii) Risks associated to the defined benefit plan of gratuity:

(a) Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons.  
Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2024**

(b) Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.

(c) Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

(d) Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One of the actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(e) Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

| Particulars   | (Rs in Lakhs)             |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>Changes in Present Value of Benefit Obligations</b>                    |                           |                           |
| Present Value of Benefit Obligations (Opening)                            | 14.85                     | 24.05                     |
| Transfer in/(out) obligation  | -                         | (8.85)                    |
| Current Service Cost  | 1.39                      | 2.43                      |
| Interest Cost   | 0.84                      | 1.04                      |
| Benefits Paid   | (2.20)                    | (1.49)                    |
| Actuarial Losses / (Gains)  | (0.09)                    | (2.33)                    |
| <b>Present Value of Benefit Obligation (Closing)</b>                      | <b>14.79</b>              | <b>14.85</b>              |
| <b>Changes in Plan Assets</b>   |                           |                           |
| Opening Value of Plan Assets  | -                         | -                         |
| Changes during the year   | -                         | -                         |
| <b>Closing Value of Plan Assets</b>                                       | <b>-</b>                  | <b>-</b>                  |
| <b>Reconciliation of Net Defined Benefit Liability/ (Assets)</b>          |                           |                           |
| Net Opening provision in Books of Accounts                                | 14.85                     | 24.05                     |
| Transfer in/(out) obligation  | -                         | (8.85)                    |
| Transfer in/(out) plan assets   | -                         | -                         |
| Employee Benefit Expenses   | 2.22                      | 3.47                      |
| Amount recognised in Other Comprehensive (Income)/Expense                 | (0.09)                    | (2.33)                    |
| Benefits Paid   | (2.20)                    | (1.49)                    |
| Contributions to plan assets  | -                         | -                         |
| <b>Present Value of Benefit Obligation (Closing)</b>                      | <b>14.79</b>              | <b>14.85</b>              |
| <b>Bifurcation of Actuarial Losses/ (Gains) (OCI)</b>                     |                           |                           |
| Actuarial Losses / (Gains) Arising from Change in Financial Assumptions   | 0.14                      | (0.39)                    |
| Actuarial Losses / (Gains) Arising from Change in Demographic Assumptions | -                         | -                         |
| Actuarial Losses / (Gains) Arising from Experience Adjustments            | (0.23)                    | (1.94)                    |
| <b>Actuarial Losses / (Gains)</b>   | <b>(0.09)</b>             | <b>(2.33)</b>             |
| <b>Bifurcation of Present Value of Benefit Obligation</b>                 |                           |                           |
| Current – Amount Due Within One Year                                      | 5.36                      | 6.95                      |
| Non - Current – Amount Due After One Year                                 | 9.42                      | 7.90                      |
| <b>Total</b>  | <b>14.79</b>              | <b>14.85</b>              |

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2024**

| Particulars   | (Rs in Lakhs)             |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>Expected Benefit Payments in Future Years</b><br><b>(Projections are for Current Members and their Currently Accumulated Benefits)</b> |                           |                           |
| Year 1  | 5.36                      | 6.95                      |
| Year 2  | 0.43                      | 0.41                      |
| Year 3  | 0.45                      | 0.38                      |
| Year 4  | 0.47                      | 0.41                      |
| Year 5  | 0.50                      | 0.42                      |
| Year 6 to Year 10   | 5.49                      | 4.53                      |
| <b>Sensitivity Analysis of Defined Benefit Obligation with References to Key Assumptions</b>  |                           |                           |
| Discount Rate - 0.50 Percent Increase   | 14.32                     | 14.44                     |
| Discount Rate - 0.50 Percent Decrease   | 15.29                     | 15.29                     |
| Salary Escalation Rate - 0.50 Percent Increase  | 15.28                     | 15.28                     |
| Salary Escalation Rate - 0.50 Percent Decrease  | 14.33                     | 14.44                     |
| Withdrawal Rate - 10.00 Percent Increase  | 14.75                     | 14.82                     |
| Withdrawal Rate - 10.00 Percent Decrease  | 14.82                     | 14.88                     |
| <b>Amounts Recognized in Balance Sheet</b>  |                           |                           |
| Present Value of Benefit Obligation as at beginning of the year   | 14.85                     | 24.05                     |
| Present Value of Benefit Obligation as at end of the year   | 14.79                     | 14.85                     |

| <b>Amounts Recognized In Statement Of Profit And Loss</b>   |  |  |
|---|--|--|
| Particulars   | For the Year Ended<br>31st March, 2024 | For the Year Ended<br>31st March, 2023 |
| Current Service Cost  | 1.39                                   | 2.43                                   |
| Transfer in/(out) obligation                                | -                                      | (8.85)                                 |
| Interest Cost   | 0.84                                   | 1.04                                   |
| Expected Return on Plan Assets                              | -                                      | -                                      |
| Net Actuarial Losses / (Gains) Recognized in the Year (OCI) | (0.09)                                 | (2.33)                                 |
| <b>Expenses Recognized in Statement of Profit and Loss</b>  | <b>2.14</b>                            | <b>(7.72)</b>                          |

|  |   |   |
|--|---|---|
| <b>Actuarial Assumptions</b>   |   |   |
| Discount Rate (%)  | 7.20%   | 7.35%   |
| (Discount rate used for valuing liabilities is based on yields (as on valuation date) of government bonds with a tenure similar to the expected working lifetime of the employees) |   |   |
| Salary Escalation Rate (%)   | 8.33%   | 8.33%   |
| (Estimates of future salary increase are based on inflation, eniority, Promition and Other Relevant factors such as demand and supply In the employment market)                    |   |   |
| Retirement Age   | 60  | 60  |
| Attrition Rate   | 10% at younger ages and reducing to 2% at older ages according to graduated scale | 10% at younger ages and reducing to 2% at older ages according to graduated scale |
| Mortality Rate   | Indian assured lives Mortality (2012-14) Ult.                                     | Indian assured lives Mortality (2012-14) Ult.                                     |



**Notes to the Consolidated Financial Statements for the year ended 31st March, 2024**

**C. Other Long - Term Employee Benefits**

**Leave Encashment (Unfunded) :**

(i) The value of obligation is determined based on company's leave policy. The key features are as under:

|                                  |   |
|----------------------------------|---|
| Benefits Offered                 | : Leave Days x Encashment Salary / Leave Denominator    |
| Salary Definition for Encashment | : Last drawn Gross Salary                               |
| Salary Definition for Availment  | : Last drawn CTC Salary                                 |
| Leave Credited Annually          | : 21 days   |
| Leave Denominator                | : 26 days   |
| Benefit Event                    | : Upon Death Or Resignation Or Withdrawal Or Retirement |
| Retirement Age                   | : 60 Years  |

(iii) Risks associated to the plan:

(a) Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons.  
Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Privilege Leave benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the will be paid earlier than Privilege leave benefit will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Variability in availment rates: If actual availment rates are higher than assumed availment rate assumption then leave balances will be utilised earlier than expected. This will result in reduction in leave balances and Obligation..

(b) Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

(c) Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Entity there can be strain on the cash flows.

(d) Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(e) Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Shop and Establishment Act, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2024**

(Rs in Lakhs)

| Particulars   | For the Year Ended<br>31st March, 2024 | For the Year Ended<br>31st March, 2023 |
|---|--|--|
| <b>Changes in Present Value of Benefit Obligations</b>  |  |  |
| Present Value of Benefit Obligations (Opening)  | 4.68                                   | 9.91                                   |
| Transfer in/(out) obligation  | -                                      | -                                      |
| Current Service Cost  | 2.23                                   | 0.57                                   |
| Interest Cost   | 0.29                                   | 0.73                                   |
| Benefits Paid   | (1.25)                                 | (1.26)                                 |
| Actuarial Losses / (Gains)  | 0.16                                   | (5.27)                                 |
| <b>Present Value of Benefit Obligation (Closing)</b>  | <b>6.11</b>                            | <b>4.68</b>                            |
| <b>Changes in Plan Assets</b>   |  |  |
| Opening Value of Plan Assets  | -                                      | -                                      |
| Changes during the year   | -                                      | -                                      |
| <b>Closing Value of Plan Assets</b>   | <b>-</b>                               | <b>-</b>                               |
| <b>Reconciliation of Net Defined Benefit Liability/ (Assets)</b>  |  |  |
| Net Opening provision in Books of Accounts  | 4.68                                   | 9.91                                   |
| Transfer in/(out) obligation  | -                                      | -                                      |
| Transfer in/(out) plan assets   | -                                      | -                                      |
| Employee Benefit Expenses   | 1.44                                   | 1.73                                   |
| Actuarial Losses/ (Gains)   | 0.16                                   | (5.27)                                 |
| Benefits Paid   | (0.17)                                 | (1.68)                                 |
| Contributions to plan assets  | -                                      | -                                      |
| <b>Present Value of Benefit Obligation (Closing)</b>  | <b>6.11</b>                            | <b>4.68</b>                            |
| <b>Bifurcation of Actuarial Losses/ (Gains)</b>   |  |  |
| Actuarial Losses / (Gains) Arising from Change in Financial Assumptions   | 0.07                                   | -                                      |
| Actuarial Losses / (Gains) Arising from Change in Demographic Assumptions   | -                                      | -                                      |
| Actuarial Losses / (Gains) Arising from Experience Adjustments  | 0.09                                   | (5.27)                                 |
| <b>Actuarial Losses / (Gains)</b>   | <b>0.16</b>                            | <b>(5.27)</b>                          |
| <b>Bifurcation of Present Value of Benefit Obligation</b>   |  |  |
| Current – Amount Due Within One Year  | 1.75                                   | 1.40                                   |
| Non - Current – Amount Due After One Year   | 4.36                                   | 3.28                                   |
| <b>Total</b>  | <b>6.11</b>                            | <b>4.68</b>                            |
| <b>Expected Benefit Payments in Future Years</b><br><b>(Projections are for Current Members and their Currently Accumulated Benefits)</b> |  |  |
| Year 1  | 1.75                                   | 1.40                                   |
| Year 2  | 0.22                                   | 0.17                                   |
| Year 3  | 0.22                                   | 0.16                                   |
| Year 4  | 0.23                                   | 0.17                                   |
| Year 5  | 0.24                                   | 0.17                                   |
| Year 6 to Year 10   | 2.56                                   | 1.97                                   |
| <b>Sensitivity Analysis of Defined Benefit Obligation with References to Key Assumptions</b>  |  |  |
| Discount Rate - 0.50 Percent Increase   | 5.89                                   | 4.51                                   |
| Discount Rate - 0.50 Percent Decrease   | 6.35                                   | 4.86                                   |
| Salary Escalation Rate - 0.50 Percent Increase  | 6.34                                   | 4.86                                   |
| Salary Escalation Rate - 0.50 Percent Decrease  | 5.89                                   | 4.51                                   |
| Withdrawal Rate - 10.00 Percent Increase  | 6.09                                   | 4.67                                   |
| Withdrawal Rate - 10.00 Percent Decrease  | 6.13                                   | 4.69                                   |
| <b>Amounts Recognized in Balance Sheet</b>  |  |  |
| Present Value of Benefit Obligation as at beginning of the year   | 4.68                                   | 9.91                                   |
| Present Value of Benefit Obligation as at end of the year   | 6.11                                   | 4.68                                   |

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2024**

**Amounts Recognized In Statement Of Profit And Loss**

| <b>Particulars</b>   | <b>For the Year Ended<br/>31st March, 2024</b>                                    | <b>For the Year Ended<br/>31st March, 2023</b>                                    |
|--|---|---|
| Current Service Cost   | 2.23  | 0.57  |
| Transfer in/(out) obligation   | -   | -   |
| Interest Cost  | 0.29  | 0.73  |
| Expected Return on Plan Assets   | -   | -   |
| Net Actuarial Losses/ (Gains)  | 0.16  | (5.27)  |
| <b>Expenses Recognized in Statement of Profit and Loss</b>   | <b>2.68</b>   | <b>(3.97)</b>   |
| <b>Actuarial Assumptions</b>   |   |   |
| Discount Rate (%)  | 7.20%   | 7.35%   |
| (Discount rate used for valuing liabilities is based on yields (as on valuation date) of government bonds with a tenure similar to the expected working lifetime of the employees) |   |   |
| Salary Escalation Rate (%)   | 8.33%   | 8.33%   |
| (Estimates of future salary increase are based on inflation, eniority, Promition and Other Relevant factors such as demand and supply In the employment market)                    |   |   |
| Retirement Age   | 60  | 60  |
| Attrition Rate   | 10% at younger ages and reducing to 2% at older ages according to graduated scale | 10% at younger ages and reducing to 2% at older ages according to graduated scale |
| Mortality Rate   | Indian assured lives Mortality (2012-14) Ult.                                     | Indian assured lives Mortality (2012-14) Ult.                                     |

**Notes to Consolidated Financial Statements for the Year ended on 31st March, 2024**

**Note - 38 - Contingent Liabilities and Capital Commitments**

(Rs. in Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| <b>(i) Contingent Liabilities</b>   |                           |                           |
| a) Claims against the company not acknowledged as debts:  | NIL                       | NIL                       |
| b) Outstanding amount of Foreign Letter of Credit [Net of Purchase of Rs. 140.94 Lakhs (Previous Year Rs. 38.73 Lakhs)].  | 211.17                    | 119.67                    |
| c) Estimated outstanding obligation of custom duty in respect of bonds executed by company in favour of custom authorities in respect of goods lying in custom bonded warehouse.  | NIL                       | NIL                       |
| d) Bill discounted with banks under L/C received (Inland)   | NIL                       | NIL                       |
| (e) Income Tax Liabilities:   | NIL                       | 19.07(*)                  |
| (*) For Assessment Year 2020-21 (Financial Year 2019-20), the Income tax department has raised tax demand u/s 143(1) of Rs 19,07,470/- against which the company has filed application u/s 154 (rectification of mistake). As the company does not anticipate any liability in this regard, further provision is not considered necessary and hence not provided for. |                           |                           |
| <b>(ii) Capital Commitments:</b>  |                           |                           |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)  | NIL                       | NIL                       |

**Note - 39 - Operating Segment Information**

(a) The company has identified Dyes, Intermediates, Auxiliary, Chemicals and other merchandise etc., which have similar risks and returns, as its sole primary business segment, accordingly, there are no separate reportable segment.

(b) Geographical Information:

Analysis of the Company's revenues and Non - Current Assets by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographical location of assets.

**(i) Total Operating Revenue(\*)**

(Rs. in Lakhs)

| Particulars     | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-----------------|---------------------------|---------------------------|
| India           | 9,775.56                  | 9,858.07                  |
| Other Countries | 174.82                    | 220.47                    |

(\*) There are no transactions with a single external customer which amounts to 10% or more of the Company's revenue.

**(ii) Non - Current Assets(\*\*)**

(Rs. in Lakhs)

| Particulars     | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-----------------|---------------------------|---------------------------|
| India           | 1,546.97                  | 1,555.40                  |
| Other Countries | -                         | -                         |

(\*\*) (Excluding financial instruments and tax assets).

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**

**Note - 40 - Property, Plant & Equipment/ Book Debt / Inventories / FDR Pledged / Hypothicated / Lien marked as a Security with the Bank as Under:**

|            | <b>Particulars</b>   | <b>In Favour Of</b> | <b>Description Of Facility</b>  |
|------------|--|---------------------|---|
| <b>(A)</b> | <b>Property Plant &amp; Equipment</b>  |                     |   |
|            | Shed no. A2-114 and 115, Vatva Industrial Estate, Phase II, GIDC, Ahmedabad. | IDBI Bank Limited   | Various Working Capital Facilities and GECL/ WCTL (Refer Note 15 and 19) [HIL]  |
| <b>(B)</b> | <b>Stock/ Book debts/ Current Assets</b>                                     | IDBI Bank Limited   | Various Working Capital Facilities and GECL/ WCTL (Refer Note 15 and 19) [HIL]  |
| <b>(C)</b> | <b>Bank FDR</b>  | IDBI Bank Limited   | Other Bank balances in Fixed Deposit Accounts are Pledged as margin money / as security for bank guarantees/ working capital facilities from Banks. [HIL] |

**Notes to Consolidated Financial Statements for the year ended on 31st March, 2024****Note - 41 - Related Party Disclosures**

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out below. Related Parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representations made by the management and information available with the Company and the same has been relied upon by the auditors.

**A. List of Related Parties :****(a) Associates :**

Hindparagon Polyresin Private Limited (Upto 30th September 2023)

**(b) Key Management Personnel ('KMP'):**

|                       |  |
|-----------------------|--|
| Om Prakash Mangal     | Chairman and Non-Executive Director        |
| Sanjay Prakash Mangal | Managing Director                          |
| Santosh N Nambiar     | Whole Time Director                        |
| Hetal Shah            | Chief Financial Officer                    |
| Utsav Trivedi         | Company Secretary (upto 31st January 2023) |
| Avani Patel           | Company Secretary (w.e.f. 1st June 2023)   |

**Independent Directors:**

Jitendra Kumar Sharma  
Apeksha Vyas  
Rushabh Shah

**(c) Others:**

|   |   |
|---|---|
| <p>Dimple S Mangal<br/>Priyata S Mangal<br/>Radhika S Mangal<br/>Vedant S Mangal<br/>OPSP Mangal HUF<br/>Omprakash Sanjayprakash HUF<br/>Sanjayprakash HUF<br/>Tanima S Nambiar<br/>Hindprakash Overseas Private Limited<br/>Hindprakash Chemicals Private Limited<br/>Hindprakash Global Private Limited<br/>Hindprakash Organic Private Limited<br/>Ecofine Colourchem Private Limited<br/>Clairvoyance Industries Private Limited<br/>Orio Shanghai Colours Private Limited<br/>Hindparagon Polyresins Private Limited (w.e.f. 1st October 2023)<br/>Innovent Exim Private Limited (*)<br/>Shubhlaxmi Jewel Art Limited<br/>Si Foods Private Limited<br/>Stitched Textiles Limited<br/>Yash Chemex Limited<br/>Specific Worldwide LLP<br/>Nitex Enterprise LLP<br/>Axita Cotton Limited<br/>Vivanta Industries Limited<br/>Vivanza Biosciences Limited</p> | <p>Relatives of key managerial personnel</p> <p>Enterprise over which key managerial personnel or close member of their family exercise control</p> |
|---|---|

\* (formerly known as Rishit Jain Financial Services Private Limited)

**Hindprakash Industries Limited**

(Consolidated Financial Statements as at 31 March, 2024)

**Notes to Consolidated Financial Statements  
for the year ended on 31st March, 2024****16th Annual Report 2023-24****Note - 41 - Related Party Disclosures - Contd.****B. Details of Related Party transactions during the year:****(Rs. in Lakhs)**

| Nature of Transaction                 | Key Management Personnel |               | Enterprise Over Which KMP Exercise Significant Influence |               | Relatives of Key Managerial Personnel |               |
|---------------------------------------|--------------------------|---------------|--|---------------|---------------------------------------|---------------|
|                                       | 31 March 2024            | 31 March 2023 | 31 March 2024  | 31 March 2023 | 31 March 2024                         | 31 March 2023 |
| Sale of Products / Services           | -                        | -             | 10.62  | -             | -                                     | -             |
| Sale of PPE                           | -                        | -             | 4.92   | -             | -                                     | -             |
| Interest Income                       | -                        | -             | 99.28  | 149.70        | -                                     | -             |
| Lease Rent Expense                    | -                        | -             | 2.83   | 2.69          | -                                     | -             |
| Warehouse Charges Expenses            | -                        | -             | 1.13   | 0.99          | -                                     | -             |
| Expenses (purchase for Staff Welfare) | -                        | -             | 1.19   | 3.25          | -                                     | -             |
| Interest Paid                         | 0.42                     | -             | -  | -             | -                                     | -             |
| Share Warrant (Money received)        | -                        | -             | 479.70   | 159.90        | -                                     | -             |
| Borrowings (Net of Repayment)         | -                        | -             | -  | -             | -                                     | -             |
| Loan and Advances (Net of Repayment)  | -                        | -             | 704.00   | -             | -                                     | -             |
| Purchase of Shares                    | -                        | -             | -  | 50.00         | -                                     | -             |
| Sale of Investments                   | -                        | -             | 32.00  | -             | -                                     | -             |
| Director Sitting Fees                 | 1.80                     | 1.80          | -  | -             | -                                     | -             |
| Royalty Paid                          | 1.08                     | 1.00          | -  | -             | -                                     | -             |
| Salary Paid                           | 26.92                    | 30.24         | -  | -             | 24.00                                 | 20.88         |
| Dividend Paid                         | 0.04                     | 0.09          | -  | -             | -                                     | -             |



**Notes to Consolidated Financial Statements for the year ended on 31st March, 2024**

**Note - 41 - Related Party Disclosures - Contd.**

**C. Disclosures in Respect of Transactions with Related Parties during the year: (Rs. in Lakhs)**

| Nature of Transaction                 | Name of Related Party                   | Total         |               |
|---------------------------------------|---|---------------|---------------|
|                                       |   | 31 March 2024 | 31 March 2023 |
| Sale of Products / Services           | Ecofine Colourchem Private Limited      | 10.62         | -             |
| Sale of PPE                           | Hindprakash Overseas Private Limited    | 4.92          | -             |
| Interest Income                       | Hindparagon Polyresin Private Limited   | 44.65         | -             |
|                                       | Clairvoyance Industries Private Limited | -             | 2.85          |
|                                       | Ecofine Colourchem Private Limited      | 2.31          | 31.75         |
|                                       | Hindprakash Global Private Limited      | 6.78          | 37.76         |
|                                       | Hindprakash Overseas Private Limited    | 29.76         | 17.50         |
|                                       | Hindprakash Organic Private Limited     | 11.51         | 3.42          |
|                                       | Orio Shanghai Colours Private Limited   | 0.87          | 56.42         |
|                                       | Innovent Exim Private Limited           | 3.40          | -             |
|                                       |   |               |               |
|                                       |   |               |               |
| Lease Rent Expense                    | Hindprakash Chemicals Private Limited   | 2.83          | 2.69          |
| Warehouse Chargs Expenses             | Hindprakash Chemicals Private Limited   | 1.13          | 0.99          |
| Expenses (purchase for Staff Welfare) | Hindprakash Organic Private Limited     | 1.19          | 3.25          |
| Interest Paid                         | Sanjay Prakash Mangal                   | 0.42          | -             |
| Share Warrant (Money received)        | Hindprakash Global Private Limited      | 215.25        | 71.75         |
|                                       | Hindprakash Chemicals Private Limited   | 264.45        | 88.15         |
| Borrowings (Net of Reypayment)        | Sanjay Prakash Mangal                   | -             | -             |
| Loan and Advances (Net of Reypayment) | Clairvoyance Industries Private Limited | 200.00        | -             |
|                                       | Ecofine Colourchem Private Limited      | 31.00         | -             |
|                                       | Hindprakash Overseas Private Limited    | 303.00        | -             |
|                                       | Hindprakash Global Private Limited      | -             | -             |
|                                       | Hindprakash Organic Private Limited     | -             | -             |
|                                       | Orio Shanghai Colours Private Limited   | -             | -             |
|                                       | Innovent Exim Private Limited           | -             | -             |
|                                       | Hindparagon Polyresin Private Limited   | 170.00        | -             |
| Purchase of Shares                    | Hindprakash Chemicals Private Limited   | -             | 50.00         |
| Sale of Investments                   | Hindprakash Chemicals Private Limited   | 32.00         | -             |
| Director Sitting Fees                 | Jitendra Kumar Sharma                   | 0.60          | 0.60          |
|                                       | Apeksha Vyas                            | 0.60          | 0.60          |
|                                       | Rushabh Shah                            | 0.60          | 0.60          |
| Royalty Paid                          | Sanjay Prakash Mangal                   | 1.08          | 1.00          |
| Salary Paid                           | Santosh N Nambiar                       | -             | 3.12          |
|                                       | Sanjay Prakash Mangal                   | 16.80         | 16.80         |
|                                       | Dimple S Mangal                         | 18.00         | 17.88         |
|                                       | Hetal Shah                              | 6.46          | 6.34          |
|                                       | Utsav Trivedi                           | -             | 3.98          |
|                                       | Avani Patel                             | 3.66          | -             |
|                                       | Tanima S Nambiar                        | 6.00          | 3.00          |
|                                       |   |               |               |
| Dividend Paid                         | Santosh N Nambiar                       | 0.04          | 0.09          |

**Notes to Consolidated Financial Statements for the year ended on 31st March, 2024**

**Note - 41 - Related Party Disclosures - Contd.**

**D. Year end balances.**

**(Rs. in Lakhs)**

| Nature of Transaction                           | Name of Related Party                   | Total         |               |
|---|---|---------------|---------------|
|   |   | 31 March 2024 | 31 March 2023 |
| Loan Given                                      | Hindparagon Polyresin Private Limited   | 415.45        | 205.26        |
|   | Clairvoyance Industries Private Limited | 200.00        | -             |
|   | Ecofine Colourchem Private Limited      | 33.08         | -             |
|   | Hindprakash Overseas Private Limited    | 329.79        | -             |
| Guarantee by Related Party to Company's Bankers | <b>IDBI Bank</b>                        |               |               |
|   | - Sanjay Prakash Mangal                 | }             | 3,386.00      |
|   | - Santosh N Nambiar                     |               |               |

**Notes to Consolidated Financial Statements for the year ended on 31st March, 2024****Note - 41 - Related Party Disclosures - Contd.****E. Breakup of Compensation Paid to Key Managerial Personnel /  
Relatives of Key Managerial Personnel****(Rs. in Lakhs)**

| Particulars                                  | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| <b><u>Short - Term Employee Benefits</u></b> |               |               |
| Santosh N Nambiar                            | -             | 3.12          |
| Sanjay Prakash Mangal                        | 16.80         | 16.80         |
| Hetal Shah                                   | 6.46          | 6.34          |
| Utsav Trivedi                                | -             | 3.98          |
| Avani Patel                                  | 3.66          | -             |
| Dimple S Mangal                              | 18.00         | 17.88         |
| Tanima S Nambiar                             | 6.00          | 3.00          |

Key Managerial Personnel who are under the employment of the Company and entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Consolidated Financial Statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

**F.** All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties.

(Consolidated Financial Statements as at 31 March 2024)

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**
**Note - 42 - Financial Instruments**
**Financial Risk Management - Objectives and Policies**

The Group's financial liabilities mainly comprise the loans and borrowings in domestic currency, money related to capital expenditures, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise mainly of investments, security deposits, cash and cash equivalents, other balances with banks, trade and other receivables that derive directly from its business operations.

The Group is exposed to the Market Risk, Credit Risk and Liquidity Risk from its financial instruments.

The Management of the Entity has implemented a risk management system which is monitored by the Board of Directors of Entity. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Entity are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims to identify, assess, mitigate the risks in order to minimize the potential adverse effect on the Group's financial performance.

The following disclosures summarize the Group's exposure to the financial risks and the information regarding use of derivatives employed (if any) to manage the exposures to such risks. Quantitative Sensitivity Analysis has been provided to reflect the impact of reasonably possible changes in market rate on financial results, cash flows and financial positions of the Group.

**A. Financial Assets and Liabilities**

(Rs in Lakhs)

| Particulars                    | As at 31st March, 2024 |               |          | As at 31st March, 2023 |               |          |
|--------------------------------|------------------------|---------------|----------|------------------------|---------------|----------|
|                                | Amortised Cost **      | FVTPL ***     | FVTOCI   | Amortised Cost **      | FVTPL ***     | FVTOCI   |
| <b>Assets Measured at</b>      |                        |               |          |                        |               |          |
| Investments*                   | -                      | 462.37        | -        | 41.83                  | 443.85        | -        |
| Trade Receivables              | 2597.36                | -             | -        | 3,259.05               | -             | -        |
| Cash and Cash equivalent       | 5.69                   | -             | -        | 64.95                  | -             | -        |
| Other Bank Balances            | 50.14                  | -             | -        | 23.11                  | -             | -        |
| Loans                          | 200.00                 | -             | -        | 205.66                 | -             | -        |
| Other Financial Assets         | 1587.48                | -             | -        | 731.17                 | -             | -        |
| <b>Total</b>                   | <b>4440.67</b>         | <b>462.37</b> | <b>-</b> | <b>4325.77</b>         | <b>443.85</b> | <b>-</b> |
| <b>Liabilities Measured at</b> |                        |               |          |                        |               |          |
| Borrowings                     | 2234.36                | -             | -        | 2,140.49               | -             | -        |
| Trade Payables                 | 1131.68                | -             | -        | 1,501.66               | -             | -        |
| Lease Liabilities              | -                      | -             | -        | -                      | -             | -        |
| Other Financial Liabilities    | 12.23                  | -             | -        | 28.34                  | -             | -        |
| <b>Total</b>                   | <b>3378.27</b>         | <b>-</b>      | <b>-</b> | <b>3,670.49</b>        | <b>-</b>      | <b>-</b> |

(\*) Investment in associates are measured at cost.

(\*\*) Fair value of financial assets and liabilities measured at amortized cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk. The fair values are assessed by the management using Level 3 inputs.

(\*\*\*) The financial instruments measured at FVTPL represents investments having been valued using Level 2 / Level 3 valuation hierarchy.

**Fair Value Hierarchy**

The fair value of financial instruments as referred to in note below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(Consolidated Financial Statements as at 31 March 2024)

**Notes to the Consolidated Financial Statements for the year ended on 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 Other Price Risk". Financial instrument affected by the Market Risk includes loans and borrowings in foreign as well as domestic currency, retention money related to capital expenditures, trade and other payables etc.

**(a) Interest Rate Risk**

Interest Rate Risk is the risk that fair value or future cash outflows of a financial instrument will fluctuate because of changes in market interest rates. An upward movement in the interest rate would adversely affect the borrowing cost of the Group. The Group is exposed to long term and short - term borrowings. The Group manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking actions as necessary to maintain an appropriate balance. The Group has not used any interest rate derivatives.

➤ **Exposure to Interest Rate Risk**

| Particulars                                 | (Rs. in Lakhs)            |                           |
|---|---------------------------|---------------------------|
|   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| Borrowing bearing Fixed Rate of Interest    | -                         | -                         |
| Borrowing bearing Variable Rate of Interest | 2234.36                   | 2140.49                   |

➤ **Sensitivity Analysis**

Profit / (Loss) estimates to higher / lower interest rate expense from borrowings bearing variable rate of interest as a result of changes in interest rate.

| Particulars (*)                             | (Rs. in Lakhs)                            |   |
|---|---|---|
|   | For the year ended on<br>31st March, 2024 | For the year ended<br>on 31st March, 2023 |
| Interest Rate – Increase by 50 Basis Points | (11.17)                                   | (10.70)                                   |
| Interest Rate – Decrease by 50 Basis Points | 11.17                                     | 10.70                                     |

(\*) Holding all other variable constant. Tax impact not considered.

**(b) Foreign Currency Risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the Group.

➤ **Exposure to Foreign Currency Risk**

The Carrying amount of Group's unhedged Foreign Currency denominated monetary items are as follows:

| Particulars   | (USD/Rs. in Lakhs)        |                  |                           |                  |
|---|---------------------------|------------------|---------------------------|------------------|
|   | As at<br>31st March, 2024 |                  | As at<br>31st March, 2023 |                  |
|   | Amount<br>in USD          | Amount<br>in Rs. | Amount<br>in USD          | Amount<br>in Rs. |
| Net Unhedged Assets<br>(Trade Receivables, Other Receivables) | 0.40                      | 32.82            | 0.25                      | 20.55            |
| Net Unhedged Liabilities                                      | 2.60                      | 219.79           | 0.47                      | 38.92            |
| <b>Net Exposure Assets / (Liabilities)</b>                    | <b>(2.20)</b>             | <b>(186.97)</b>  | <b>(0.21)</b>             | <b>(18.37)</b>   |

➤ **Sensitivity Analysis**

The sensitivity of profit or (loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars (*)            | (Figures in Lakhs)                     |  |
|----------------------------|--|--|
|                            | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|                            | Amount in Rs.                          | Amount in Rs.                          |
| INR / USD – Increase by 5% | (9.35)                                 | (0.92)                                 |
| INR / USD – Decrease by 5% | 9.35                                   | 0.92                                   |

(\*) Holding all other variable constant. Tax impact not considered.

(Consolidated Financial Statements as at 31 March 2024)

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**
**B. Market Risk (Contd...)**
**(c) Other Price Risk**

Other Price Risk is the Risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Group is exposed to price risk arising mainly from investments in equity/ equity-oriented instruments recognized at FVTPL/FVTOCI.

| Particulars          | (Rs. in Lakhs)                       |                                      |
|----------------------|--------------------------------------|--------------------------------------|
|                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Investments (FVTPL)  | 462.37                               | 443.85                               |
| Investments (FVTOCI) | -                                    | -                                    |

**C. Credit Risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortized cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

**Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorized as follows:**

| Basis of Categorisation | Asset Class Exposed to Credit Risk   | Provision for Expected Credit Loss   |
|-------------------------|--|--|
| Low Credit Risk         | Cash and cash equivalents, other bank balances, loans and other financial assets | 12 month expected credit loss.   |
| Moderate Credit Risk    | Other financial assets   | 12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at life time expected credit loss |
| High Credit Risk        | Other financial assets   | Life time expected credit loss (when there is significant deterioration) or specific provision whichever is higher   |

**Financial assets (other than trade receivables) that expose the entity to credit risk (Gross exposure):**

| Particulars                       | (Rs. in Lakhs)                       |                                      |
|-----------------------------------|--------------------------------------|--------------------------------------|
|                                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>Low Credit Risk</b>            |                                      |                                      |
| Cash and Cash Equivalents         | 5.69                                 | 64.94                                |
| Bank Balances other than above    | 50.14                                | 23.11                                |
| Loans                             | 978.31                               | 205.66                               |
| Other Financial Assets            | 809.17                               | 720.34                               |
| <b>Moderate/ High Credit Risk</b> |                                      |                                      |
| Other Receivable                  | -                                    | 10.84                                |
| <b>Total</b>                      | <b>1843.31</b>                       | <b>1024.89</b>                       |

(Consolidated Financial Statements as at 31 March 2024)

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**
**C. Credit Risk (Contd...)**
**I. Cash and Cash Equivalent and Bank Balance:**

Credit risk related to cash and cash equivalents and bank balance is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

**II. Loans and other Financial Assets Measured at Amortized Cost:**

Other financial assets measured at amortized cost includes export benefits receivables, bank deposits with maturity of more than 12 months and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

**III. Trade Receivables:**

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

**(a) Concentration of Trade Receivables:**

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentration of credit risk are controlled and managed accordingly. Such identified concentration of credit risk on trade receivables other than credit impaired are disclosed below:

| <b>(Rs in Lakhs)</b>                   |                               |
|--|-------------------------------|
| <b>Party Name</b>                      | <b>As at 31st March, 2024</b> |
| Ashtha Chemical                        | 41.16                         |
| Bhatia Colour Company                  | 513.35                        |
| Chamak Paint & Coating Private Limited | 27.97                         |
| Ilshin Trading Co Limited              | 21.77                         |
| Kiri Industries Limited                | 298.64                        |
| Pioneer Technochem                     | 43.92                         |
| Polychem Industries                    | 112.59                        |
| R. S. Tradelinks International         | 57.14                         |
| Toshniwal Sons                         | 366.01                        |
| VAP Chem                               | 554.85                        |

| <b>(Rs in Lakhs)</b>                           |                               |
|--|-------------------------------|
| <b>Party Name</b>                              | <b>As at 31st March, 2023</b> |
| Asiatic Colour Chem Industries Private Limited | 212.69                        |
| Associated Dyestuff Private Limited            | 116.14                        |
| B R Impex                                      | 78.34                         |
| Bhatia Colour Company                          | 206.73                        |
| Jay Chemical Industries Private Limited        | 192.15                        |
| Paragon Fine And Speciality Chemical Limited   | 290.99                        |
| Polychem Industries                            | 623.52                        |
| Prabha Chem Industries Private Limited         | 598.95                        |
| Shri Siddhivinayak Industries                  | 65.67                         |
| VAP Chem                                       | 201.24                        |

**(b) Expected Credit Losses:**
**Expected credit loss for trade receivables and other receivables under simplified approach:**

The Group recognizes lifetime expected credit losses on trade receivables & other receivables using a simplified approach, wherein Group has defined percentage of provision by analyzing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables/other receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the Group has evaluated recovery of receivables on a case to case basis. The Group computes credit loss allowance based on provision matrix. The provision matrix is prepared on historically observed default rate over the expected life of trade receivable and is adjusted for forward looking estimate.

(Consolidated Financial Statements as at 31 March 2024)

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**
**The Provision Matrix at the end of Reporting Period is as Follows:**

| Particulars        | Expected Loss Rate |
|--------------------|--------------------|
| < 90 Days          | 0.10%              |
| 90 to 120 days     | 0.30%              |
| 120 to 180 days    | 0.50%              |
| 180 to 365 days    | 1.00%              |
| 1 Year to 2 Years  | 25.00%             |
| 2 Years to 3 Years | 50.00%             |
| >3 Years           | 100.00%            |

**IV. Movement in Allowances on Trade Receivables / Deposits/ Other Receivables etc.**

| Movement in Expected Credit Loss Allowance on Trade Receivable |  | (Rs. in Lakhs)                         |
|--|--|--|
| Particular   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
| Balance at the beginning of the reporting period               | 26.24                                  | 19.66                                  |
| Allowance measured at lifetime expected credit losses          | 3.56                                   | 6.58                                   |
| <b>Balance at the end of reporting period</b>                  | <b>29.80</b>                           | <b>26.24</b>                           |

**D. Liquidity Risk**

Liquidity Risk is the risk that the Group will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

**➤ Financing Arrangements:**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

| Particulars                     | (Rs. in Lakhs)            |                           |
|---------------------------------|---------------------------|---------------------------|
|                                 | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>Expiring within One Year</b> |                           |                           |
| - CC / EPC Facility             | 172.97                    | 363.34                    |
| <b>Expiring beyond One Year</b> | -                         | -                         |

The cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

**➤ Maturities of Financial Liabilities:**

The table below analyses financial liabilities of the Group into the relevant maturity grouping based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

**Maturity Table of Financial Liabilities:  
As at 31<sup>st</sup> March, 2024**

| Particulars  | (Rs. in Lakhs)      |              |              |                      |                |
|--|---------------------|--------------|--------------|----------------------|----------------|
|  | Less than<br>1 Year | 1-2 Years    | 2-3 Years    | More than<br>3 Years | Total          |
| Borrowings (including current maturities of non-current borrowing and excluding lease liabilities) | 2073.53             | 96.50        | 64.33        | -                    | 2234.36        |
| Trade Payables   | 1131.68             | -            | -            | -                    | 1131.68        |
| Other Financial Liabilities  | 12.23               | -            | -            | -                    | 12.23          |
| <b>Total</b>   | <b>3217.44</b>      | <b>96.50</b> | <b>64.33</b> | <b>-</b>             | <b>3378.28</b> |

**As at 31<sup>st</sup> March, 2023**

| Particulars  | (Rs. in Lakhs)      |              |              |                      |                |
|--|---------------------|--------------|--------------|----------------------|----------------|
|  | Less than<br>1 Year | 1-2 Years    | 2-3 Years    | More than<br>3 Years | Total          |
| Borrowings (including current maturities of non-current borrowing and excluding lease liabilities) | 1883.16             | 96.50        | 96.50        | 64.33                | 2140.49        |
| Trade Payables   | 1501.66             | -            | -            | -                    | 1501.66        |
| Other Financial Liabilities  | 28.34               | -            | -            | -                    | 28.34          |
| <b>Total</b>   | <b>3413.16</b>      | <b>96.50</b> | <b>96.50</b> | <b>64.33</b>         | <b>3670.50</b> |



(Consolidated Financial Statements as at 31 March 2024)

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**
**E. Capital Management**

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern
- To provide an adequate return to share holders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by total equity.

| Particulars                      | (Rs. in Lakhs)         |                        |
|----------------------------------|------------------------|------------------------|
|                                  | As at 31st March, 2024 | As at 31st March, 2023 |
| Total Borrowings                 | 2234.36                | 2140.49                |
| Less: Cash and Cash Equivalents  | 5.69                   | 64.95                  |
| <b>Net Debt (A)</b>              | <b>2228.67</b>         | <b>2075.55</b>         |
| <b>Total Equity (B)</b>          | <b>5018.36</b>         | <b>4261.43</b>         |
| <b>Debt Equity Ratio (A)/(B)</b> | <b>0.44</b>            | <b>0.49</b>            |

The Group has complied with the covenants as per the terms and conditions of the major borrowing facilities throughout the Reporting Period.

(Consolidated Financial Statements as at 31 March 2024)

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**
**Note – 43 - Balance Confirmation of Receivables / Payables**

Confirmation letters have not been obtained from all the parties in respect of trade receivable, other Non-Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

Confirmation letters have not been obtained from all the parties in respect of trade payable and other Current Liabilities. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

**Note – 44 – Details of Goodwill on Consolidation**

| <b>(Rs in Lakhs)</b>                             |            |
|--|------------|
| Particulars                                      | Amount     |
| Balance as at 1 <sup>st</sup> April, 2023        | 8.91       |
| Add: on account of acquisition of Associates     | Nil        |
| Less: on account of Disposal of Associates       | (8.91)     |
| <b>Balance as at 31<sup>st</sup> March, 2024</b> | <b>Nil</b> |

**Note – 45 - Disclosure under section 186(4)**

Loans given for the purpose of utilizing in the activity of the business (Outstanding Balance as on 31-03-2024 (31-03-2023)): Bhatia Colour Company Nil (PY NA), Clairvoyance Industries Private Limited Rs. 200.00 Lakhs (PY Nil), Ecofine Colourchem Private Limited Rs. 33.08 Lakhs (PY Nil), Hindparagon Polyresins Private Limited Rs. 415.45 Lakhs (PY Rs. 205.26 Lakhs), Hindprakash Global Private Limited Nil (PY Nil), Hindprakash Organic Private Limited Nil (PY Nil), Hindprakash Overseas Private Limited Rs. 329.79 Lakhs (PY Nil), Innovent Exim Private Limited Nil (PY Nil), Orio Shanghai Colours Private Limited Nil (PY Nil), Akik Dyechem NA (PY Nil), Amaze Marble Limited Liability Partnership NA (PY Nil), Mangalam Global Enterprise Limited NA (PY Nil), Mangalam Worldwide Limited NA (PY Nil), Vap Chem NA (PY Nil).

**Note – 46 - Events occurring after the Balance sheet Date**

The Group evaluates events and transactions that occur subsequent to the balance sheet date but Prior to approval of the financial statements to determine the necessity for recognition and/ or reporting of any of these events and transactions in the financial statements. There are no subsequent events to be recognized or reported that are not already disclosed.

**Note – 47 - Trade Receivables Ageing Schedule**

| <b>As at 31<sup>st</sup> March 2024</b>          |   | <b>(Rs. in Lakhs)</b>     |                          |                    |                    |                          |                |
|--|---|---------------------------|--------------------------|--------------------|--------------------|--------------------------|----------------|
| <b>Particulars</b>                               | <b>Outstanding for following periods from due date of payment</b> |                           |                          |                    |                    |                          | <b>Total</b>   |
|  | <b>Not Due</b>  | <b>Less than 6 Months</b> | <b>6 Months - 1 Year</b> | <b>1 - 2 Years</b> | <b>2 - 3 Years</b> | <b>More than 3 Years</b> |                |
| <b>Undisputed Trade Receivables</b>              |   |                           |                          |                    |                    |                          |                |
| - Considered Good                                | 1447.38   | 1151.21                   | 1.64                     | 0.44               | 0.55               | 25.94                    | <b>2627.16</b> |
| - Which have Significant increase in Credit Risk | -   | -                         | -                        | -                  | -                  | -                        | -              |
| - Credit Impaired                                | -   | -                         | -                        | -                  | -                  | -                        | -              |
|  | -   | -                         | -                        | -                  | -                  | -                        | -              |
| Less: Allowance for Doubtful Debts               |   |                           |                          |                    |                    |                          | (-) 29.80      |
| Less: Allowance for Credit Impaired              |   |                           |                          |                    |                    |                          | -              |
| <b>Total</b>                                     |   |                           |                          |                    |                    |                          | <b>2597.36</b> |

(Consolidated Financial Statements as at 31 March 2024)

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**

| <b>As at 31<sup>st</sup> March 2023</b>          |   | <b>(Rs. in Lakhs)</b>     |                          |                    |                    |                          |                |
|--|---|---------------------------|--------------------------|--------------------|--------------------|--------------------------|----------------|
| <b>Particulars</b>                               | <b>Outstanding for following periods from due date of payment</b> |                           |                          |                    |                    |                          | <b>Total</b>   |
|  | <b>Not Due</b>  | <b>Less than 6 Months</b> | <b>6 Months - 1 Year</b> | <b>1 - 2 Years</b> | <b>2 - 3 Years</b> | <b>More than 3 Years</b> |                |
| <b>Undisputed Trade Receivables</b>              |   |                           |                          |                    |                    |                          |                |
| - Considered Good                                | 2119.76   | 1119.47                   | 19.05                    | 0.55               | 7.87               | 18.59                    | <b>3285.29</b> |
| - Which have Significant increase in Credit Risk | -   | -                         | -                        | -                  | -                  | -                        | -              |
| - Credit Impaired                                | -   | -                         | -                        | -                  | -                  | -                        | -              |
|  | <b>2119.76</b>  | <b>1119.47</b>            | <b>19.05</b>             | <b>0.55</b>        | <b>7.87</b>        | <b>18.59</b>             | <b>3285.29</b> |
| Less: Allowance for Doubtful Debts               |   |                           |                          |                    |                    |                          | (-) 26.24      |
| Less: Allowance for Credit Impaired              |   |                           |                          |                    |                    |                          | -              |
| <b>Total</b>                                     |   |                           |                          |                    |                    |                          | <b>3259.05</b> |

**Note – 48 – Trade Payables Ageing Schedule:**

| <b>As at 31<sup>st</sup> March 2024</b> |   | <b>(Rs. in Lakhs)</b> |                         |                    |                    |                          |                |
|---|---|-----------------------|-------------------------|--------------------|--------------------|--------------------------|----------------|
| <b>Particulars</b>                      | <b>Outstanding for following periods from due date of payment</b> |                       |                         |                    |                    |                          | <b>Total</b>   |
|   | <b>Unbilled</b>   | <b>Not Due</b>        | <b>Less than 1 Year</b> | <b>1 - 2 Years</b> | <b>2 - 3 Years</b> | <b>More than 3 Years</b> |                |
| - MSME                                  | -   | 53.28                 | -                       | -                  | -                  | -                        | <b>53.28</b>   |
| - Others                                | -   | 176.46                | 901.94                  | -                  | -                  | -                        | <b>1078.40</b> |
| - Disputed Dues - MSME                  | -   | -                     | -                       | -                  | -                  | -                        | -              |
| - Disputed Dues - Others                | -   | -                     | -                       | -                  | -                  | -                        | -              |

| <b>As at 31<sup>st</sup> March 2023</b> |   | <b>(Rs. in Lakhs)</b> |                         |                    |                    |                          |                |
|---|---|-----------------------|-------------------------|--------------------|--------------------|--------------------------|----------------|
| <b>Particulars</b>                      | <b>Outstanding for following periods from due date of payment</b> |                       |                         |                    |                    |                          | <b>Total</b>   |
|   | <b>Unbilled</b>   | <b>Not Due</b>        | <b>Less than 1 Year</b> | <b>1 - 2 Years</b> | <b>2 - 3 Years</b> | <b>More than 3 Years</b> |                |
| - MSME                                  | -   | -                     | 0.14                    | -                  | -                  | -                        | <b>0.14</b>    |
| - Others                                | -   | 710.16                | 791.36                  | -                  | -                  | -                        | <b>1501.52</b> |
| - Disputed Dues - MSME                  | -   | -                     | -                       | -                  | -                  | -                        | -              |
| - Disputed Dues - Others                | -   | -                     | -                       | -                  | -                  | -                        | -              |

**Note – 49 – Utilisation of borrowed funds and share premium**

As on March 31, 2024 there is no Unutilised Amounts in respect of any Issue of Securities and Long Term Borrowings from Banks and Financial Institutions. The Borrowed Funds have been utilised for the Specific Purpose for which the Funds were raised.

**Note – 50 – LEASES (Right of Use Assets)**

Gujarat Industrial Development Corporation has executed long term lease agreement in favour of the company in respect of industrial plot (Land) situated at Vatva (Gujarat) and Saykha (Gujarat). The company has paid in full the lease payment / other obligation. (See note no: 2). (HIL)

**Note – 51 – GST Grant (Subsidy)**

Company is eligible to receive GST grant/ subsidy in respect of new investment made in GIDC Saykha. Company is preparing application and other papers which are yet to be submitted to the government department. Company will recognise the same as income when there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. (HIL)

**Note – 52 – Audit Trail**

The Company uses an 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. Further, there is no instance of audit trail feature being tampered with in respect of the accounting software. The privileged access to database continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

(Consolidated Financial Statements as at 31 March 2024)

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**
**Note – 53 – Additional regulatory information**

- (a) The Company has borrowed from Banks on the basis of security of current assets. The quarterly returns and statements of current assets filed by the company with banks are generally in agreement with the books of accounts and no material discrepancies were noticed. The marginal differences are due to regrouping, reclassification, valuation policies and subsequent adjustment on account of information received by the company post submission of quarterly return/statements. (HIL)

**Current reporting period (31<sup>st</sup> March 2024):**

| (Rs. in Lakhs) |           |                         |                                |  |                      |                                 |
|----------------|-----------|-------------------------|--------------------------------|--|----------------------|---------------------------------|
| Quarter        | Bank      | Particulars Of Security | Amount As Per Books Of Account | Amount As Reported In The Quarterly Return Statement | Amount Of Difference | Reason For Material Differences |
| Jun-23         | IDBI Bank | Inventory               | 1,591.16                       | 1,591.16   | -                    |                                 |
| Jun-23         | IDBI Bank | Trade Receivable        | 2,925.13                       | 2,924.76   | (0.37)               |                                 |
| Jun-23         | IDBI Bank | Trade Payable           | 1,288.11                       | 1,254.94   | (33.17)              |                                 |
| Sep-23         | IDBI Bank | Inventory               | 1,553.51                       | 1,533.02   | (20.49)              |                                 |
| Sep-23         | IDBI Bank | Trade Receivable        | 2,353.66                       | 2,344.80   | (8.86)               |                                 |
| Sep-23         | IDBI Bank | Trade Payable           | 832.28                         | 742.66   | (89.62)              |                                 |
| Dec-23         | IDBI Bank | Inventory               | 1,929.91                       | 1,929.91   | -                    |                                 |
| Dec-23         | IDBI Bank | Trade Receivable        | 2,042.57                       | 2,053.20   | 10.63                |                                 |
| Dec-23         | IDBI Bank | Trade Payable           | 886.52                         | 824.07   | (62.45)              |                                 |
| Mar-24*        | IDBI Bank | Inventory               | 1,996.40                       | 1,820.89   | (175.51)             |                                 |
| Mar-24*        | IDBI Bank | Trade Receivable        | 2,627.16                       | 2,668.63   | 41.47                |                                 |
| Mar-24*        | IDBI Bank | Trade Payable           | 1,128.68                       | 1,124.90   | (3.78)               |                                 |

\* Mar.'2024 Quarterly Return Statement submitted as on 28<sup>th</sup> March'2024.

**Previous reporting period (31<sup>st</sup> March 2023):**

| (Rs. in Lakhs) |           |                         |                                |  |                      |                                 |
|----------------|-----------|-------------------------|--------------------------------|--|----------------------|---------------------------------|
| Quarter        | Bank      | Particulars Of Security | Amount As Per Books Of Account | Amount As Reported In The Quarterly Return Statement | Amount Of Difference | Reason For Material Differences |
| Jun-22         | IDBI Bank | Inventory               | 1,334.85                       | 1,332.21   | 2.64                 |                                 |
| Jun-22         | IDBI Bank | Trade Receivable        | 2,454.39                       | 2,452.23   | 2.16                 |                                 |
| Jun-22         | IDBI Bank | Trade Payable           | 660.94                         | 630.62   | 30.32                |                                 |
| Sep-22         | IDBI Bank | Inventory               | 1,154.07                       | 1,145.10   | 8.97                 |                                 |
| Sep-22         | IDBI Bank | Trade Receivable        | 2,407.07                       | 2,399.22   | 7.85                 |                                 |
| Sep-22         | IDBI Bank | Trade Payable           | 419.22                         | 406.03   | 13.19                |                                 |
| Dec-22         | IDBI Bank | Inventory               | 1,190.79                       | 1,110.55   | 80.24                |                                 |
| Dec-22         | IDBI Bank | Trade Receivable        | 2,134.03                       | 2,212.85   | (78.82)              |                                 |
| Dec-22         | IDBI Bank | Trade Payable           | 363.34                         | 354.87   | 8.47                 |                                 |
| Mar-23         | IDBI Bank | Inventory               | 1,641.86                       | 1,625.34   | 16.52                |                                 |
| Mar-23         | IDBI Bank | Trade Receivable        | 3,285.29                       | 3,268.42   | 16.87                |                                 |
| Mar-23         | IDBI Bank | Trade Payable           | 1,495.90                       | 1,496.99   | (1.09)               |                                 |

- (b) The Group does not have any Investment Property.

- (c) The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets.

(Consolidated Financial Statements as at 31 March 2024)

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**

- (d) There are no Loans or Advances in the nature of loans that are granted to Promoters, Directors, KMPs and their Related Parties (as defined under Companies act, 2013), either severally or jointly with any other person, that are outstanding as on 31 March 2024:
  - (i) Repayable on Demand; or
  - (ii) Without specifying any terms or period of repayment
- (e) Capital Work in Progress ageing schedule: Refer Note No. 2B
- (f) There are no Intangible Assets under development as on 31 March 2024.
- (g) No Proceedings have been initiated or pending against the Entity of the Group for holding any Benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (h) None of the Entities consolidated in the financial statement is declared Willful Defaulter by any Bank or Financial Institution or Other Lender.
- (i) The Entities consolidated in the financial statement has not undertaken any transactions with Companies struck off under section 248 of the companies act, 2013 or section 560 of companies act, 1956.
- (j) The Entities consolidated in the financial statement has complied with the number of layers prescribed under clause (87) of section 2 of the act read with Companies (restriction on number of layers) Rules, 2017.
- (k) No Scheme of arrangements has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (l) The Entities consolidated in the financial statement have not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (ultimate beneficiaries) by or on behalf of the Entity or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (m) The Entities consolidated in the financial statement has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Entity shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (ultimate beneficiaries) by or on behalf of the funding party or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (n) No Transactions has been surrendered or disclosed as income by the Entities consolidated in the financial statement during the year in the tax assessment under the income tax act, 1961. There are no such previously unrecorded income or related assets.
- (o) The Entities consolidated in the financial statement is not covered under section 135 of the Companies act Corporate Social Responsibility (CSR).
- (p) The Entities consolidated in the financial statement has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(Consolidated Financial Statements as at 31 March 2024)

**Notes to the Consolidated Financial Statements for the year ended on 31st March, 2024**

**Note – 54 - Authorisation of financial statements**

The Financial statements for the year ended 31 March 2024 were approved by the board of directors on 28<sup>th</sup> May 2024.

**For and on behalf of the Board of Directors,  
Hindprakash Industries Limited (CIN: L24100GJ2008PLC055401)**

**Sanjay Prakash Mangal**

Managing Director (DIN:02825484)

**Santosh N Nambiar**

Whole Time Director (DIN:00144542)

**Hetal Shah**

Chief Financial Officer (PAN:AHWPS1850P)

**Avani Patel**

Company Secretary (Mem No:A66815)

**Place: Ahmedabad**

**Date: 28<sup>th</sup> May 2024**