



THE HINDUSTHAN GROUP®

HUIL®



HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

CIN : L31300DL1959PLC003141

Regd. Office : Kanchenjunga (7th Floor) 18, Barakhamba Road, New Delhi-110001

Phone : +91-11-23310001-05 (5 Lines), E-mail : huil@hindusthan.co.in, Website : www.hindusthanurban.com

3rd September, 2022

To,
The Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001

Scrip Code: 539984

Subject: Notice of 62nd Annual General Meeting (AGM) and Annual Report for the financial year 2021-22.

Dear Sir/Madam,

We wish to inform you that the 62nd Annual General Meeting of the Company will be held on Tuesday, 27th September, 2022 at 10:00 A.M. (IST) through video-conference (VC) /other audio visual means (OAVM).

Pursuant to Regulation 30, 34, 42 and 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find attached herewith Notice of 62nd Annual General Meeting (AGM) and Annual Report for the Financial Year 2021-22 which are also being sent through electronic mode today to all those Members whose e-mail addresses are registered with the Company / Depository Participant(s) / Registrar and Transfer Agent. The Company is providing remote e-voting facility to its members to cast their vote electronically on the businesses as set forth in the Notice of the AGM through the electronic voting system of NSDL. Mr. Pankaj Kumar, Proprietor of M/s. Pankaj Kumar & Associates, Company Secretaries, is appointed as a Scrutinizer. The Result of e-voting shall be declared by Thursday, 29th September, 2022.

The Cut-off date fixed for the purpose of ascertaining the eligibility of members for e-voting is Tuesday, 20th September, 2022 and the Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 21st September, 2022 to Tuesday, 27th September, 2022 (both days inclusive) for the purpose of AGM.

The e-voting facility shall commence at 9.00 A.M. on Saturday, 24th September, 2022 and end on 05.00 P.M. on Monday, 26th September, 2022.

The Annual Report for the financial year 2021-22 along with Notice of the 62nd AGM is also available on the Company's website at www.hindusthanurban.com.

This is for your information and records.

Thanking You,

Yours faithfully,

For Hindusthan Urban Infrastructure Limited

(M.L. Birmiwala)
President - Finance & Secretary



Encl: As above
Bhubaneswar : Plot No. 321, 325/1386, Village Champajhara, P.O. Malipada, District Khurda-762018, (Odisha) Phone : +91-6755-245244, 266, 299 (3 Lines)
Guwahati : Plot No. 1C, Brahamaputra Industrial Park, Vill.: Silla, P.O. College Nagar, North Guwahati, Distt. Kamrup-781 031 (Assam), Phone : +91-361-2130518
Gwalior : Industrial Area, P.O. Birla Nagar, Gwalior-474 004 (M.P.), Phone : +91-751-2421195
Insulators & Electricals Company : 1-8, New Industrial area PB No.1, Mandideep-462045 (M.P.) Phone : +91 7480 350800, 350825, 350804

NOTICE OF THE 62ND ANNUAL GENERAL MEETING

Notice is hereby given that the Sixty-second Annual General Meeting (AGM) of the Members of Hindusthan Urban Infrastructure Limited will be held on Tuesday, 27th September, 2022, at 10:00 A.M (IST) through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”), in conformity with the regulatory provisions and Circulars issued by the Ministry of Corporate Affairs, to transact the following businesses:

Ordinary Business:

1. Adoption of financial Statements

To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors (“the Board”) and Auditors thereon.

2. Re-appointment of Mr. Raghavendra Anant Mody as Director.

To appoint a director in place of Mr. Raghavendra Anant Mody (DIN: 03158072), who retires by rotation and being eligible, seeks re-appointment.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“Resolved that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of members of the Company, be and is hereby accorded to reappoint Mr. Raghavendra Anant Mody (DIN: 03158072) as a director, liable to retire by rotation.”

3. Re-appointment of M/s. K.N. Gutgutia & Co., Chartered Accountants (Firm Registration No. 304153E), as statutory auditors of the Company.

To consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:

“Resolved that pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the audit committee and the Board of Directors of the Company, M/s. K.N. Gutgutia & Co., Chartered Accountants (Firm registration number:304153E) be and are hereby reappointed as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this AGM till the conclusion of the 67th AGM to be held in the year 2027, at such remuneration as may be determined by the Board of Directors of the Company in consultation with them.

Resolved further that the Board of Directors or Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any

modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.”

Special Business:

4. Ratification of remuneration of the Cost Auditor for the Financial Year 2022-23.

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

“Resolved that pursuant to provisions of section 148(3) of the Companies Act, 2013 and Rules made thereunder, approval of the shareholders be and is hereby accorded for the ratification of remuneration of Rs. 31,500 (Rupees Thirty One Thousand Five Hundred Only) inclusive of conveyance charges for visit to Company’s works, plus applicable taxes payable to M/s. J.K. Kabra & Co., Cost Accountants (firm registration no. 000009) appointed by the Board of Directors as Cost Auditors of the Company for the financial year 2022-23.”

5. Approval for Appointment of Ms. Deepika Agrawal as an Independent Director.

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

“Resolved that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Deepika Agrawal (DIN:09395834), who was appointed as an Additional Independent Director by the Board of Directors in their meeting dated 13th November, 2021 and whose term shall be expiring at the ensuing Annual General Meeting and being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold the office for a term of 3 (Three) consecutive years, i.e. up to 12th November, 2024.”

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

**Date: 10th August, 2022
Place: New Delhi**

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

Notes:

1. Pursuant to the General Circulars 2/2022 and 19/2021, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC or other audio visual means (OAVM), without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the 62nd AGM of the Company is being held through VC.
2. 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 the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available.
3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to fcspankaj@gmail.com with a copy marked to evoting@nsdl.co.in.
5. The Register of Directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 27, 2022. Members seeking to inspect such documents can send an email to investors@hindusthan.co.in
6. Members are requested to address all correspondence, including dividend-related matters, to RTA, Skyline Financial Services Private Limited, Unit: D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020.
7. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company’s registered office or at investors@hindusthan.co.in. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to IEPF as per Section 124 of the Act, read with applicable IEPF rules. Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the financial year 2014-15 onwards are requested to lodge their claims with RTA or Company immediately. It may be noted that the unclaimed Final Dividend for the financial year 2014-15 declared by the Company can be claimed by the Members before 28th October, 2022.
8. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by the National Securities Depository Limited (NSDL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the ‘Instructions for e-voting’ section which forms part of this Notice. The Board has appointed Mr. Pankaj Kumar, proprietor of

M/s. Pankaj Kumar & Associates, Company Secretaries, as Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.

9. Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on September 20, 2022, may cast their votes electronically. The remote e-voting period commences on Saturday, September 24, 2022 (9:00 a.m. IST) and ends on Monday, September 26, 2022 (5:00 P.M. IST). The e-voting module will be disabled by NSDL thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on September 20, 2022. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
10. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 21st September, 2022 to Tuesday, 27th September, 2022 (both days inclusive) for the purpose of AGM.
11. Any person holding shares in physical form and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. September 20, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. September 20, 2022, may follow steps mentioned in the Notice under 'Instructions for e-voting'.
12. In compliance with the Circulars, the Annual Report 2021-22, the Notice of the 62nd AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
13. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Skyline Financial Services Private Limited at compliances@skylinerta.com, to receive copies of the Annual Report 2021-22 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and for updating of bank account details for the receipt of dividend.
14. Members may also note that the Notice of the 62nd AGM and the Annual Report 2021-22 will also be available on the Company's website, <http://hindusthanurban.com/>, websites of the stock exchanges, i.e. BSE at www.bseindia.com and on the website of NSDL, <https://www.evoting.nsdl.com>.
15. Additional information, pursuant to Regulation 36 of the LODR Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
16. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023, and linking PAN with Aadhaar by March 31, 2022 vide its circular dated November 3, 2021 and December 15, 2021. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, Skyline Financial Services Private Limited at compliances@skylinerta.com.
Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge

grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the Registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

17. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.
18. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchange, NSDL and RTA, and will also be displayed on the Company's website at www.hindusthanurban.com.
19. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

By Order of the Board of Directors

Date: 10th August, 2022

Place: New Delhi

For Hindusthan Urban Infrastructure Limited

Sd/-

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

Explanatory statement pursuant to Section 102 of the Companies Act, 2013:

ITEM NO.4

Ratification of remuneration of the Cost Auditor for the Financial Year 2022-23.

The Board of Directors at their Meeting held on 27th May, 2022, on the recommendation of the Audit Committee, has approved the appointment of M/s. J.K. Kabra & Co., Cost Accountants (firm registration no. 000009), as Cost Auditors to conduct the audit of the cost records of the Company pertaining to products covered by Central Excise Tariff Act, manufactured by the Company, for the financial year ending 31st March, 2023 at a remuneration of Rs. 31,500/- (Rupees Thirty One Thousand Five Hundred Only) plus applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 4 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st March, 2023.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed resolution. The Board recommends the passing of the resolution as set out at Item No. 4 as an ordinary resolution.

The Board recommends this resolution for your approval.

ITEM NO.5

Approval for Appointment of Ms. Deepika Agrawal (DIN: 09395834) as an Independent Director.

The Board of Directors in their meeting held on 13th November, 2021, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Deepika Agrawal (DIN: 09395834) as an Additional Independent Director of the Company with effect from 13th November 2021. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, she holds the office upto the conclusion of 62nd AGM of the Company.

The approval of members is being sought for the appointment of Ms. Deepika Agrawal as an Independent Director of the Company, as recommended by the Board of Directors in their meeting held on 10th August, 2022 .

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed resolution. The Board recommends the passing of the resolution as set out at Item No. 5 as a Special resolution.

The Board recommends this resolution for your approval.

Additional information on directors recommended for appointment / reappointment as required under Regulation 36 of the LODR Regulations and applicable Secretarial Standards

Mr. Raghavendra Anant Mody

Director Identification Number (DIN)	03158072
Date of joining of the Board	31.08.2017
Brief resume of the Director including nature of expertise in specific functional areas	Mr. Raghavendra Anant Mody Chairman and Whole time Director of the Company is a next generation leader & entrepreneur bringing fresh vision. He believes and contributes in building an organisation with strong human capital having a startup culture through communication, openness & transparency. He emphasises on the responsibility to stakeholders well being & strictly adhering to the core values & value system in the company. He leads change by building strong systems & processes & passionate about research & education, thorough understanding of core finance & risk and an interest in marketing - the third generation of the promoter's family through strategic management is bound to grow us at company in a stable way
Relationship of directors inter-se	N.A
Number of shares held in the company	3866
Directorship and Committee memberships held in other listed companies	None
Proposed Remuneration	There is no change in the remuneration
Last Drawn Remuneration	For details please refer Board Report and Annexures thereof
Listed entities from which Mr. <u>Raghavendra Anant Mody</u> has resigned in the past three years	NIL

Ms. Deepika Agrawal

Director Identification Number (DIN)	09395834
Date of joining of the board	13.11.2021
Brief resume of the Director including nature of expertise in specific functional areas	Ms. Deepika Agrawal is a Commerce Graduate and has done certificate courses on Information systems audit, Concurrent audit of banks, Forensic Accounting and Fraud Detection, Indirect Taxation and Fellow member of the Institute of Chartered Accountants of India. She has long and varied experience of more than 10 years in the field of Statutory Audit, Taxation, Information system Audits and Bank Audits.
Relationship of directors inter-se	N.A
Number of shares held in the company	Nil
Directorship and Committee memberships held in other Listed companies	Director and Member of Audit Committee and Nomination & Remuneration Committee of Carbo Industrial Holdings Limited.

Proposed Remuneration	Only Sitting fees for attending Board and Committee meetings will be paid.
Last Drawn Remuneration	Not applicable
Listed entities from which Ms. Deepika Agrawal has resigned in the past three years	NIL

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 24th September, 2022, at 9:00 A.M. and ends on 26th September, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 20th September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20th September, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal

Computer or on a mobile. 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 i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

- Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on

 **App Store**  **Google Play**



Individual Shareholders holding securities in demat mode with CDSL

- Existing users who have opted for CDSL Easi / Easiest facility, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
- After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.
- If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

<p>Individual Shareholders (holding securities in demat mode) logging in through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
--	---

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. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43</p>

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number

for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) **If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to fcspankai@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to compliances@skylinerta.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to compliances@skylinerta.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:-

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investors@hindusthan.co.in. The same will be replied by the company suitably.
6. Shareholders who would like to speak during the meeting must register their request between 21st September, 2022 (9.00 a.m.) to 23rd September, 2022 (5.00 p.m.) with the company at investors@hindusthan.co.in.
7. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.

9. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.

10. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

ANNUAL REPORT 2021-2022



HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

(An enterprise of THE HINDUSTHAN GROUP)



HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

DIRECTORS

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

KEY MANAGERIAL PERSONNEL (KMP)

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

STATUTORY AUDITORS

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

BANKERS

Canara Bank
State Bank of India
IDBI Bank

REGISTERED OFFICE

'Kanchenjunga' (7th Floor),
18, Barakhamba Road,
New Delhi-110001

WORKS

Bhubaneswar	(Odisha)
Gwalior	(Madhya Pradesh)
Mandideep-Insulator Division	(Madhya Pradesh)

LISTING OF EQUITY SHARES

BSE Limited

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Private Limited
D-153/A, 1st Floor, Okhla Industrial Area,
Phase -1, New Delhi - 110 020

CONTENTS

	Page Nos.
1. Boards' Report	3
2. Corporate Governance Report	22
3. Management Discussions and Analysis Report	41
4. Standalone Financial Statement	
a. Auditor's Report	43
b. Balance Sheet	52
c. Statement of Profit & Loss	53
d. Cash Flow Statement	54
e. Notes to Financial Statements	56
5. Consolidated Financial Statement	
a. Auditor's Report	97
b. Balance Sheet	103
c. Statement of Profit & Loss	104
d. Cash Flow Statement	105
e. Notes to Financial Statements	107

BOARDS' REPORT

The Shareholders,

Your Directors are pleased to present their Sixty-Second Annual Report of the company for the year ended 31.03.2022.

FINANCIAL HIGHLIGHTS

The company's financial performance for the year ended 31.03.2022 is summarized below:

(₹ in Lakhs)

Particulars	Standalone Results		Consolidated Results	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Total Revenue (Gross)	28,922.17	35,255.28	73,988.51	54,096.11
Operating Profit Before Depreciation, Finance Cost, Exceptional Items and Tax	1577.22	4,122.64	6180.84	6,533.87
Less: Depreciation and Amortisation expenses	1,388.90	1,410.52	2,912.66	2855.70
Less: Finance Costs	2,229.27	2,327.95	4,129.23	4102.89
Profit/(Loss) before exceptional items and tax	(2,040.95)	384.17	(861.05)	(424.72)
Exceptional Items	-	-	-	-
Profit/(Loss) before Tax	(2,040.95)	384.17	(861.05)	(424.72)
Less: Tax expenses	(777.43)	125.36	(485.03)	(96.15)
Net Profit/(Loss) for the year	(1263.52)	258.81	(376.02)	(328.57)
Surplus brought forward from previous year	1354.36	1095.55	(3998.71)	(3,670.14)
Dividend on Equity paid	-	-	-	-
Tax on Dividend	-	-	-	-
Ind-AS adjustments on Deferred Tax & Others	-	-	-	-
Balance available for appropriation	90.84	1354.36	(4374.73)	(3998.71)

The COVID-19 pandemic, continued to be a global challenge creating disruption across the world, in the first three months of financial year 2022. The physical and emotional wellbeing of employees and stakeholders continues to be the top priority for the Company. Through these difficult times, the relentless effort and determination of all the frontline health and social workers has stood out at a beacon of hope for humanity and company would like to convey sincere gratitude to all of them for not only keeping safe to society but also helping the economy of country to move forward. During this ongoing pandemic, Company followed all the guidelines issued in this regard by the Central Government and the respective States with regard to the operations and safety of people. The strict standard of physical and hygiene were enforced.

STATE OF AFFAIRS & OPERATIONS

During the year under review, the gross revenue from operations on standalone basis of the company has declined to ₹ 28,922.17 Lakhs as compared to ₹ 35,255.28 Lakhs in the previous year 2020-21. Consequently, the Company has incurred Loss before depreciation and tax of ₹ (652.05) Lakhs as compared to profit before depreciation and tax of ₹ 1794.69 Lakhs.

The availability of our prime raw material for conductor division i.e. aluminum remained satisfactory. The prices of aluminum increased abnormally at the LME from USD-2323.75 in April, 2021 to USD 3537.85 in March, 2022. Turnover of conductor segment was lower due to increased competition in the domestic market and high volatility in raw material cost, impacted the performance.

During the year, the Company had successfully executed export /deemed export orders of ₹ 1619.00 Lakhs as compared to previous year of ₹ 553.98 Lakhs.

CONSOLIDATED FINANCIALS

In the financial year 2021-22 income from operations was ₹ 73988.51 Lakhs as compared to ₹ 54096.11 Lakhs in previous year 2020-21. The profit before depreciation and tax has decreased to ₹ 2051.61 Lakhs as compared to profit before depreciation and tax of ₹ 2430.98 Lakhs in the previous year.

During the year under review, the gross revenue of the subsidiary company Hindusthan Speciality Chemicals Limited has increased to ₹ 45,086.18 Lakhs as compared to ₹ 18,844.57 Lakhs in financial year 2020-21, a growth of 139.25%.

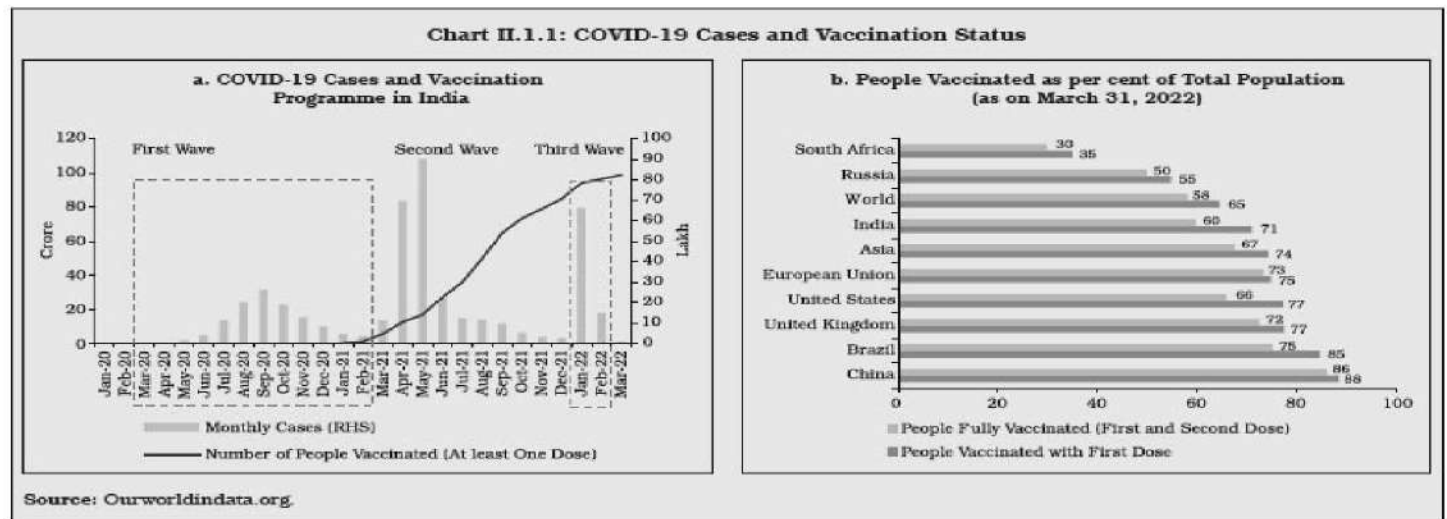
The Profit before depreciation and tax has increased to ₹ 2703.65 Lakhs as compare to profit before depreciation and tax of ₹ 639.19 Lakhs in the previous year.

BOARDS' REPORT (Contd.)

INDIAN ECONOMIC REVIEW

In 2021-22, India renewed its tryst with the recovery that had commenced in the second half of 2020-21 with the abatement of the first wave. The second wave took a grievous toll, however, pushing the nation into arguably the worst health crisis the country had ever faced. The third wave of the pandemic driven by the Omicron variant and more recently, geopolitical conflict has caused a loss of pace in the recovery and darkened the outlook.

Unlike in the first wave, the economic impact of the second wave of the pandemic was contained due to the localised nature of lockdowns and better adaptability to pandemic protocols. Growth impulses, rejuvenated by the receding of the second wave from June 2021, were fortified by the pace and scale of inoculation.



OUTLOOK

We believe the risks are not strong enough to deny India an economic rebound given the domestic demand potential. **We expect India to grow by 7.1%–7.6% in FY22–23 and 6%–6.7% in FY23–24.** This will ensure that India reigns as the world's fastest-growing economy over the next few years, driving world growth even as several major economies brace themselves for a slowdown or possibly a recession.

TRANSFER TO RESERVES

The Company do not propose to transfer any amount to general reserve for the financial year ended 31.03.2022.

DIVIDEND

Board of Directors do not recommend any dividend for the year 2021-22. The entire profit is being ploughed back in the business.

SUBSIDIARY COMPANIES

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

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

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

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

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

BOARDS' REPORT (Contd.)

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

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

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

The said Form also highlights the financial performance of the subsidiary included in the CFS of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

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

The Policy for determining material subsidiaries is available on the website of the company at www.hindusthanurban.com.

CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

As required under regulation 34 of the Listing Regulations [Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015], a cash flow statement is part of the Annual Report 2021-2022. Further, the Consolidated Financial Statements of the Company for the financial year 2021-2022 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and as prescribed by Listing Regulations. The said Financial Statements have been prepared on the basis of the audited financial statements of the Company, its subsidiaries as approved by their respective Boards of Directors.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

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

CHANGE IN NATURE OF BUSINESS, IF ANY.

There was no change in the nature of business of the company during the financial year ended 31st March, 2022.

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) The selected accounting policies have been applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Internal Financial Controls laid down in the company are adequate and were operating effectively;

BOARDS' REPORT (Contd.)

- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March, 2022 the Board comprised of six Directors including one woman Director. The Board has an appropriate mix of Executive Directors ('EDs'), Non-Executive Directors ('NEDs') and Independent Directors ('ID'), which is compliant with the Companies Act, 2013, the SEBI Listing Regulations, 2015 and is also aligned with the best practices of Corporate Governance.

CHANGES IN BOARD OF DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

Ms. Suman Lata Saraswat (DIN: 06932165) resigned from the position of Independent Director of the Company with effect from close of the business hours of 11th November, 2021. The Board places on record its appreciation for her invaluable contribution and guidance during her tenure as Independent Director with the Company.

The Board also recommends the appointment of Ms. Deepika Agrawal (DIN: 09395834) as an Independent Director, who was appointed as an Additional Independent Director by the Board of Directors in their meeting dated 13th November, 2021 and whose term shall be expiring at the ensuing Annual General Meeting.

Based on the disclosures received from independent directors and in the opinion of the Board, the independent directors fulfill the conditions specified in the Companies Act, 2013, the Listing Regulations.

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

RETIRE BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

In accordance with the provisions of Section 152(6) (c) of the Companies Act, 2013, Mr. Raghavendra Anant Mody will retire by rotation in the Sixty -Second Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as Director.

KEY MANAGERIAL PERSONNEL

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

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

BOARD MEETINGS

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

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

COMMITTEES OF THE BOARD

Currently, the Company has five Board level Committees: Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC"), Stakeholders' Relationship Committee ("SRC"), Corporate Social Responsibility Committee ("CSR") and Share Transfer Committee.

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

DECLARATION OF INDEPENDENT DIRECTORS

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

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

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

BOARDS' REPORT (Contd.)

AUDITORS

(i) STATUTORY AUDITORS

The term of Statutory Auditors M/s. K. N. Gutgutia & Co., Chartered Accountants, will end at ensuing 62nd Annual General Meeting (AGM).

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

The Board, on recommendation of the Audit Committee, recommended for the approval of members, the appointment of M/s. K.N Gutgutia & Co., Chartered Accountants (Firm Registration No. 304153E) as the Auditors of the Company for a period of five (5) consecutive years from the conclusion of 62nd Annual General Meeting of the Company till the conclusion of 67th Annual General Meeting to be held in 2027. Appropriate resolution seeking your approval to the appointment of the Statutory Auditors is appearing in the notice convening the 62nd AGM.

The Company has received letter, from the Auditors, to the effect that the appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for appointment. The Auditors have also expressed their willingness to act as such, if approved.

AUDITORS' REPORT

There is no adverse observation of Auditors' on financial statements of the company. The Auditors' Report, read with the relevant notes to accounts are self-explanatory and therefore does not require further explanation.

(ii) COST AUDITORS

As per section 148 read with Companies (Audit and Auditors) Rules, 2014 M/s J.K Kabra & Co, Cost Accountants (Firm Registration No. 000009) are appointed, to conduct the cost audit of the Company for the Financial Year 2022-23, by the Board of Directors on the recommendation of the Audit Committee and it seeks ratification of remuneration from the members of company at ensuing Annual General Meeting.

M/s J.K Kabra & Co. have given their consent to act as Cost Auditors and confirmed that their appointment is within the limits of the section 139 of the Companies Act, 2013. They have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. Pursuant to Companies (Cost Records and Audit) Rules, 2014, the Cost Audit Report for the financial year 2021-22 was filed with the Ministry of Corporate Affairs.

As per the requirements of section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost accounts and records.

(iii) SECRETARIAL AUDITORS

The Board has engaged M/s KCG & Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial audit for the year 2021-22. The report on secretarial audit is annexed as **Annexure-I** to the Board's Report. The report does not contain any qualification, reservation or adverse remark.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed M/s Pankaj Kumar & Associates, Company Secretaries to conduct the Secretarial Audit of the Company for the financial year(s) commencing on and from 1st April, 2022.

(iv) INTERNAL AUDITORS

The company has engaged M/s NSBP & Co., Chartered Accountants as Internal Auditors to conduct internal audit for the year 2021-22. The Internal Auditor will report to Board of Directors. The internal audit will help company to review the operational efficiency and assessing the internal controls. It also reviews the safeguarding of assets of the Company.

M/s. NSBP & Co., Chartered Accountants were re-appointed as Internal Auditors for the financial year 2022-23 and their report for the financial year 2021-22 is reviewed by the Audit committee from time to time.

REPORTING OF FRAUDS BY AUDITORS

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

BOARDS' REPORT (Contd.)

SHARE CAPITAL

The Authorised share Capital of the Company is ₹ 100,00,00,000 divided into 25,00,000 equity shares of ₹ 10 each and 9,75,00,000 preference shares of ₹ 10 each. The paid up Share Capital as on 31.03.2022 stood ₹ 96,63,25,850 consisting of Equity Share Capital of ₹ 1,44,28,850/- Lakhs and Preference Share Capital of ₹ 95,18,97,000/-

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

MATERIAL CHANGES AND COMMITMENTS

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

BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and the Listing Regulations, the Board has carried out annual performance evaluation of its own performance, those of directors individually and of various committees. The performance of individual directors was evaluated on parameters, such as, number of meetings attended, contribution in the growth and formulating the strategy of the Company, independence of judgement, safeguarding the interest of the Company and minority shareholders, time devoted apart from attending the meetings of the Company, active participation in long term strategic planning, ability to contribute by introducing best practices to address business challenges and risk etc. The directors expressed their satisfaction with the evaluation process.

INDEPENDENT DIRECTORS

The Independent Directors met on 12th February, 2022 to review the performance evaluation of Non-Independent Directors and the entire Board of Directors, including the Chairman, while considering the views of the Executive and Non-Executive Directors.

The Independent Directors were satisfied with the overall functioning of the Board and its various committees, which displayed a high level of commitment and engagement. They also appreciated the exemplary leadership of the Chairman of the Board and its committees in upholding and following the highest values and standards of corporate governance.

DIRECTORS APPOINTMENT AND REMUNERATION

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

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

The Directors of the Company are paid remuneration as per the Remuneration Policy of the Company. The details of remuneration paid to the directors during the year 2021-22 are given in Form MGT-9 and same is available at the website of the Company at www.hindusthanurban.com.

REMUNERATION POLICY

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

The Remuneration Policy of the Company is available on the website of the company at www.hindusthanurban.com.

BOARD DIVERSITY

Adequate diversity on the Board is essential to meet the challenges of business globalisation, rapid deployment of technology, greater social responsibility, increasing emphasis on corporate governance and enhanced need for risk management. The Board enables efficient functioning through differences in perspective and skill, and fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical backgrounds. The Board recognises the importance of a diverse composition and has adopted a Board Diversity Policy which sets out its approach to diversity. The policy is available at the website of the Company at www.hindusthanurban.com.

BOARDS' REPORT (Contd.)

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

Additionally, the CSR Policy is available on the website of the company at www.hindusthanurban.com.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

VIGIL MECHANISM

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

RELATED PARTY TRANSACTIONS

During the year under review, the Company revised its Policy on dealing with and Materiality of Related Party Transactions, in accordance with the amendments to the applicable provisions of the Listing Regulations. The Policy is available on the website of the Company at www.hindusthanurban.com.

All related party transactions that were entered into during the financial year 2021-22, were on an arm's length basis and in the ordinary course of business.

There are no material related party transactions made by the company during the year that required shareholders' approval under Section 188 of the Act.

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

The details of the transactions with related parties during the financial year 2021-22 are provided in the accompanying financial statements. Form AOC-2 pursuant to Section 134 (3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as **Annexure-IV**.

SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

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

LOANS, GUARANTEES AND INVESTMENTS

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

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

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

BOARDS' REPORT (Contd.)

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

PUBLIC DEPOSITS

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

ANTI-SEXUAL HARASSMENT POLICY

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

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

TRANSFER OF UNPAID AND UNCLAIMED AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

During the year, the Company has transferred unpaid and unclaimed dividends of ₹ 28,115 for the financial year 2013-14 and no corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per requirements of the IEPF Rules.

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

SECRETARIAL STANDARDS OF ICSI

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

EXTRACT OF ANNUAL RETURN

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

POLICY FOR DETERMINATION OF MATERIALITY OF AN EVENT OR INFORMATION

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

The Policy for Determination of materiality of an event or information policy can be accessed on the company's website at www.hindusthanurban.com.

POLICY ON PRESERVATION OF DOCUMENTS

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

The policy on preservation of documents can be accessed on the company's website at www.hindusthanurban.com.

INSIDER TRADING -CODE OF CONDUCT

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

The above Insider Trading-code of conduct can be accessed on the company's website at www.hindusthanurban.com.

POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION ("UPSI")

In pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has formulated a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate action on becoming aware of leak of

BOARDS' REPORT (Contd.)

unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries. Pursuant to this regulation, the Company has adopted the Policy for Procedure of Inquiry in Case of Leak of Unpublished Price Sensitive Information ("UPSI").

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

PERSONNEL

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

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place : New Delhi
Date : August 10, 2022

Sd/-
Raghavendra Anant Mody
Chairman
DIN: 03158072

Annexure- I

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

I, Kapoor Chand Garg, proprietor of M/s. KCG & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindusthan Urban Infrastructure Limited (CIN: L31300DL1959PLC003141)** (hereinafter called "the company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2022 according to the provisions of:

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

Annexure- I (Contd.)

- (a) Industrial Disputes Act, 1947
- (b) Factories Act, 1948
- (c) Payment of Bonus Act, 1965
- (d) Minimum Wages Act, 1948
- (e) Payment of Wages Act, 1936
- (f) Payment of Gratuity Act, 1972
- (g) Workmen's Compensation Act, 1923
- (h) Employees' State Insurance Act, 1948
- (i) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015;

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

I further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance/shorter notice including meetings conducted through Video conference and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board and Committee Meeting were carried out with requisite majority as recorded in the minutes of the Board of Directors or Committee of the Board, as the case may be.

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

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

**For KCG & Associates
Company Secretaries**

**Sd/-
Kapoor Chand Garg
Proprietor**

C.P. No. 7829

FCS No. 7145

UDIN: F007145D000709517

PR: 850/2020

Place: New Delhi

Date: 29th July, 2022

Annexure - A

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

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

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

**For KCG & Associates
Company Secretaries**

**Sd/-
Kapoor Chand Garg
Proprietor**

**C.P. No. 7829
FCS No. 7145**

**UDIN: F007145D000709517
PR: 850/2020**

**Place: New Delhi
Date: 29th July, 2022**

Annexure – II

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

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

I. Conservation of Energy

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

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

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

- Changed the conventional lighting with LED lighting in its Manufacturing Plant to save the electricity.
- Power Factor maximum incentive earned in monthly electricity bill throughout the financial year 2021-22
- Compressed air usage has been reduced to reduce electricity consumption.
- Started using Natural Gas in place of Propane gas to reduce fuel cost
- Purchased clean power (Solar) to the extent of 42% of total Electricity Consumption this has also reduced cost of power.

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

- Recuperator and Pyro Block fitted at firing oven (Kiln K-4) to conserve exhaust heat energy for heating of combustion air_ Investment approx 12 lakh.
- Burners of all the kiln have replaced to reduce fuel consumption. Investment approx. ₹ 1 Cr.

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

Total energy consumption in IEC for 2021-22 is 15046436 units and 1283 units per MT of production.

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

II. TECHNOLOGY ABSORPTION

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

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

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

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

(c) Future Plan of action –

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

(d) Expenditure on R&D (₹ in Lakhs)

- | | |
|--|---------------------|
| i) Capital | - 1.56 Lakhs |
| ii) Recurring | - 22.48 Lakhs/month |
| iii) Total | - 24.04 Lakhs |
| iv) Total R&D expenditure as a percentage of total, turnover | - 0.12% |

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

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

Annexure – II (Contd.)

- (b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. - Nil
- (c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year). Not applicable

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

III. Foreign Exchange Earning and outgo

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

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

During the year, Company made exports of ₹ 1619.00 Lakhs

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

Used : ₹ 551.41

Earned : ₹ 1619.00

For and on behalf of the Board of Directors

Place: New Delhi
Date: August 10, 2022

Sd/-
Raghavendra Anant Mody
Chairman
DIN: 03158072

Annexure - III

Corporate Social Responsibility

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

1. Brief outline on CSR Policy of the Company

The CSR Policy of the Company sets the framework guiding the Company's CSR Activities. It outlines the governance structure, operating framework, monitoring mechanism and CSR activities that would be undertaken. CSR activities are largely focused in the areas of education, poverty and other activities as the company may choose to select in fulfilling its CSR objectives. The CSR Policy is available on the Company's website at www.hindusthanurban.com.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Raghavendra Anant Mody	Chairman	2	1
2	Mr. Deepak Kejriwal	Member	2	2
3	Mr. Mool Chand Gauba	Member	2	2

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Composition of CSR Committee: www.hindusthanurban.com

CSR Policy: www.hindusthanurban.com

CSR Projects: www.hindusthanurban.com

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: NA

5. The amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Not Applicable			

6. Average net profit of the company as per section 135(5): ₹ 685.87 Lakhs

Particulars	Amount in Lakhs
Two percent of average net profit of the company as per section 135(5) [A]	13.72
Surplus arising out of the CSR projects or programmes or activities of the previous financial years [B]	-
Amount required to be set off for the financial year, if any[C]	-
Total CSR obligation for the financial year [A]+[B]+[C]	13.72

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year 2021-22 (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
13.72	N.A				

Annexure - III (Contd.)

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR registration number
1.	-	-	-	-	-	-	-	-	-	-	-	-
Total												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Lakhs)	Mode of implementation-Direct (Yes/No)	Mode of implementation-Through implementing Agency	
				State	District			Name	CSR registration number
1.	Construction of Piyao with RO water and water cooling machine	Promotion of sanitation and making available safe drinking water.	Dist. Raisen, Mandideep, Bhopal (M.P)	M.P	Raisen	1.54	Yes	-	-
2.	Donation to Association of all Industries for medical facilities in hospital	Promoting Healthcare Including preventive healthcare	Dist. Raisen, Mandideep, Bhopal(M.P)	M.P	Raisen	2.00	Yes	-	-
3.	Oxygen Concentrators 3 Nos. for Dispensary	Promoting Healthcare Including preventive healthcare	Dist. Raisen, Mandideep, Bhopal(M.P)	M.P	Raisen	2.55	Yes	-	-
4.	Donation to Government School	Promoting education	Dist. Raisen, Obedullaha Ganj, (M.P)	M.P	Raisen	7.63	Yes	-	-
Total						13.72			

(d) Amount spent in Administrative Overheads: N.A

(e) Amount spent on Impact Assessment, if applicable: N.A

(f) Total amount spent for the Financial Year **(8b+8c+8d+8e): ₹ 13.72**

Annexure - III (Contd.)

(g) Excess amount for set off, if any: NIL

Sl. No.	Particular	Amount (₹ In Lakhs)
1.	Two percent of average net profit of the company as per section 135(5)	13.72
2.	Total amount spent for the Financial Year	13.72
3.	Excess amount spent for the financial year [(2)-(1)]	-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years [(3)-(4)]	-

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.							
	Total	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in Which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed/ Ongoing.
1.								
	Total	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(Asset-wise details).

- Date of creation or acquisition of the capital asset(s): N.A
- Amount of CSR spent for creation or acquisition of capital asset: N.A
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A

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

Annexure - IV

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 - **Not Applicable.**
2. Details of material contracts or arrangements or transactions at Arm's length basis.

S. No.	Name(s) of the related party & nature of relationship	Nature of contracts /arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
Not Applicable						

For and on behalf of the Board of Directors

Place: New Delhi
Date: August 10, 2022

Sd/
Raghavendra Anant Mody
Chairman
DIN: 03158072

Annexure - V

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

PART-A

(i) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-22 is as follows:**

Mr. Raghavendra Anant Mody	01:26
Mr. Deepak Kejriwal	01:13

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

Name of Director	Increase / (Decrease)
Mr. Raghavendra Anant Mody	48.75%
Mr. Shyam Sunder Bhuwania	0%
Mr. Deepak Kejriwal	33.33%
Mr. Sadhu Ram Bansal	NIL
Mr. Mool Chand Gauba	NIL
Ms. Suman Lata Saraswat	NIL
Ms. Deepika Agrawal	NIL
Mr. M.L. Birmiwala	7.00%
Mr. Sushil Kumar Mishra	11.58%

(iii) **The percentage increase in the median remuneration of employees in the financial year 2021-22:**

The percentage increase in the median remuneration of employees in the financial year is around 13%.

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

The number of employees on permanent rolls of the company is 358.

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

Not applicable

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

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

For and on behalf of the Board of Directors

Place: New Delhi
Date: August 10, 2022

Sd/-
Raghavendra Anant Mody
Chairman
DIN: 03158072

REPORT ON CORPORATE GOVERNANCE

1. **PHILOSOPHY ON CORPORATE GOVERNANCE**

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

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

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

2. **THE BOARD OF DIRECTORS**

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

Composition of the Board

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

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

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

Meeting, attendance and other directorships

During the Financial year 2021-22, eight meetings of Board were held out of which five meetings were held through video conference and three at the Registered Office of the Company in accordance with the provisions of law i.e. on 29.06.2021, 12.08.2021, 28.09.2021, 23.10.2021, 13.11.2021, 22.12.2021, 14.01.2022, 12.02.2022,. The maximum gap between any two Board Meetings held during the year was not more than 120 days.

Based on intimations/disclosures received from the Directors periodically, none of the Board of Directors of the Company hold Membership/Chairmanships more than the prescribed limits.

The Board confirms that the Independent Directors fulfill the conditions specified in these regulations and that they are Independent of the management.

In view of Covid-19 pandemic, board meetings were held through video conferencing / other audio-visual mode as allowed by MCA and SEBI.

The names and category of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting (AGM), number of other Companies in which the Director holds Directorship and Committee Chairmanship/Membership as on March 31, 2022 are given below:-

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of Directors	Nature of Directorship	Board Meetings		AGM Attendance	Directorship in other companies [†]	Number of Chairmanship/ Memberships in Committees of other companies ^{***}		Directorship held in other listed companies	Relationship with each other	No. of shares held in the company along with percentage to the paid up share capital of the company
		Held	Attended			Member-ship	Chairman-ship			
Mr. Raghavendra Anant Mody	Executive Chairman/ Promoter	8	5	Yes	5	1	1	Director of Pradyumna Steels Limited	**	3866
Mr. Shyam Sunder Bhuwania	Non-executive / Non Independent Director	8	5	Yes	1	-	-	-	**	70
Mr. Deepak Kejriwal	Managing Director	8	6	Yes	2	2	-	-	**	05
Mr. Sadhu Ram Bansal	Non-Executive Director/ Independent	8	8	Yes	4	4	-	Independent Director of KEI Industries Limited GMR Infrastructure Limited	**	-
Mr. Mool Chand Gauba	Non-Executive Director/ Independent	8	7	Yes	1	0	0	-	**	-
Ms. Suman Lata Saraswat#	Non-Executive Director/ Independent	4	1	Yes	3	3	3	Independent Director of: Carbo Industrial Holdings Limited Foster Engineering & Industries Limited Pradyumna Steels Limited	**	-
Ms. Deepika Agrawal ##	Non-Executive/ Independent Director/ Independent	4	4	No	1	1	-	-	**	-

* Excludes directorship in private companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.

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

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

Ms. Suman Lata Saraswat (DIN: 06932165) resigned from the position of Independent Director of the Company with effect from close of the business hours of 11th November, 2021.

Ms. Deepika Agrawal (DIN: 09395834) was appointed as an Additional Independent Director by the Board of Directors with effect from 13th November 2021.

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

Skill and its description	Mr. Raghavendra Anant Mody	Mr. Shyam Sunder Bhuwania	Mr. Deepak Kejriwal	Mr. Sadhu Ram Bansal	Mr. Mool Chand Gauba	Mrs. Deepika Agrawal
Strategy and planning Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company.	Yes	Yes	Yes	Yes	Yes	Yes
Risk and Compliance Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.	Yes	Yes	Yes	Yes	Yes	Yes

REPORT ON CORPORATE GOVERNANCE (Contd.)

Skill and its description	Mr. Raghavendra Anant Mody	Mr. Shyam Sunder Bhuwania	Mr. Deepak Kejriwal	Mr. Sadhu Ram Bansal	Mr. Mool Chand Gauba	Mrs. Deepika Agrawal
Financial Management and Accounting Comprehensive understanding of financial accounting, reporting and controls and analysis.	Yes	Yes	Yes	Yes	Yes	Yes
Sales, Marketing & Brand building Experience in developing strategies to grow sales and market share, build brand awareness and equity.	Yes	Yes	Yes	Yes	Yes	Yes
Board service and Governance Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholders interest.	Yes	Yes	-	Yes	Yes	Yes
Knowledge and expertise of Trade and economics policies Possessing knowledge and expertise of various trade and economic policies, ability to analyse their impact on the business of the Company and devise revised strategies.	Yes	Yes	Yes	Yes	Yes	Yes

3. COMMITTEES OF THE BOARD

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

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

a. AUDIT COMMITTEE

Composition

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

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

Meeting, quorum and attendance

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

(i) 29.06.2021 (ii) 12.08.2021 (iii) 13.11.2021 (iv) 12.02.2022

All these Committee meetings were held in video conference mode.

The attendance of the members at Audit Committee meetings held during the financial year 2021-22 are detailed below:

Name of the Members	No. of Meetings	
	Held during tenure	Attended
Mr. Mool Chand Gauba	4	4
Mr. Sadhu Ram Bansal	4	4
Mr. Deepak Kejriwal	4	4
Ms. Deepika Agrawal *	1	1

* Ms. Deepika Agrawal was appointed as member of the Committee w.e.f 13.11.2021.

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

The detailed terms of reference of the Audit Committee is available on the website of the Company at www.hindusthanurban.com.

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

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

b. NOMINATION AND REMUNERATION COMMITTEE

Composition

The Nomination and Remuneration Committee comprises of Mr. Mool Chand Gauba as Chairman, Mr. Sadhu Ram Bansal and Ms. Deepika Agrawal* as Members.

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

Ms. Deepika Agrawal was appointed as a member of the Committee w.e.f 13.11.2021

Meeting, quorum and attendance

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

(i) 29.06.2021 (ii) 13.11.2021 (iii) 12.02.2022

All Committee meetings were held in video conference mode.

The attendance of the members at Nomination and Remuneration Committee meetings held during the financial year 2021-22 are detailed below:

Name of the Members	No. of Meetings	
	Held during tenure	Attended
Mr. Mool Chand Gauba	3	3
Mr. Sadhu Ram Bansal	3	3
Ms. Suman Lata Saraswat*	1	1
Ms. Deepika Agrawal**	1	1

*Ms. Suman Lata Saraswat ceased to be a member of the Nomination and Remuneration Committee w.e.f 11.11.2021.

**Ms. Deepika Agrawal was appointed as a member of the Nomination and Remuneration Committee w.e.f. 13.11.2021.

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

The detailed terms of reference of the Nomination and Remuneration Committee is available on the website of the Company at www.hindusthanurban.com.

The Chairman of the Nomination and Remuneration Committee has attended last Annual General Meeting of the Company held on 24th September, 2021.

c. STAKEHOLDER'S RELATIONSHIP COMMITTEE

Composition

The Stakeholders Relationship Committee comprises of Mr. Sadhu Ram Bansal as Chairman, Mr. Deepak Kejriwal and Ms. Deepika Agrawal as Members.

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

During the year, one meeting of the Committee was held on 12.02.2022.

All Committee meetings were held in video conference mode.

The attendance of the members at Stakeholders Relationship Committee meeting held during the financial year 2021-22 are detailed below:

REPORT ON CORPORATE GOVERNANCE (Contd.)

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

*Ms. Suman Lata Saraswat ceased to be a member of the Stakeholder Relationship Committee w.e.f 11.11.2021

** Ms. Deepika Agrawal was appointed as a member of Stakeholder Relationship Committee w.e.f 13.11.2021

The detailed terms of reference of the Stakeholders' Relationship Committee is available on the website of the Company at www.hindusthanurban.com.

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

d. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition

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

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

Meeting, quorum and attendance

During the year, two meetings of the Committee were held dated 21.05.2021 and 12.02.2022:

The attendance of the members at Corporate Social Responsibility (CSR) Committee meetings held during the financial year 2021-22 are detailed below:

Name of the Members	No. of Meetings	
	Held during tenure	Attended
Mr. Raghavendra Anant Mody	2	1
Mr. Mool Chand Gauba	2	2
Mr. Deepak Kejriwal	2	2

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

The CSR Policy of the Company has been uploaded on the Company's website at www.hindusthanurban.com.

e. SHARE TRANSFER COMMITTEE

The share transfer Committee comprises of Mr. Raghavendra Anant Mody and Mr. M.L. Birmiwala, responsible for approving the transfer, transmission, consolidation of securities, issuance of duplicate certificates etc. which are in physical form. The Board takes note of the transfer of shares approved by the Committee in their next meeting.

The Committee is authorized to look into and review the reports relating to approval / confirmation of requests for share transfer / transmission / transposition / consolidation / issue of duplicate share certificates / sub-division, remat, demat of shares etc. from time to time.

BOARD DIVERSITY

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

REMUNERATION POLICY

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

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

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

REMUNERATION OF DIRECTORS

The details of the Remuneration (including allowances and perquisites) paid to the Directors of the company for the financial year 2021-22 are as follows:

(Amount in ₹)

Name of the Directors	Basic Salary	Allowance & Perquisites	Sitting fee	Commission	Total
Mr. Raghavendra Anant Mody	72,26,650	86,84,875	-	-	1,59,11,525
Mr. Shyam Sunder Bhuwania	-	-	-	-	-
Mr. Deepak Kejriwal	26,53,920	43,07,657	-	-	69,61,577
Mr. Sadhu Ram Bansal	-	-	2,40,000	-	2,40,000
Mr. Mool Chand Gauba	-	-	2,30,000	-	2,30,000
Ms. Suman Lata Saraswat	-	-	30,000	-	30,000
Ms. Deepika Agrawal	-	1,10,000	-	1,10,000	

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

Independent Directors

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

The Independent Directors are paid ₹ 20,000 (Rupees twenty thousand only) as sitting fees for attending every meeting of the Board and ₹ 10,000 (Rupees ten thousand only) for attending the Committees Meetings including separate meeting of Independent Directors held during the year. During FY 2021-22, the Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company other than those mentioned in the Notes of the Standalone Financial Statements.

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

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

PERFORMANCE EVALUATION

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

- **Board, Committees and Senior Management**

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

- **Board and Individual Directors**

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

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

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

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

- **Committees of the Board**

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

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

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

4. **INDEPENDENT DIRECTORS**

MEETINGS OF INDEPENDENT DIRECTORS

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

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

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

During the financial year 2021-22, the Independent Directors met on 12.02.2022. They discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board. In addition to formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

FAMILIARISATION PROGRAMME

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

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

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

The details of such familiarisation programme are disclosed on the website of the company at www.hindusthanurban.com.

SELECTION OF INDEPENDENT DIRECTORS

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

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

FRAMEWORK FOR MONITORING SUBSIDIARY COMPANIES

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

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

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

Financial statements, in particular investments made by subsidiary company, are reviewed quarterly by the Company's Audit Committee.

Minutes of Board meetings of subsidiary company are placed before the Company's Board regularly.

A statement containing all significant transactions and arrangements entered into by subsidiary company is placed before the Company's Board.

Presentations are made to the Company's Board on business performance of subsidiary of the Company by the senior management.

The Company's Policy for determining Material Subsidiaries is available on the website of the Company.

5. GENERAL BODY MEETINGS

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

Financial Year(s)	Venue	Date	Time	Special Resolution Passed
2018-2019	Hotel Connaught Royale, 106, Babar Road, Connaught Place, Opp. World Trade Center, New Delhi – 110001	30.09.2019	9:30 A.M	Yes *
2019-2020	Video Conference and Other Audio Visual Means	18.09.2020	2:00 P.M	Yes **
2020-2021	Video Conference and Other Audio Visual Means	24.09.2021	2:00 P.M	Yes***

B. *Special resolution for Payment of Managerial Remuneration under Section 197 of the Companies Act, 2013.

**Special resolution for Re-appointment of Mr. Mool Chand Gauba as an Independent Director and Mr. Raghavendra Anant Mody as Chairman & Whole time Director.

*** 1. Special resolution for Revision in the remuneration of Mr. Deepak Kejriwal as managing Director.

2. Special resolution for Re-appointment and remuneration of Mr. Deepak Kejriwal as Managing Director.

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

D. Details of special resolution passed through postal Ballot during the financial year 2021-22.

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

*Postal Ballot notice dated June 29, 2021 for below mentioned Items:

1. Approval for increase in the remuneration of Mr. Raghavendra Anant Mody (DIN: 03158072), Chairman & Whole-time Director of the company.

2. Approval for payment of remuneration to related party for holding the office or place of profit.

3. Re-appointment of Mr. Sadhu Ram Bansal as an Independent Director (DIN: 06471984) (Non –Executive).

* Person who conducted the postal ballot exercise: Mr. Kapoor Chand Garg Proprietor of M/s. KCG & Associates, Company Secretaries.

REPORT ON CORPORATE GOVERNANCE (Contd.)

* Procedure of Postal Ballot is explained in the notice displayed at www.hindusthanurban.com.

6. MEANS OF COMMUNICATION

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

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

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

a) Quarterly Results

The Company's quarterly/half-yearly/nine months/annual financial results are sent to Stock Exchange and published in newspapers i.e. Pioneer in English & Pioneer in Hindi. Simultaneously, they are also put on the Company's website at www.hindusthanurban.com.

b) Stock Exchange

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

c) Reminder to Investors

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

7. GENERAL SHAREHOLDER INFORMATION

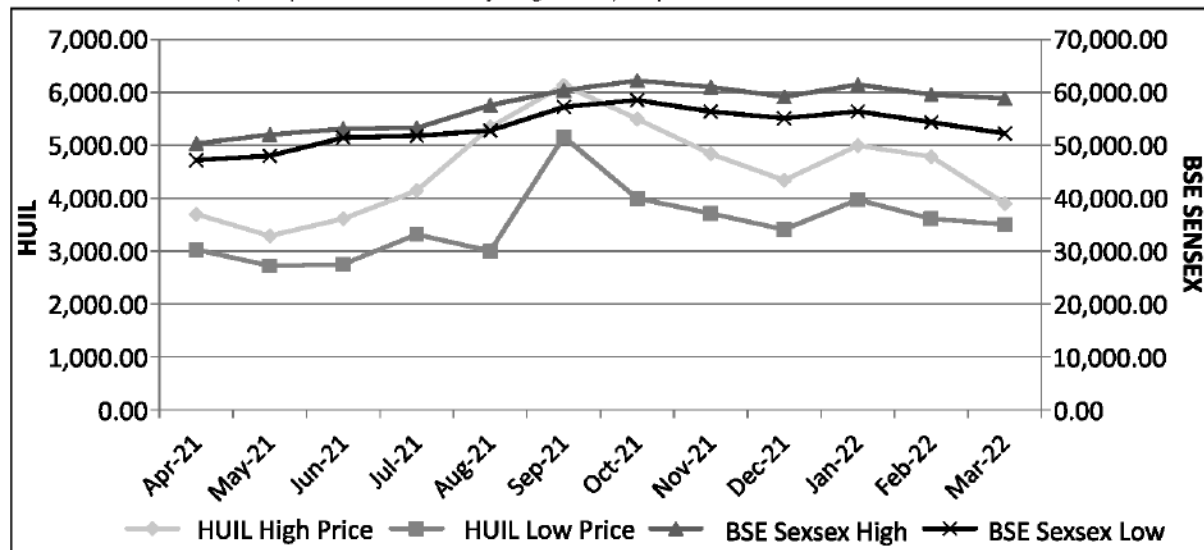
A	Annual General Meeting	:	
	Date, Time and venue	:	Tuesday, 27 th September, 2022 at 10:00 A.M. through Video Conference ("VC")/ Other Audio Visual Means ("OAVM")
B	Book Closure	:	Wednesday, 21 st September, 2022 to Tuesday, 27 th September, 2022 (both days inclusive)
C	Financial Calendar	:	
	Financial year	:	1 st April, 2021 to 31 st March, 2022
	Tentative schedule for declaration of financial results during the financial year 2022-23	:	
	Quarter ending 30 th June, 2022	:	Before 14 th August, 2022
	Quarter ending 30 th September, 2022	:	Before 14 th November, 2022
	Quarter ending 31 st December, 2022	:	Before 14 th February, 2023
	Quarter and year ending 31 st March, 2023	:	Before 30 th May, 2023
			:
D	Listing details	:	
	Name of Stock Exchange and Stock Code	:	Address
	BSE Limited (BSE) – 539984	:	BSE Limited, Phiroze Jeejeebhoy Towers , Dalal Street, Mumbai – 400001
	ISIN	:	INE799B01017
	Payment of Listing Fees	:	Annual listing fee for the financial year 2022-23 has been paid to BSE Limited.
	Payment of Depository Fees	:	Annual Custody / Issuer fee for the year 2022-23 to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL) have been paid.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- c. Market Price Data – the monthly high and low prices of the Company's shares at BSE for the financial year ended 31st March, 2022 are as follows:

Month	BSE		BSE	
	(In ₹)		(Sensex)	
	High	Low	High	Low
2021				
April	3699	3025.05	50375.77	47204.5
May	3287.75	2720	52013.22	48028.07
June	3614.9	2750	53126.73	51450.58
July	4144.4	3315.2	53290.81	51802.73
August	5342.7	3001.05	57625.26	52804.08
September	6140.55	5164	60412.32	57263.9
October	5500	3996	62245.43	58551.14
November	4839.8	3714	61036.56	56382.93
December	4341	3407	59203.37	55132.68
2022				
Jan	4995.55	3971	61475.15	56409.63
Feb	4784.95	3610	59618.51	54383.2
Mar	3899	3505	58890.92	52260.82

- F. Stock Performance (comparison of monthly High/Low) of price / index value:



* Sources www.bseindia.com

G	In case the securities of the Company are suspended from trading, the reasons thereof	: The Securities of the Company are not suspended from trading on the stock exchanges.
H	Registrar and Transfer Agents	: Skyline Financial Services Private Limited, D-153/A, First Floor, Okhla Industrial Area, Phase-1, New Delhi – 110020 Phone no. :011-40450193-97 Email: info@skylinerta.com Website: www.skylinerta.com

REPORT ON CORPORATE GOVERNANCE (Contd.)

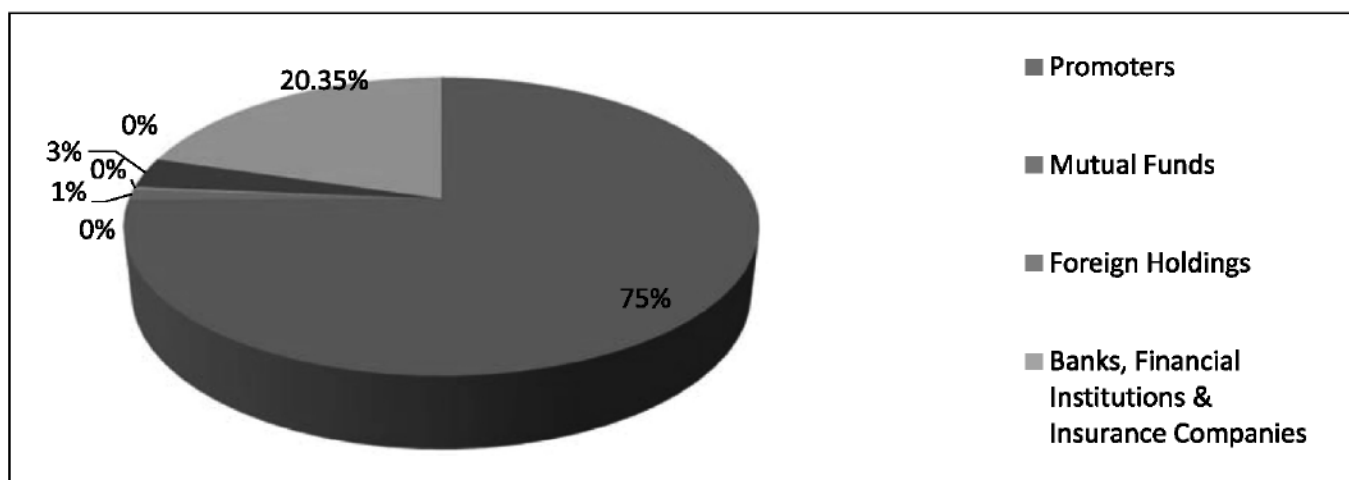
I	Share Transfer System	:	The share transfer committee meets to approve the transfer/transmission/transposition, issue of duplicate share certificates and consolidation of shares in physical form in case there is/are such request and duly transferred shares are generally dispatched within the prescribed period under the Companies Act, 2013/Guidelines of the Stock Exchange.
J	Distribution of Shareholding	:	Distribution of shareholding of shares of the Company as on 31 st March, 2022 is as follows:

No. of Shares held	No. of Shareholders	% of Shareholders	Aggregate Shares held	% of Shareholding
1 – 500	1408	94.94	66229	4.59
501 – 1000	24	1.62	17551	1.22
1001 – 2000	17	1.15	24430	1.69
2001 – 3000	10	0.67	23152	1.60
3001 – 4000	3	0.20	10966	0.76
4001 – 5000	2	0.13	9426	0.65
5001 –10000	6	0.40	42666	2.96
10001 & above	13	0.88	1248465	86.53
Total	1483	100.00	1442885	100.00

K The Shareholding Pattern as on 31st March, 2022.

Shares held by	No. of Shares	% of Shareholding
Promoters & Promoters Group	1080911	74.91
Public Shareholding :		
1. Banks and Financial Institutions	4426	0.31
2. Bodies Corporate	47780	3.31
3. Foreign holdings (NRIs)	16209	1.12
4. Indian Public/ Others	293559	20.35
Total	1442885	100.00

L. Category wise Shareholding



REPORT ON CORPORATE GOVERNANCE (Contd.)

M. Dematerialization & liquidity of shares

Trading in company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE799B01017. Investors are therefore advised to open a Demat account with a Depository participant of their choice to trade in dematerialized form.

Shares of the company are actively traded in BSE Limited. Hence the company's shares have good liquidity. The details of share in physical and dematerialized form are as given below:

Particulars	No. of Shares	% share capital
NSDL	581975	40.33
CDSL	847200	58.72
Physical	13710	0.95
TOTAL	1442885	100

N. Outstanding Instruments and their impact on equity	:	The Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments as on 31 st March, 2022.
O. Commodity Price Risk / Foreign Exchange Risk and Hedging activities	:	The Company has a mechanism to assess risk, periodically review it and ensure that steps are taken to mitigate the risks. The company does not undertake any commodity hedging activity. The company actively monitors the foreign exchange movements and take steps to cover risks.
P. Plant Locations	:	Plot No. 321, 325/1386, Champajhara, Mallipada, Distt. - Khurda-752108, (Odisha) Insulators & Electricals Company (Insulator Division)1-8, New Industrial Area, P.B. No. 1, Mandideep-460046 (M.P) Plot No. 1C, Brahmaputra Industrial Park, Village: Sila, P. O. College Nagar, North Guwahati, Distt. Kamrup – 781031 (Assam) Industrial Area, P.O. Birla Nagar, Gwalior – 474004 (Madhya Pradesh)
Q. Address for Correspondence	:	Hindusthan Urban Infrastructure Limited, 7 th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001 Tel: +91-11-23310001-05 Email: investors@hindusthan.co.in Website: www.hindusthanurban.com
R. Credit Ratings	:	The company has not issued any debt instruments and does not have any fixed deposit programme or any scheme during the financial year ended 31.03.2022. The rating given by Brickwork Ratings for the short term borrowing and long term borrowing of the company are A3 and BBB- respectively. There was no revision in the said ratings during the year under review.
S. Transfer to the Investor Education and Protection Fund	:	Pursuant to applicable provisions of the Companies Act, 2013 (Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (IEPF Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of 7 (seven) years from the date of transfer to Unclaimed Dividend Account of the Company. During the year under review, the Company sent individual notices, seeking action from the shareholders who have not claimed their dividends for 7 (seven) consecutive years or more. The Company has transferred to IEPF the following unclaimed dividends:

REPORT ON CORPORATE GOVERNANCE (Contd.)

Particulars	Amount of Dividend
Final Dividend for the Financial Year 2013-14	₹ 28,115

During the financial year 2022–2023, the Company would be transferring unclaimed final dividend amount for the financial year ended 31st March, 2015 on or before 27th November, 2022 to IEPF.

T. Equity shares in the suspense account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2021	NA	NA
Shareholders who approached the Company for transfer of shares from suspense account during the year	NA	NA
Shareholders to whom shares were transferred from the suspense account during the year	NA	NA
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	NA	NA
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022	NA	NA

8. OTHER DISCLOSURES

i. Related Party Transactions

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

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

During the year under review, the Board of Directors has adopted the updated related party transaction policy in line with the amendments to the Listing Regulations. During FY 2021-22, there were no material related party transactions in terms of Regulation 23 of the SEBI Listing Regulations, 2015.

The policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website at www.hindusthanurban.com.

The details of remuneration paid to the employee of the company, who is relative of Director as on 31st March, 2022 is as under:

Name of employee	Nature of relationship with Director(s)	Remuneration (Amount in ₹)
Mrs. Sanchita Mody, Advisor – Corporate Planning	Relative (Mother) of Mr. Raghavendra Anant Mody	74,19,909
Ms. Devhuti Mody, General Manager-HR*	Relative (Sister) of Mr. Raghavendra Anant Mody	18,56,619

*Remuneration is for part of the year

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

ii. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None

REPORT ON CORPORATE GOVERNANCE (Contd.)

iii. Vigil Mechanism and Whistle Blower Policy

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

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

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

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

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

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

vi. Certificate from Practicing Company Secretary

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

vii. Recommendations of Committees of the Board

There were no instances during the financial year 2021-22, wherein the Board had not accepted recommendations made by any committee of the Board.

viii. Total fees paid to Statutory Auditors of the Company

M/s. K.N. Gutgutia & Company, Chartered Accountants (Firm Registration No.304153 E) has been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors fees on consolidated basis for FY 2021-22 are given below:

Particulars	Amount
Services as statutory auditor	2,50,000
Tax Audit	50,000
Services for tax matters	-
Other matters	1,36,000
Re-imbusement of out-of- pocket expenses	8,250
Total	4,44,250

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2021-22 are as under:

- Number of complaints filed during the financial year: Nil
- Number of complaints disposed of during the financial year: Nil
- Number of complaints pending as on end of the financial year: Nil

x. Risk Management

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

xi. Code of Conduct

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

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

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

xii. Accounting Treatment

The Financial Statements of the Company for FY 2021-22 have been prepared in accordance with the applicable accounting principles in India and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder.

xiii. CEO/ CFO Certification

Mr. Deepak Kejriwal, Managing Director and Mr. Sushil Kumar Mishra, Chief Financial Officer have provided Compliance Certificate to the Board in accordance with Regulation 17 (8) read with Part B of Schedule II of the SEBI Listing Regulations, 2015 for the financial year ended 31.03.2022.

xiv. Compliance Reports

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

xv. Subsidiary Companies Monitoring Framework:

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

The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website at www.hindusthanurban.com.

xvi. Audit of Reconciliation of Share Capital:

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

xvii. Corporate Identification Number (CIN): L31300DL1959PLC003141.

xviii. Information flow to the Board Members

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

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

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

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

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

xx. Website

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations. Detailed

REPORT ON CORPORATE GOVERNANCE (Contd.)

information on the Company's business and products, quarterly/half yearly/nine months and annual financial results are displayed on the Company's website and can be accessed at www.hindusthanurban.com.

xxi. Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchange within 60 days of the end of the financial year.

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

xxii. Compliance with mandatory requirements

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

xxiii. Compliance with mandatory requirements.

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

xxiv. Adoption and Non Mandatory Requirements

1. During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
2. The Internal Auditors of the Company directly reports to the Audit Committee which oversees the internal audit functions.

xxv. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub- regulation (2) of Regulation 46 are as follows:

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

xxvi. Separate post of Chairman and CEO:

The Company has separate Chairman and Managing Director.

xxvii. Green Initiative

Pursuant to section 101 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as amended, the Company can send Notice of Annual General Meeting, financial statements and other Communication in electronic form. This Company is sending the Annual Report including the Notice of Annual General Meeting, Audited Standalone & Consolidated Financial Statements, Directors Report, Auditors Report along with their annexure etc. for the financial year 2021-22 in the electronic mode to the shareholders who have registered their e-mail ids with the Company and/or their respective Depository Participates (DPs). Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail addresses with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Company's Registrar and Share Transfer Agent "Skyline Financial Services Private Limited".

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Hindusthan Urban Infrastructure Limited

1. We, **K.N.GUTGUTIA & CO., CHARTERED ACCOUNTANTS**, the Statutory Auditors of **HINDUSTHAN URBAN INFRASTRUCTURE LIMITED** (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2022.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sd/-
(B.R. Goyal)
Partner

M. No. 12172

UDIN: 22012172AOSERZ2796

Place: New Delhi
Date: 10th August, 2022

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

I hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors as applicable to them for the financial year ended 31 March, 2022.

For Hindusthan Urban Infrastructure Limited

Place: New Delhi
Date: 10th August, 2022

Sd/-
Deepak Kejriwal
Managing Director

CEO & CFO CERTIFICATE

To,
The Board of Directors
Hindusthan Urban Infrastructure Limited

Sub: CEO/CFO certification under Regulation 17 (8) of Listing Regulations

We, Deepak Kejriwal, Managing Director, Sushil Kumar Mishra, CFO, certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. 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. To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate 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 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. That there were no significant changes in internal control over financial reporting during the year;
 - ii. That there were no significant changes in accounting policies during the year and
 - iii. That there were no instances 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.

Place: New Delhi
Date: 10th August , 2022

Sd/-
Sushil Kumar Mishra
(Chief Financial Officer)

Sd/-
Deepak Kejriwal
(Managing Director)

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

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

**For KCG & Associates
Company Secretaries**

**Place: New Delhi
Date: 29th July, 2022**

Sd/-
**Kapoor Chand Garg
(Proprietor)
FCS No. 7145
CP No. 7829
UDIN: F007145D000707284
PR: 850/2020**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annual Overview

The Global Economy has witnessed an unprecedented set-back with the outbreak of the Covid-19 crisis and Ukraine Russia war, Fitch Ratings lowered India's economic growth estimates for FY 2022-23 to 7.8-8.5%, during FY 2021-2022. The Government of India also had to announce conditional state-wide lockdown wherever necessary and thereafter restricted a majority of activities. All these had resulted into slack in economic activities across the country.

The Indian macro-economic environment has become increasingly challenging post pandemic and during war conditions. The impact of the lockdowns and war is disproportionately felt across the industrial sectors. This also had adverse effect in all the segments of our Company.

1. Industry Structure and Developments

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

The Global Covid-19 pandemic and Ukraine Russia war as global challenges involving simultaneous disruptions of both supply and demand in world economy led to significant revenue reductions. Increase in transportation, landed fuel cost and manufacturing cost have been adversely impacted in the wake of the pandemic and Ukraine Russia war. Global growth has slump from 5.7% in 2021 to 2.9% in 2022, the deepest global recession in decades, despite the extraordinary efforts of governments to counter the down turn with fiscal and monetary policy support.

Total installed capacity of power stations in India stood at 401.01GW as of April 2022. Electricity production reached 1,356 billion units (BU) in FY22.

2. Opportunities & Threats

India's electricity sector is likely to register a decrease in power demand by 2.0-2.5% and retain plant load factor (PLF) to 56-58% for the whole year in financial year 22-23. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides.

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

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

3. Segment-wise or Product-wise Performance

During the year revenue from operations of Insulator division has increased by 21.51% from ₹ 168.28 Crore in FY 2020-21 to ₹ 204.48 Crores in FY 2021-22 whereas profit before interest and tax has fallen by 80.96% from ₹ 23.11 Crores in FY 2020-21 to ₹ 4.40 Crores in FY 2021-22.

During the year revenue from operations of conductor division has decreased by 56.71% from ₹ 180.52 Crores to ₹ 78.15 Crores in FY 2021-22 as a result Company has incurred a loss before interest and tax has fallen to (₹ 7.47) Crores as compared to profit to ₹ 0.16 Crores in previous financial year.

During the year revenue from segment of "Real Estate" has increased by 75.58% from ₹ 3.75 Crore in FY 2020-21 to ₹ 6.59 Crore in FY 2021-22. As a result, profit before interest and tax has increased to ₹ 5.18 Crores as compared to ₹ 2.92 Crores in previous year.

4. Future Outlook

The post COVID-19 pandemic conditions and Ukraine Russia war significantly affected the Indian economy with the state wide lockdowns and increase in landed fuel cost resulting in high manufacturing cost in the country.

India is the world's third largest power consumer and producer with installed power capacity of 401 GW. The 13th National Electricity plan target 479 GW of generation capacity including 243 GW of thermal and 175 GW of renewable capacity.

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

Power demand is expected to grow at 6.5 % CAGR in FY22-23 driven by high latent demand, rapid urbanization and increasing

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

electricity access. The Government has undertaken programs to provide 24x7 power to all villages and households leading to increase in power demand.

5. Risk and Concerns

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

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

6. Internal control systems and their adequacy

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

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

7. Human Resources/Industrial Relations

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

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

In order to bring focus in HR Systems, Company has implemented system and procedures in HR system in line with the industry standards. The company seeks to motivate and retain its professional by offering reasonable compensation and opportunity to grow in the organization by systematic training for employees and with career and succession plans in place. The total permanent employee's strength of the company was 339 as on 31.03.2022. The industrial relations in all Works remained cordial during the year.

8. Financial/ Operational performance

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

9. Cautionary Statement

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

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

For and on behalf of the Board of Directors

**Sd/-
Raghavendra Anant Mody
Chairman
DIN: 03158072**

**Place: New Delhi
Date: 10th August, 2022**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

I. Report on the Audit of Standalone Financial Statements for the year ended 31st March, 2022

1. Opinion

- A. We have audited the Standalone Financial Statements of **Hindusthan Urban Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its **Loss**, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional 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. We have determined that there are no key audit matters to be communicated in our report.

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

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

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

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

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- D. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- E. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
 - 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer note 31 to the standalone financial statements
 - ii) The Company has made provision, as required under the applicable law or Ind-AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - (d) The Company has neither declared nor paid any dividend during the year
- (C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act,:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

FOR K.N. GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
FRN 304153E
Sd/-
(B.R. GOYAL)
PARTNER
M. NO. 12172
UDIN:22012172AJSEGS2852

PLACE: NEW DELHI
DATE:27.05.2022

INDEPENDENT AUDITOR'S REPORT (Contd.)

ANNEXURE "A" TO THE INDEPNEDNT AUDITOR'S REPORT

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

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years in a phased manner. In accordance with this program a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets
- (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- ii) (a) The inventories have been physically verified during the year lying at various factory sites by the management at reasonable intervals. In our opinion, no material discrepancies were noticed on physical verification of stocks.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks on the basis of security of current assets and we found the quarterly statements filed by the company with such banks are in agreement with the books of account of the company.
- iii) The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
- (a) The Company has granted unsecured loan to its subsidiary company and provided corporate guarantee on behalf of its subsidiaries, details are as follows:

Particulars	Amount (₹ In Lakhs)
Loan Provided during the year	1,280.00
Balance Outstanding at Balance Sheet Date	4,375.66
Guarantees Provided during the year	-
Guarantees on behalf of its subsidiaries	20,802.00

- (b) In our opinion, The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (c) In respect of loans granted by the Company, The borrower has not made payment of interest to the company as the lender bank to the subsidiary company has stipulated that the company will not make payment of interest to the holding company till the borrowing company achieve profitability and also terms for payment for interest between holding company and subsidiary company.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, 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 granted loans to its subsidiary company (Related Party) in the nature of loans repayable on demand, details are as follows:

Particulars	Amount (₹ In Lakhs)
Aggregate amount of Loan granted to Related Parties during the year	1,280.00

INDEPENDENT AUDITOR'S REPORT (Contd.)

- iv) The company has complied with the provisions of section 185 and 186 of the Act in respect of Investment made, Loans granted and securities provided, as applicable.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits and hence paragraph 3(v) of the Order is not applicable to the Company.
- vi) Pursuant to the rules made by the central government of India, the company is required to maintain cost records as specified under section 148(1) of the act in respect of its products. We have broadly reviewed the same, and are of opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) In respect of statutory dues:
- (a) According to the records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax , Goods & Service Tax, Duty Of Custom, Duty Of Excise, Cess and other statutory dues wherever applicable.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Duty Of Customs, Goods and Service Tax, Cess and other material statutory dues were in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.
- (b) According to the records and information and explanations given to us and the records of the company examined by us, dues of Income Tax, Sales Tax Service Tax, Goods & Service Tax, Duty Of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues which have not been deposited on account of disputes are as follows:

Name of the Statute	Nature of dues	Amount (in ₹) (net of amount paid)	Year to which the amount relates (FY)	Forum where dispute is pending
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Haryana	17,20,197	2004-05	Sales Tax Tribunal, Chandigarh
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, U.P.	4,88,619	1995-96	Hon'ble High Court, Allahabad. Remanded to Assistant Commissioner (Assessment), Ghaziabad.
Madhya Pradesh Commercial Tax	Entry Tax	4,52,796	2011-12	Office of the Appellate Authority Commercial Tax-Indore, MP
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, U.P.	9,25,200	2000-01	Hon'ble High Court, Allahabad
Madhya Pradesh Commercial Tax	Central Sales Tax	68,22,651	2014-15	Office of the Appellate Authority Commercial Tax-Bhopal, MP
Central Excise	Central Excise, Guwahati	15,90,385	2012-13 & 2013-14	CESTAT, Kolkata
Central Excise	Central Excise, Guwahati	25,67,144	2014-15	CESTAT, Kolkata
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Gwalior	19,79,209	2015-16	Appeal filed before Commissioner of VAT, Gwalior
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Sales Tax, Gwalior	14,81,400	2011-12	Appeal filed before Commissioner of ET Gwalior
Madhya Pradesh Commercial Tax	Central Sales Tax	1,20,40,978	2015-16	Office of the Appellate Authority Commercial Tax-Bhopal, MP
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	GST & Central Excise, Khurda	20,55,175	2014-15	Appeal filed with Commissioner (Appeals), GST & Central Excise against order of Commissioner (Audit)-GST & Central Excise
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	VAT, Khurda	2,86,973	2017-18	Appeal filed before STO CT & GST CIRCLE.
Central Sales Tax Act, 1956 & Sales Tax/Vat Act of Various States	Central Sale Tax, Khurda	73,92,174	2017-18	Appeal filed before STO CT & GST CIRCLE

INDEPENDENT AUDITOR'S REPORT (Contd.)

Name of the Statute	Nature of dues	Amount (in ₹) (net of amount paid)	Year to which the amount relates (FY)	Forum where dispute is pending
Madhya Pradesh Commercial Tax	Central Sales Tax	80,47,944	2016-17	Office of the Appellate Authority Commercial Tax-Bhopal, MP
Madhya Pradesh Commercial Tax	Central Sales Tax	6,81,819	2017-18	Office of the Appellate Authority Commercial Tax-Bhopal, MP
Income Tax Department	Income Tax	6,73,400	2013-14 (A.Y.)	CIT(A), Kolkata- 20
Income Tax Department	Income Tax	2,05,224	2008-09 (A.Y.)	ACIT, Central Circle-1 (4), Kolkata
Income Tax Department	Income Tax	2,22,910	2002-03(A.Y.)	ACIT, Central Circle-1 (4), Kolkata
Income Tax Department	Income Tax	12,49,380	2016-17(A.Y.)	CIT(A), Kolkata- 20

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

- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) Based on our audit procedures and according to the information given by the management, the company has not defaulted repayment in respect of any loans or borrowings from any financial institution, bank, government.
(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(c) Based on our audit procedures and according to the information given by the management, the term loans were applied for the purpose for which the loans were obtained and not for any other purpose.
(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
(e) On an overall examination of the 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 subsidiaries.
(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised any money by way of any initial public offer or further public offer (including debt instrument) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
(c) As per the information and explanations given by the management of the company, No whistle blower complaints received by the Company during the year (and up to the date of this report), hence 3 (xi)(c) of the Order is not applicable to the Company.
- xii) The Company is not a Nidhi Company and hence 3 (xii) of the Order is not applicable to the Company.
- xiii) As per the information and explanations and records made available by the management of the company and audit procedure performed, for the related parties transaction entered during the year, the company has complied with the provisions of sec 177 and 188 of the act, wherever applicable. As explained, as per records and details made available to us such related parties transactions have been disclosed in the note no. 34 of standalone financial statements as required by the applicable Ind-AS.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- xv) In our opinion during the year the Company has not entered into any non-cash transaction with Director or person connected with him. Hence paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi) In our opinion, The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and hence paragraph 3 (xvi) of the Order is not applicable to the Company.
- In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has incurred cash losses during the financial year of ₹ 650.36 Lacs covered by our audit and there is cash profit in immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) Provisions of Section 135 (Corporate Social Responsibility (CSR)) of the Companies Act, is not applicable to the company for current year. Hence, reporting under clause 3(xx) of the Order is not applicable.

**FOR K.N. GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
FRN 304153E**

**Sd/-
(B.R. GOYAL)
PARTNER
M. NO. 12172
UDIN:22012172AJSEGS2852**

**PLACE: NEW DELHI
DATE:27.05.2022**

INDEPENDENT AUDITOR'S REPORT (Contd.)

ANNEXURE "B" TO THE INDEPNEDEDNT AUDITOR'S REPORT

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

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

Opinion

We have audited the internal financial controls over financial reporting of **Hindusthan Urban Infrastructure Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

**FOR K.N. GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
FRN 304153E**

**Sd/-
(B.R. GOYAL)
PARTNER
M. NO. 12172
UDIN:22012172AJSEGS2852**

**PLACE: NEW DELHI
DATE:27.05.2022**

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
1. Non - current assets			
(a) Property, Plant and Equipment	2	16,282.64	16,401.86
(b) Capital work - in - progress	3	99.14	72.29
(c) Investment Properties	4	20,747.59	20,748.60
(d) Other Intangible assets	5(a)	15.57	49.07
(e) Intangible assets under development	5(b)	27.46	26.06
(f) Financial assets			
(i) Investment	6	8,459.31	8,459.31
(ii) Loans	10	1.33	1.35
(iii) Other Financial Assets	11	230.01	25.55
(g) Other non - current assets	13	1,118.85	921.82
Total non - current assets		46,981.92	46,705.92
2. Current assets			
(a) Inventories	7	9,944.95	10,907.32
(b) Financial assets			
(i) Trade receivables	8	10,036.83	13,989.41
(ii) Cash and cash equivalents	9(i)	343.16	32.18
(iii) Other bank balances	9(ii)	278.65	1,495.35
(iv) Loans	10	4,376.08	4,378.76
(v) Other Financial Assets	11	1,439.45	988.59
(c) Current Tax Assets (Net)	12	242.11	83.82
(d) Other Current Assets	13	907.57	1,874.32
Total current assets		27,568.79	33,749.74
Total Assets		74,550.71	80,455.66
EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity share capital	14	144.29	144.29
(b) Other equity		44,435.51	45,753.13
Total equity		44,579.80	45,897.42
2. LIABILITIES			
(A) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	5,373.90	3,604.57
(ii) Other financial liabilities	17	128.51	25.52
(b) Provisions	18	483.92	490.28
(c) Deferred tax liabilities (net)	19	6,567.84	7,374.43
(d) Other Non-current liabilities	20	44.20	64.77
Total non - current liabilities		12,598.38	11,559.57
(B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	11,705.45	10,095.16
(i) Lease Liabilities		-	13.82
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	16	169.52	231.68
(b) total outstanding dues of creditors other than (ii) (a) above	16	4,213.24	11,096.92
(iii) Other financial liabilities	17	670.11	1,101.59
(b) Other current liabilities	20	382.09	342.24
(c) Provisions	18	232.11	117.27
Total current liabilities		17,372.53	22,998.67
Total Equity & Liabilities		74,550.71	80,455.66
Significant accounting policies	1		
Notes to the financial statements	2-54		

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

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

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

Place: New Delhi
Date : 27th May, 2022

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

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

Deepak Kejriwal
(DIN : 07442554)
Managing Director

Sushil Kumar Mishra
Chief Financial Officer

M.L.Birmiwala
President-Finance &
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)			
Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	21	28,922.17	35,255.28
II Other income	22	890.46	996.30
III Total income (I + II)		29,812.63	36,251.57
IV Expenses :			
Cost of Materials Consumed	23	14,009.06	22,982.93
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	1,063.82	(1,785.06)
Employee benefits expense	25	1,995.88	1,845.66
Finance costs	26	2,229.27	2,327.95
Depreciation and amortization expense	27	1,388.90	1,410.52
Other expenses	28	11,166.65	9,085.41
Total expenses		31,853.58	35,867.40
V Profit /(Loss) before exceptional items and tax (III - IV)		(2,040.95)	384.17
VI Exceptional items	30	-	-
VII Profit/(Loss) before tax (V-VI)		(2,040.95)	384.17
VIII Tax expense/(benefit)	36		
(1) Current tax		-	99.60
(2) Deferred tax		(777.43)	641.87
- Tax adjustment of earlier years		0.09	(516.52)
- Minimum Alternate Tax (Credit) Entitlement		(0.09)	(99.60)
IX Profit / (Loss) for the year (VII - VIII)		(1,263.52)	258.81
X Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	29	(83.16)	13.13
(ii) Income tax relating to items that will not be reclassified to profit or loss		29.06	(4.59)
Total Other Comprehensive Income for the year		(54.10)	8.54
XI Total Comprehensive Income for the year (IX + X)		(1,317.62)	267.35
XII Earnings per equity share:	37		
(1) Basic		(87.57)	17.94
(2) Diluted		(87.57)	17.94
Significant accounting policies	1		
Notes to the financial statements	2-54		

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

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

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

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

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

Deepak Kejriwal
(DIN : 07442554)
Managing Director

Place: New Delhi
Date : 27th May, 2022

Sushil Kumar Mishra
Chief Financial Officer

M.L.Birmiwala
President-Finance &
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) Before Tax	(2,040.95)	384.17
Adjustments for :		
Depreciation & amortisation expense	1,388.90	1,410.52
Unrealised Foreign Exchange Fluctuation Loss/(Gain)	8.11	2.34
Finance Cost	2,229.27	2,327.95
Provision for Liquidated Damages/ Bad Debts W/off	(9.97)	38.31
Liability/Sundry Balance Written back	(240.73)	(162.77)
Provision for Employee Benefits	108.47	(90.28)
Re-measurement of defined benefit plans transferred to OCI	(83.16)	13.13
Rental Income	(659.20)	(375.44)
Interest Income	(616.75)	(689.44)
Profit on Sale of Property, Plant & Equipment	(0.01)	(82.29)
Profit on Sale of Investment	-	-
Deferred Government Grant transferred	(14.63)	(14.63)
Operating Profit Before Working Capital Changes	69.33	2,761.57
Adjustments for:		
(Increase)/Decrease in Trade Receivables	3,949.75	(2,805.40)
(Increase)/Decrease in Loans and Other Assets	772.42	(388.10)
(Increase)/Decrease in Inventories	962.38	(1,470.26)
Increase/(Decrease) in Trade Payable, Provisions & Other liabilities	(7,164.71)	5,071.20
Cash Generated from Operations	(1,410.83)	3,169.01
Direct Tax Paid (net of refund)	158.38	(119.73)
Net Cash Inflow /(Outflow) from Operating Activities	(1,569.22)	3,049.28
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition / Purchase of PPE & Other Intangible Assets	(1,230.70)	(162.42)
Sale Proceeds of Property, Plant & Equipment (PPE)	0.23	124.97
Purchase of Investment Property	(32.95)	(190.48)
Interest Income Received	165.90	175.73
(Investment)/Redemption in Term Deposit with bank as margin money (incl. unclaimed dividend)	1,012.23	(798.36)
Rental Income	647.46	375.44
Loan given to Subsidiary (net)	0.00	10.00
Net Cash Inflow /(Outflow) from Investing Activities	562.17	(465.12)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From / (Repayment) of Short Term Borrowings (net)	(29.71)	(1,581.39)
Loan taken from /(repaid to) Related parties	1,640.00	1,150.00
Proceeds from /(Repayment) of Long term Borrowings	1,754.50	(708.07)
Finance Cost Paid	(2,032.36)	(2,177.78)
Repayment of Lease Liability	(14.40)	(19.20)
Dividend Paid (including DDT)	-	(0.54)
Net Cash Inflow /(Outflow) from Financing Activities	1,318.03	(3,336.99)
Net Increase/ (Decrease) in cash & cash equivalents	310.98	(752.83)
Cash & cash equivalents at Beginning of the Year	32.18	785.01
Cash & cash equivalents at End of the Year	343.16	32.18
Components of cash & cash equivalents:		
- Balance with Banks : On current accounts	9.53	28.61
- Cash on hand	9.95	3.57
- Term Deposits with Banks (with maturity of less than 3 months)	323.68	0.00
	343.16	32.18

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

Significant accounting policies **1**
Notes to the financial statements **2-54**

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

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

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

Place: New Delhi
Date : 27th May, 2022

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

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

Deepak Kejriwal
(DIN : 07442554)
Managing Director

Sushil Kumar Mishra
Chief Financial Officer

M.L.Birmiwala
President-Finance &
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

A Equity Share Capital

Particulars	Issued		Subscribed & fully paid up	
	No of Shares	Amount	No of Shares	Amount
Equity shares of ₹ 10 each				
As at March 31, 2021	1443000	144.30	1442885	144.29
As at March 31, 2022	1443000	144.30	1442885	144.29

B Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Equity Component of	Total
	Capital Redemption Reserve	General Reserve	Surplus/ (Deficit)	Remeasurement of Defined Benefit Plans	Redeemable Preference Share Capital (Net of Taxes)	
Balance as at 01.04.2020 (A)	26.44	39,538.21	1,095.55	(22.79)	4,848.37	45,485.78
Profit for the year	-	-	258.81	-	-	258.81
Items of OCI for the year ended, net of tax- Remeasurement benefit of defined benefit plans	-	-	-	8.54	-	8.54
Total Comprehensive Income for the year 2020-21 (B)	-	-	258.81	8.54	-	267.35
Increase / Reductions during the year	-	-	-	-	-	-
Leases: Ind-AS 116 transition effect	-	-	-	-	-	-
Total (C)	-	-	-	-	-	-
Balance as at 31.03.2021 (A)+(B)+(C) (D)	26.44	39,538.21	1,354.36	(14.25)	4,848.37	45,753.13
Profit for the year	-	-	(1,263.52)	-	-	(1,263.52)
Items of OCI for the year ended, net of tax- Remeasurement benefit of defined benefit plans	-	-	-	(54.10)	-	(54.10)
Total Comprehensive Income for the year 2021-22 (E)	-	-	(1,263.52)	(54.10)	-	(1,317.63)
Total (F)	-	-	-	-	-	-
Balance as at 31.03.2022 (D)+(E)+(F) (G)	26.44	39,538.21	90.84	(68.35)	4,848.37	44,435.51

Significant accounting policies

1

Notes to the financial statements

2-54

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

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

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

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

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

Deepak Kejriwal
 (DIN : 07442554)
 Managing Director

Place: New Delhi
 Date : 27th May, 2022

Sushil Kumar Mishra
 Chief Financial Officer

M.L.Birmiwala
 President-Finance &
 Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

COMPANY INFORMATION

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

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

These financial statements were authorized for issue in accordance with a resolution of the directors on dated 27th May, 2022.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

(i) Statement of compliance

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

(ii) Historical cost convention

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

(iii) Rounding of amounts

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

1.2 Key accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a. Property, Plant and Equipment

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

b. Defined benefit obligation

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

c. Fair value measurement of Financial Instruments

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

d. Income taxes

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

1.3 Current & non-current classification:

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

Assets

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

- a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

Liabilities

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

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

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

1.4 Property, Plant and Equipment and Intangible Assets**(i) Property, Plant and Equipment**

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

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

(ii) Capital work in progress and Capital advances:

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

(iii) Intangible Assets**• Acquired Intangible Assets**

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

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

• Internally generated intangible assets

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(iv) Derecognition

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

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

(v) Depreciation and Amortization

• Depreciation

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

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

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

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

• Amortisation

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

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

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

1.5 Impairment

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

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

1.6 Revenue Recognition

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

1.7 Government grants and subsidies

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

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

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

1.8 Inventory

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

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

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

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

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

1.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Assets

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

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

a) Effective interest method

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

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

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

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

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

B) Financial Liabilities

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

1.10 Derivative financial instrument

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

1.11 Measurement of Fair Values

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above.

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

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

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

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

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

1.12 Investment in Subsidiary Companies

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

1.13 Foreign Currency Translation**Initial Recognition:**

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

Measurement of foreign currency items at reporting date:

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

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

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

1.14 Income Taxes

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

Current tax:

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Deferred tax:

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

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

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

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

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

Presentation of current and deferred tax:

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

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

1.15 Provisions and Contingencies

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

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

1.16 Cash and Cash Equivalents

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

1.17 Employee Benefits

Short Term Employee Benefits:

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

Post-Employment Benefits:

I. Defined Contribution plans:

Recognition and measurement of defined contribution plans:

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

II. Defined Benefit plans:

Recognition and measurement of Defined Benefit plans:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Other Long Term Employee Benefits:

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

1.18 Research & Development

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

1.19 Borrowing Cost

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

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

1.20 Operating Segment

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

1.21 Events occurring after Reporting date

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

1.22 Earnings Per Share

a) Basic earnings per share

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

b) Diluted earnings per share

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

1.23 Investment Properties

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

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

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

1.24 Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

1.25 Leases

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

Company as a lessee

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

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

Right-of-use assets

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

Lease Liability

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

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

Short-term leases and leases of low-value assets

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

2 Property, Plant & Equipment

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & equipment	Computers & IT equipment	Office equipment	Furniture & fixtures	Motor Vehicle	Right of use assets	Total
Gross Block										
As at 01.04.2020	1,745.60	160.20	8,023.33	20,105.56	80.25	196.81	435.48	403.76	46.26	31,197.24
Additions	-	-	27.65	71.90	0.71	1.72	37.53	-	-	139.50
Disposals	-	-	-	(616.99)	-	-	-	(15.92)	-	(632.91)
Other adjustments	-	-	-	-	-	-	-	-	-	-
As at 31.03.2021	1,745.60	160.20	8,050.98	19,560.48	80.95	198.52	473.02	387.83	46.26	30,703.83
As at 01.04.2021	1,745.60	160.20	8,050.98	19,560.48	80.95	198.52	473.02	387.83	46.26	30,703.83
Additions	-	-	13.66	1,075.23	0.30	8.97	7.52	96.78	-	1,202.44
Disposals	-	-	-	-	(0.39)	(0.52)	(0.83)	-	-	(1.75)
Other adjustments	-	-	-	-	-	-	-	-	-	-
As at 31.03.2022	1,745.60	160.20	8,064.64	20,635.70	80.86	206.97	479.70	484.61	46.26	31,904.53
Depreciation										
As at 01.04.2020	-	24.34	2,678.99	10,200.87	63.13	165.18	181.58	239.11	16.82	13,570.02
Charge for the year	-	1.31	259.64	945.69	4.40	9.87	40.31	44.15	16.82	1,322.18
Disposals	-	-	-	(575.38)	-	-	-	(14.85)	-	(590.22)
Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31.03.2021	-	25.65	2,938.63	10,571.18	67.52	175.05	221.89	268.42	33.64	14,301.98
As at 01.04.2021	-	25.65	2,938.63	10,571.18	67.52	175.05	221.89	268.42	33.64	14,301.98
Charge for the year	-	1.31	255.33	947.98	3.64	7.08	44.10	49.39	12.62	1,321.44
Disposals	-	-	-	-	(0.37)	(0.50)	(0.67)	-	-	(1.53)
Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31.03.2022	-	26.95	3,193.96	11,519.16	70.79	181.63	265.33	317.81	46.26	15,621.88
Net Block										
As at 31.03.2021	1,745.60	134.55	5,112.35	8,989.30	13.43	23.47	251.12	119.42	12.62	16,401.86
As at 31.03.2022	1,745.60	133.25	4,870.68	9,116.54	10.06	25.34	214.38	166.80	-	16,282.64

3 Capital Work in Progress

Particulars	Capital Work in Progress
As at 31.03.2021	72.29
As at 31.03.2022	99.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

4 Investment Properties

Particulars	Land at Banera	Land at Bangalore (including Site development)	Land at Khurda	Land at Faridabad	Building at Faridabad	Total
Gross Block						
As at 01.04.2020	0.91	1,123.21	-	19,046.00	763.00	20,933.12
Additions	-	-	-	-	190.48	190.48
Other adjustments	-	(24.35)	-	-	-	(24.35)
As at 31.03.2021	0.91	1,098.86	-	19,046.00	953.48	21,099.24
As at 01.04.2021	0.91	1,098.86	-	19,046.00	953.48	21,099.24
Additions	-	-	-	-	32.95	32.95
Other adjustments	-	-	-	-	-	-
As at 31.03.2022	0.91	1,098.86	-	19,046.00	986.43	21,132.19
Depreciation						
As at 01.04.2020	-	-	-	-	329.28	329.28
Charge for the year	-	-	-	-	21.36	21.36
Other adjustments	-	-	-	-	-	-
As at 31.03.2021	-	-	-	-	350.64	350.64
As at 01.04.2021	-	-	-	-	350.64	350.64
Charge for the year	-	-	-	-	33.96	33.96
Other adjustments	-	-	-	-	-	-
As at 31.03.2022	-	-	-	-	384.60	384.60
Net Block						
As at 31.03.2021	0.91	1,098.86	-	19,046.00	602.84	20,748.60
As at 31.03.2022	0.91	1,098.86	-	19,046.00	601.83	20,747.59
Fair Value #						
As at 31.03.2021	0.91	7,507.50	-	19,768.93	1,242.91	28,520.25
As at 31.03.2022	0.91	8,002.50	-	22,928.88	1,242.91	32,175.20

Estimation of Fair Value

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

	Year ended March 31, 2022	Year ended March 31, 2021
Rental income derived from investment properties	659.20	375.44
Direct operating expenses (including repairs and maintenance) generating rental income	107.72	61.95
Income arising from investment properties before depreciation	551.48	313.50
Depreciation	33.96	21.36
Income arising from investment properties (Net)	517.51	292.14

Premises given on operating lease:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

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

	As at March 31, 2022	As at March 31, 2021
For a period not later than one year	699.00	587.35
For a period later than one year and not later than five years	2,649.76	1,362.54
For a period later than five years	-	-
Total	3,348.76	1,949.89

5(a) Other Intangible Assets

Particulars	Computer softwares	Product Development	Total
Gross Block			
As at 01.04.2020	207.72	135.00	342.72
Additions	17.59	-	17.59
As at 31.03.2021	225.30	135.00	360.31
As at 01.04.2021	225.30	135.00	360.31
Additions	-	-	-
Disposals	-	-	-
As at 31.03.2022	225.30	135.00	360.31
Amortization			
As at 01.04.2020	157.38	86.87	244.26
Charge for the year	39.49	27.49	66.98
Disposals	-	-	-
As at 31.03.2021	196.87	114.37	311.23
As at 01.04.2021	196.87	114.37	311.23
Charge for the year	12.86	20.64	33.50
Disposals	-	-	-
As at 31.03.2022	209.73	135.00	344.73
Net Block			
As at 31.03.2021	28.43	20.64	49.07
As at 31.03.2022	15.57	(0.00)	15.57

5(b) Intangible Assets under development

Particulars	Total
As at 31.03.2021	26.06
As at 31.03.2022	27.46

6 Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
Investments in Equity Shares				
a) Unquoted Equity Shares (Measured at Cost)				
Subsidiary Companies				
Hindusthan Speciality Chemicals Ltd.	-	8,459.31	-	8,459.31
Total	-	8,459.31	-	8,459.31

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Aggregate amount of unquoted investments	Face Value per unit	As at March 31, 2022		As at March 31, 2021	
		No. of Units	Amount	No. of Units	Amount
Investments in Equity Shares - Subsidiary Company					
Hindusthan Speciality Chemicals Ltd. (₹ 10 each)	10	8,45,91,312	8,459.31	8,45,91,312	8,459.31
			8,459.31		8,459.31
Aggregate amount of unquoted investments			8,459.31		8,459.31

7 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Raw materials - In hand	1,311.61	1,501.40
(II) Work-in-Progress	4,098.06	4,160.55
(III) Finished Goods	2,762.77	3,655.86
(IV) Stores & Spares and Packing	1,707.50	1,416.70
(V) Scrap	65.01	172.81
Total	9,944.95	10,907.32

(i) For method of valuation of inventories, refer note 1.8

(ii) The provision in respect of excess, slow-moving, damaged, or obsolete inventories lying in books is Rs NIL (Prev year - ₹ 1713.80 Lakhs) for Work in Progress & ₹ 58.53 Lakhs (Prev year - ₹ 58.53 Lakhs) for Stores & Spares.

8 Trade Receivables

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Trade receivables considered good - Secured	-	-	300.26	462.88
- Unsecured, considered good (over six months)	-	-	-	-
- Unsecured, considered good (others)	-	-	9,905.71	13,638.06
Trade receivables considered good - Unsecured	-	-	9,905.71	13,638.06
Trade receivables which have significant increase in credit risk	-	-	-	-
Trade receivables - credit impaired	-	-	-	-
Total	-	-	10,205.97	14,100.94
Less: Loss allowance	-	-	-169.14	-111.53
Total	-	-	10,036.83	13,989.41

9 Cash & cash equivalents and Other Bank Balances

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Cash and Bank Balances				
(I) Cash & cash equivalents				
(i) Balance with Banks				
Current Accounts	-	-	9.53	28.61
(ii) Cash on Hand	-	-	9.95	3.57
(iii) Deposits with Banks held as Margin money/ Security (Maturity of less than three months)	-	-	323.68	-
	-	-	343.16	32.18

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

9 Cash & cash equivalents and Other Bank Balances (Contd.)

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
(II) Other Bank Balances				
Earmarked Balances with Banks - Unclaimed Dividend	-	-	0.97	1.25
Deposits with Banks held as Margin money/ Security (Maturity of more than 3 months and upto 12 months)	-	-	277.68	1,494.10
	-	-	278.65	1,495.35
Total	-	-	621.81	1,527.53

10 Loans

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Loans to related parties				
Hindusthan Speciality Chemicals Ltd.	-	-	4,375.66	4,375.66
Loans to employees	1.33	1.35	0.42	3.10
Total	1.33	1.35	4,376.08	4,378.76

Break-up of security details

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good - Secured	-	-
Loans considered good - Unsecured	4,377.42	4,380.11
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	4,377.42	4,380.11

11 Financial Assets: Others

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Unsecured, considered good				
Interest accrued but not due	-	-	18.86	41.38
Interest receivable	-	-	1,420.59	947.21
Insurance Claim Receivable	-	-	-	-
Deposits with Banks held as Margin money/ Security (Maturity of more than twelve months)	230.01	25.55	-	-
Total	230.01	25.55	1,439.45	988.59

12 Current Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Payment of Tax / TDS / TCS (Net of Provisions)	242.11	83.82
Total	242.11	83.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

13 Other Assets

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
(I) Capital Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	250.64	50.81	-	-
(II) Security Deposits				
Secured, considered good	-	-	-	-
Unsecured, considered good				
(A) (i) Sales Tax (Under Litigation)	202.92	202.92	-	-
(ii) Municipal Corporation (Under Litigation)	5.15	5.15	-	-
(iii) Central Excise & Custom (Under Litigation)	5.14	6.29	-	-
(iv) Electricity Board (Under Litigation)	27.91	27.91	-	-
(B) Others -				
I) Tender	97.87	96.66	-	-
II) Electricity	342.23	287.25	-	-
III) Others	119.94	132.61	-	-
Less: Provision for doubtful deposits	-	-	-	-
(III) Earnest Money Deposit				
- Lien Fixed Deposit				
- Others	51.81	91.81	-	-
(IV) Deposit/ Credit with Government Authorities				
GST, Custom, Excise & Service Tax	-	-	514.63	850.62
Sales tax	-	-	26.07	26.07
(V) Subsidies/ incentives receivable from Central/ State government	-	-	-	488.41
(VI) Advances to Suppliers	-	-	249.87	189.24
Less: Provision for doubtful advances	-	-	-	-3.90
VII) Advance to Employees	3.43	-	11.98	34.93
Less: Provision for doubtful advances	-	-	-	-
VIII) Other Advances				
Related Parties	-	-	-	32.22
Others	11.81	20.41	105.02	256.73
Total	1,118.85	921.82	907.57	1,874.32

14 i) Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
25,00,000 (31 March 2021 : 25,00,000) Equity Shares of ₹ 10/-each.	250.00	250.00
Issued		
14,43,000 (31 March 2021 : 14,43,000) Equity Shares of ₹ 10/-each.	144.30	144.30
Subscribed & Fully Paid up		
14,42,885 (31 March 2021 : 14,42,885) Equity Shares of ₹ 10/-each.	144.29	144.29
Total	144.29	144.29

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

(a) Reconciliation of shares outstanding at the beginning and at end of the year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	14,42,885	144.29	14,42,885	144.29
Add:- Addition during the Year	-	-	-	-
Less:- Deletion during the Year	-	-	-	-
Closing Balance	14,42,885	144.29	14,42,885	144.29

(b) Terms/rights attached to equity shares

The Company has equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

Shares in respect of each class in the company held by its holding company rights ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate : NIL

Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts : NIL

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company has not Issued equity share capital including shares allotted for consideration other than cash during the past five years.

(c) Details of Shareholders holding more than 5% equity shares in the company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Equity Shares	Percentage Holding	No. of Equity Shares	Percentage Holding
Hindusthan Consultancy & Services Ltd.	7,08,825	49.12%	7,08,825	49.12%
Carbo Industrial Holdings Ltd	1,32,820	9.21%	1,32,820	9.21%
Promain Ltd	1,17,900	8.17%	1,17,900	8.17%

15 Borrowings

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Secured Loans from Banks:				
a) - Term Loan (Rupee Loan)	3,431.84	1,852.45	904.71	896.57
Less:- Current Maturities	(904.71)	(896.57)	-	-
Sub Total	2,527.13	955.87	904.71	896.57
b) - Term Loan (FCLR Loan)	-	-	-	-
Less:- Current Maturities	-	-	-	-
Sub Total	-	-	-	-
c) Loans repayable on demand				
From Related parties (Unsecured)	-	-	4,290.00	2,650.00
Sub Total	-	-	4,290.00	2,650.00
d) Liability Component of Redeemable Preference Shares	2,846.77	2,648.69	-	-
	2,846.77	2,648.69	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

15 Borrowings (Contd.)

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
e) Working Capital Facilities from Banks- Secured (Repayable on Demand)				
<i>Foreign Currency Loan</i>				
PCFC Loan	-	-	318.95	175.08
FCNR Loan	-	-	2,529.30	-
Sub Total	-	-	2,848.26	175.08
<i>Rupee loan</i>				
Cash Credit	-	-	2,662.48	5,073.51
Working Capital Demand Loan	-	-	1,000.00	1,300.00
Sub Total	-	-	3,662.48	6,373.51
Total	5,373.90	3,604.57	11,705.45	10,095.16

a) Term Loan (Rupee Loan)

(i) **Type of Loan :** 10.50% p.a. Term loan Canara Bank, New Delhi of ₹ 4500 Lakhs is sanctioned on 14.08.2015 by Canara Bank, New Delhi for our Khurda Projects against which ₹ 4064.34 Lakhs availed.

Nature of Security: The loan is secured by exclusive charge on land & building and other fixed/movable/immovable assets situated at Village-chmpajhara, Distt- Khurda, Bhubaneswer.

Terms of Repayment : The said loan is repayable in 32 quarterly structured instalments starting from quarter ending December' 2015 and ending on quarter ending November'2023.

(ii) **Type of Loan :** 7.85% p.a. GECL 2.0 Term loan of ₹ 1010 Lakhs from Canara Bank is sanctioned on 03.03.2021 against which ₹ 800.72 lakh availed till 31.03.2021.

Nature of Security : Secured by second charge on primary security/collateral security

Terms of Repayment: The loan is repayable in 47 equated monthly instalments of ₹ 21 lakhs & last instalment of ₹ 23 lakhs after moratorium period of 12 months from the date of disbursement.

(iii) **Type of Loan :** 13.50% p.a. Term loan of ₹ 1150 Lakhs from State Bank of India.

Nature of Security : Secured by 1st Charge over fixed assets situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.

Terms of Repayment: The loan is repayable in 19 quarterly instalment of ₹ 60.93 Lakhs starting from Sep'2016 & ending on Sep'2021.

(iv) **Type of Loan :** 7.75% p.a. Term loan of ₹ 400 Lakhs from State Bank of India as per Common COVID-19 Emergency Credit Line Scheme

Nature of Security : Secured by extension of charges on primary security/collateral security

Terms of Repayment: The loan is repayable in 18 equated monthly instalments of ₹ 23 lakhs starting from Sep'2020 and ending on Feb'2022.

(v) **Type of Loan :** GECL (Guaranteed Emergency Credit Line) Loan sanctioned by State Bank of India @ 7.95% p.a. ₹ 852 Lakhs (Outstanding amount of ₹ 849.29 Lakhs)

Nature of Security : Secured by Second pari-passu charge over entire stock of raw material, finished goods, stock in process, consumable stores & spares, packing materials, book debts, outstanding monies, receivables, claims and bills etc. of IEC division of the company and Collateral security given as Second pari-passu charge on movable and immovable fixed assets of IEC division situated at Plot No. 1-8, New Industrial Area, Mandideep, Raisen, MP along with IDBI Bank.

Terms of Repayment: The same are repayable in 48 monthly instalments commencing from 31.10.2022.

(vi) **Type of Loan :** Further GECL (Guaranteed Emergency Credit Line) Loan sanctioned by State Bank of India @ 7.95% p.a. ₹ 426 Lakhs (Outstanding amount of ₹ 425.96 Lakhs)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Nature of Security : Secured by Second pari-passu charge over entire stock of raw material, finished goods, stock in process, consumable stores & spares, packing materials, book debts, outstanding monies, receivables, claims and bills etc. of IEC division of the company and Collateral security given as Second pari-passu charge on movable and immovable fixed assets of IEC division situated at Plot No. 1-8, New Industrial Area, Mandideep, Raisen, MP along with IDBI Bank.

Terms of Repayment: The same are repayable in 48 monthly instalments commencing after a moratorium period 24 months from the date of disbursement respectively.

(vii) Type of Loan : GECL (Guaranteed Emergency Credit Line) Loan sanctioned by IDBI @ 8.60% p.a. ₹ 400 Lakhs (Outstanding amount of ₹ 400 Lakhs)

Nature of Security : Secured by Second pari-passu charge over entire stock of raw material, finished goods, stock in process, consumable stores & spares, packing materials, book debts, outstanding monies, receivables, claims and bills etc. of IEC division of the company and Collateral security given as Second pari-passu charge on movable and immovable fixed assets of IEC division situated at Plot No. 1-8, New Industrial Area, Mandideep, Raisen, MP along with SBI Bank

Terms of Repayment: The same are repayable in 48 monthly instalments commencing after a moratorium period 24 months from the date of disbursement respectively.

- b) Loans repayable on demand -** Inter-corporate loans taken during the year from related parties repayable on demand
- c) Liability Component of Redeemable Preference Shares :** Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 9518.97 Lakhs issued on 12.12.2018. Present Value of Principal amount of such shares at the end of 20 years considered as Liability Component as per Ind-AS 32 using discount rate @ 7.50% is ₹ 2648.69 Lakhs. Interest expense recognised during the year as per Ind-AS 32 is ₹ 198.08 lakhs (Previous year - ₹ 184.79 Lakhs)
- d) Working Capital Facilities for Banks :**
- (i) Type of Loan:** Working Capital Facilities from Canara Bank for the Conductor Division against which drawing is ₹ 1278.31 Lakhs. (Previous year - ₹ 1123.52 Lakhs)
- Nature of Security :** Secured against hypothecation of stocks, book debts and plant & machinery both present & future at Village-champajhara, Distt- Khurda, Bhubaneswar & 12/1, Milestone, Delhi Mathura Road, Faridabad. & Plot No 1C, Industrial park, Sila Mouza, Kamrup, Guwahati, Assam and equitable mortgage of land and building at 12/1, Milestone, Delhi Mathura Road, Faridabad.
- (ii) Type of Loan:** Working capital facilities from State Bank of India, Bhopal Branch & IDBI Bank, Bhopal Branch for the Insulator division against which drawing is ₹ 2411.46 Lakhs (Previous year - ₹ 5249.99 Lakhs). During the year Working capital facilities from IDBI Bank, Bhopal Branch ₹ 1000.00 Lakhs Converted into 9.65% WCDL in between 1st Feb'2022 to 4th Feb'2022.
- Nature of Security:** Secured against hypothecation of all types of stocks and book debts and other receivable situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P. or such other place as approved by bank and secured collaterally by way of second charge on fixed assets of insulators division situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.
- (iii) Type of Loan:** PCFC Working Capital Loan from State Bank of India, Bhopal Branch & IDBI Bank, Bhopal Branch for the Insulator division against which drawing is 420823.10 USD @ 75.7925 amounting to ₹ 318.95 Lakhs as on 31.03.2022 (Previous year -241490 USD @ 72.50 amounting to ₹ 175.08 lakhs)
- (iv) Type of Loan :** 9.78% p.a. FCNR CC limit of USD 3314000 from State Bank of India disbursed on 11.02.2022 against which drawing is 3337144 USD @ 75.7925 amounting to ₹ 2529.30 Lakhs as on 31.03.2022
- Nature of Security :** Secured against hypothecation of all types of stocks and book debts and other receivable situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P. or such other place as approved by bank and secured collaterally by way of second charge on fixed assets of insulators division situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.
- Interest rate varies from 1% p.a. to 6% p.a. per annum on foreign currency denominated working capital facilities and it varies from 8% p.a. to 13% p.a. on rupee denominated working capital facilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

16 Trade payables (including Acceptances)*

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Total outstanding dues of micro and small enterprises	169.52	231.68
Total outstanding dues of creditors other than micro and small enterprises	4,213.24	11,096.92
Total	4,382.76	11,328.60

*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

17 Other financial liabilities excluding provisions

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Interest accrued but not due on borrowings	-	-	16.81	19.97
Interest payable	-	-	-	9.22
Unclaimed dividend	-	-	0.97	1.25
Other Payables	-	-	507.80	900.61
Creditors For Capital Goods	-	-	81.06	18.58
Other Deposits : Trade/Service deposits	128.51	25.52	57.74	151.96
Mark to Market Balance against outstanding forward contract	-	-	5.73	-
Total	128.51	25.52	670.11	1,101.59

18 Provisions

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Provision for employee benefits	482.68	489.04	232.11	117.27
Contract Loss provision	1.24	1.24	-	-
Total	483.92	490.28	232.11	117.27

19 Deferred tax liabilities (net)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Deferred tax liabilities on:		
- Fixed assets (PPE) U/s-32	7,163.77	7,294.67
- Equity Component of Preference Share Capital	2,331.53	2,400.75
	9,495.30	9,695.42
Deferred tax assets on:		
- Bonus, gratuity & leave salary U/s-43B	270.79	224.65
- Provision for doubtful debts U/s-36(1)(vii)	59.09	38.97
- Business loss / Un Absorbed Depreciation U/s-72	554.07	38.20
- Other Temporary Differences	656.26	661.09
- Other Comprehensive Income	30.44	1.37
	1,570.65	964.28
MAT Credit Entitlement	1,356.81	1,356.71
Net deferred tax Liabilities	6,567.84	7,374.43

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

20 Other Liabilities

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Advances from customers	-	-	68.77	66.54
Other Payables to Related Party	-	-	-	9.29
Interest Payable to related party	-	-	68.10	-
Rent Received in Advance	-	-	57.81	-
Interest on Sales tax Liability	-	-	-	51.44
Deferred Government Grants	28.01	42.64	14.63	14.63
Deferred Security Deposit (Rent)	16.19	22.13	11.12	9.13
Statutory Liabilities				
- Income Tax (TDS)	-	-	51.06	42.05
- Goods & Service Tax (GST)	-	-	87.63	126.79
- Others	-	-	22.97	22.37
Total	44.20	64.77	382.09	342.24

21 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products & services		
(I) Conductors & Cables	7,777.95	17,510.91
(II) Insulators	20,296.41	16,734.46
(III) Real Estate (Rental Income)	659.20	375.44
	28,733.56	34,620.81
Other operating revenue		
(I) Scrap Sales	128.65	99.29
(II) Export Incentives	45.33	22.06
(III) Subsidy Income	14.63	513.12
	188.61	634.47
Revenue from Operations (Gross)	28,922.17	35,255.28

22 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) INTEREST INCOME		
From FDR's	66.46	88.31
From Customers	9.72	16.81
From Related Parties	522.98	547.91
From Others	17.59	36.40
(B) NET GAIN ON INVESTMENT		
Gain on Sale of Investment measured at FVTPL	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

22 Other income (Contd.)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(C) OTHER NON- OPERATING INCOME		
Fluctuation in Exchange Rate	-	-
Claims Received (Net)	32.96	61.80
Profit on Sale of Property, Plant & Equipment	0.01	82.29
Liabilities No Longer Required & Sundry Credit Balance Written Back	240.73	162.77
Entry Tax Refund	-	-
Total	890.46	996.30
Total Revenue	29,812.63	36,251.58

23 Cost of Materials Consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw Material Consumption	14,820.01	22,965.34
Increase Decrease in Finished Goods / WIP and Scrap	810.95	(17.60)
Raw Material Consumed	14,009.06	22,982.93

24 Changes in inventories of finished goods, stock-in-trade & work-in-progress

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year		
Finished Goods	3,655.86	3,787.58
Work-In-Progress	4,160.55	2,360.72
Scrap	172.81	55.86
	7,989.22	6,204.16
Inventories at the end of the year		
Finished Goods	2,762.77	3,655.86
Work-In-Progress	4,097.63	4,160.55
Scrap	65.01	172.81
	6,925.40	7,989.22
Total	1,063.82	(1,785.06)

25 Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries & wages	1,831.37	1,705.41
Contribution to provident & other funds	141.96	113.37
Staff & Workmen welfare expenses	22.55	26.87
Total	1,995.88	1,845.66

26 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(1) INTEREST		
On Term Loan	219.51	263.62
On Working Capital Borrowings	1,169.93	1,405.40
On Exchange difference to the extent considered as as adjustment to borrowing cost	-	-
On Liability Component of Redeemable Preference Share Capital	198.08	184.79
On Lease Liability	0.58	2.31
On Others	395.89	169.63
	1,983.99	2,025.76
(2) OTHER BORROWING COST		
Bank Charges	245.28	302.20
Total	2,229.27	2,327.95

27 Depreciation and amortization expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of Property, Plant & Equipment	1,308.83	1,305.36
Depreciation of Investment Properties	33.96	21.36
Amortization of Intangible assets	33.50	66.98
Depreciation of Right of Use Asset	12.62	16.82
Total	1,388.90	1,410.52

28 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
MANUFACTURING EXPENSES		
(i) Stores & Spares	933.00	997.23
(ii) Packing & Forwarding Expenses (Net)	1,655.96	1,014.00
(iii) Power & Fuel	4,865.54	3,663.89
(iv) Repairs to Building	100.29	28.24
(v) Repairs to Machinery	157.89	176.03
(vi) Jobs on Contract	2,582.88	2,535.85
SELLING AND ADMINISTRATION		
(i) Rent	57.12	9.10
(ii) Insurance	45.40	37.74
(iii) Rates & Taxes	38.87	41.03
(iv) Repairs - Others	33.54	38.55
(v) Directors Meeting Fees	6.10	4.23
(vi) Payment to Auditors	4.44	4.34
(vii) Brokerage & Commission	30.52	50.06
(viii) Bad Debts Written off	6.27	0.90
(ix) Allowance for Doubtful Debts	(9.97)	37.41
(x) Legal & Professional Charges	349.25	289.38
(xi) Travelling & Conveyance	126.88	51.08
(xii) Fluctuation in Exchange Rate (Net)	1.68	4.80
(xiii) Security Charges Paid	70.06	50.68
(xiv) Miscellaneous Expenses	97.08	50.88
Total	11,166.65	9,085.41

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

29 Other Comprehensive Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(83.16)	13.13
	(83.16)	13.13
Items that will be reclassified to profit or loss	-	-
Total	(83.16)	13.13

30 Exceptional items

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Exceptional Items	-	-
Total	-	-

31 Contingent Liabilities & Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
(1) Contingent liabilities (to the extent not provided for)		
(A) Guarantee		
(a) The Company has given following corporate guarantee on behalf of its subsidiaries or group companies to secure financial facilities :		
Hindusthan Speciality Chemicals Ltd (Partly Owned Subsidiary), for secured financial facilities	20,802.00	20,989.00
Hindusthan Engineering Industries Ltd (Group company), under sales tax, excise, custom etc	572.24	572.24
(b) Outstanding guarantees furnished by banks on behalf of the company	2,919.17	6,848.88
(c) Outstanding letters of credit furnished by banks on behalf of the company	1,978.86	8,404.87
(B) Claims against Company, disputed by the Company, not acknowledged as debt:		
(a) Income Tax demand under appeal *	23.51	23.51
(b) Excise Duty/GST show cause notices/demands under appeal	62.13	138.24
(c) Claims against the Company for Sales/Purchase Tax/VAT	442.40	977.44
(d) Claims against the Company for Labour Cases/MCF & Other under litigation	193.03	206.62
* These demand includes ₹ 4.28 Lacs pertaining to ITAT Appeal order effect not given by the Income Tax department. The company has filed rectification application for the same demand.		
(2) Commitments as at year end: (to the extent not provided for)		
(A) Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account (Net of advances)	-	-
(B) Other Commitments:		
(i) Sales order to be executed against Government and Private Contracts	6,257.11	20,386.20
(ii) Liability in respect of sales bills discounted with banks/NBFC's	829.43	1,844.59

32 Disclosure requirement under MSMED Act, 2006

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2022. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due and remaining unpaid to any supplier at the end of the each accounting year	169.52	231.68
The amount of interest paid by the buyer in term of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 (27 of 2006), alongwith the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small & Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year, and	-	-
The amount of further interest remaining due and payable in succeeding year, untill such interest when the interest dues above are actually paid to the small enterprises, for the purpose of disallowances on account of deductible expenditure under section 23 of the Micro, Small & Medium Enterprises Development Act, 2006.	-	-

33 Employee Benefits

As per Ind-AS 19 on "Employee Benefits", the disclosures of Employee Benefits are given below:

a) Defined Contribution Scheme

Particulars	As at March 31, 2022	As at March 31, 2021
Contribution to Defined Contribution Plan, recognized for the year are as under:		
Employer's Contribution to Provident Fund	82.12	51.33
Employer's Contribution to Pension Fund	47.27	47.49
Employer's-ESI Contribution	14.90	14.55
Total	144.29	113.37

b) Defined Benefit Scheme

Disclosure as required by Ind AS 19 on Employee Benefits in respect of gratuity and leave encashment are as follows:

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2021-22	2020-21	2021-22	2020-21
Net expenses recognised during the year 2021-22				
Current Service Cost	12.40	10.92	35.02	25.81
Interest Cost	2.78	4.43	32.27	37.90
Expected return on plan assets	-	-	-	-
Actuarial Losses / (Gains)	18.23	(11.90)	83.16	(13.13)
Past Service Cost	-	-	-	-
Net benefit expenses	33.42	3.45	150.45	50.57

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2021-22	2020-21	2021-22	2020-21
Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2022	-	-	-	-
Present Value of Defined Benefit Obligation	70.90	44.62	643.89	561.70
Fair Value of plan assets	-	-	-	-
Net Liabilities recognised in Balance Sheet	70.90	44.62	643.89	561.70
Change in the Present value of obligation over the year ended 31st March, 2022				
Present Value of Defined Benefit Obligation as on 1st April, 2021	44.62	83.35	561.70	613.25
Interest Cost	2.78	4.43	32.27	37.90
Past Service Cost	-	-	-	-
Current Service Cost	12.40	10.92	35.02	25.81
Benefits Paid	(7.14)	(42.18)	(68.26)	(102.12)
Actuarial (Gain) / loss on obligation	18.23	(11.90)	83.16	(13.13)
Present Value of Defined Benefit Obligation as on 31st March, 2022	70.90	44.62	643.89	561.70

Other Comprehensive Income	Gratuity (Non-Funded)	
	2021-22	2020-21
Actuarial (gains) / losses		
change in demographic assumptions	-	-
change in financial assumptions	99.94	(14.88)
experience variance (i.e. Actual experience vs assumptions)	(16.78)	1.75
others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	83.16	(13.13)

Major Actuarial Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Segment	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
		2021-22	2020-21	2021-22	2020-21
Financial Assumptions					
Discount Rate (based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities)	Conductor	7.05%	6.53%	7.05%	6.53%
	Insulators	6.77%	5.60%	6.77%	5.60%
Salary increase (based on account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis)	Conductor	5.00%	5.00%	5.00%	5.00%
	Insulators	5.00%	5.00%	5.00%	5.00%
Demographic Assumptions					
Mortality Rate (% of IALM 2012-14) (inclusive of provision for disability)	Conductor	100.00%	100.00%	100.00%	100.00%
	Insulators	100.00%	100.00%	100.00%	100.00%
Withdrawal rates, based on age:(per annum)					
Up to 30 years	Conductor	3.00%	3.00%	3.00%	3.00%
	Insulators	0.50%	0.50%	0.50%	0.50%
31 - 44 years	Conductor	2.00%	2.00%	2.00%	2.00%
	Insulators	0.20%	0.20%	0.20%	0.20%
Above 44 years	Conductor	1.00%	1.00%	1.00%	1.00%
	Insulators	0.10%	0.10%	0.10%	0.10%

Sensitivity Analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Leave Encashment (Non-Funded)	Gratuity (Non-Funded)
	2021-22	2021-22
Impact of the change in discount rate		
Present Value of Obligation at the end of the period	70.90	643.89
Impact due to increase of 0.50 %/1.00%	(2.49)	(11.68)
Impact due to decrease of 0.50 %/1.00%	2.72	12.37
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	70.90	643.89
Impact due to increase of 0.50 %/1.00%	2.76	12.53
Impact due to decrease of 0.50 %/1.00%	(2.55)	(11.93)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

The defined benefit obligations shall mature after the end of reporting period is as follows:

	Leave Encashment (Non-Funded)	Gratuity (Non-Funded)
	2021-22	2021-22
Expected cash flows over the next (valued on undiscounted basis):		
1 Year	24.21	207.90
1 to 6 years	18.47	322.57
More than 6 years	28.21	102.58

Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

- A) Salary Increases : Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk : If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability : Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

34. Related Party Disclosures**A. List of Related Parties and relatives with whom transactions have taken place****Enterprise which have significant influence over the company**

Hindusthan Consultancy and Services Ltd.

Enterprises over which company having significant influence:

Hindusthan Speciality Chemicals Ltd. (Partly Owned Subsidiary Company)

Director(s)/ Key Managerial Personnel :

Mr. Raghavendra Anant Mody, Chairman & Whole-time Director

Mr. Deepak Kejriwal, Managing Director

Mr. Shyam Sunder Bhuwania, Director

Ms. Suman Lata Saraswat, Independent Director (Resigned on 11.11.2021)

Mr. Mool Chand Gauba, Independent Director

Mr. Sadhu Ram Bansal, Independent Director

Ms. Deepika Agrawal, Independent Director (Appointed on 13.11.2021)

Mr. Murari Lal Birmiwala, President - Finance & Secretary

Mr. Sushil Kumar Mishra, Chief Finance Officer

Relatives of Director(s)/Key Managerial Personnel :

Mrs Sanchita Mody

Ms Devhuti Mody

Others

Hindusthan Vidyut Products Ltd, Employees Provident Fund Trust

Hindusthan Engineering & Industries Ltd.

Promain Ltd.

Orient Bonds and Stock Limited

Pradyumna Steel Ltd

Paramount Enterprises Ltd

Intercontinental Trading and Investment Company Ltd.

Olympic General Trading Ltd.

Ratlam Industrial Ltd

Associated General Trading Society Ltd.

Mody Education Foundation

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

B. Transactions with related parties

The following transactions were carried out with the related parties in the ordinary course of business.

i) With parties other than Directors / Key Managerial personnel

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
R & D expenses paid		
Mody Education Foundation	-	7.47
Purchase of Capital goods/Materials		
Hindusthan Speciality Chemicals Ltd	23.34	14.85
Sale of Capital goods/Materials/MEIS Scrip		
Hindusthan Speciality Chemicals Ltd	22.90	-
Rent paid /payable		
Promain Limited	62.73	22.66
Hindusthan Engineering & Industries Ltd	0.14	0.14
Rent received/ receivable		
Hindusthan Speciality Chemicals Ltd	-	2.90
Reimbursement of Expenses Received /Receivable		
Hindusthan Speciality Chemicals Ltd	7.71	5.92
Hindusthan Engineering & Industries Ltd.	1.30	3.07
Hindusthan Consultancy and Services Ltd.	-	4.41
Reimbursement of Expenses Paid /Payable		
Hindusthan Engineering & Industries Ltd.	3.39	0.46
Hindusthan Speciality Chemicals Ltd	-	4.82
Brand Fee Paid		
Hindusthan Consultancy and Services Ltd.	17.09	-
Provident Fund Deposit (Paid/Payable)		
Hindusthan Vidyut Products Ltd, Employees Provident Fund Trust	71.79	76.62
Interest Received/Receivable		
Hindusthan Speciality Chemicals Ltd	522.98	547.91
Interest Paid / Payable		
Hindusthan Consultancy and Services Ltd.	80.25	28.32
Hindusthan Engineering & Industries Ltd	66.62	7.80
Orient Bonds and Stock Limited	39.21	48.09
Pradyumna Steel Ltd	20.89	1.47
Paramount Enterprises Ltd	49.93	5.67
Intercontinental Trading and Investment Company Ltd.	23.63	1.79
Olympic General Trading Ltd.	11.15	9.42
Promain Limited	2.64	-
Ratlam Industrial Ltd	59.70	28.75
Associated General Trading Society Ltd.	11.12	9.44

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loan - Received		
Hindusthan Consultancy and Services Ltd.	-	1,500.00
Hindusthan Engineering & Industries Ltd	1,400.00	-
Orient Bonds and Stock Limited	400.00	450.00
Pradyumna Steel Ltd	150.00	125.00
Paramount Enterprises Ltd	150.00	400.00
Intercontinental Trading and Investment Company Ltd.	-	225.00
Olympic General Trading Ltd.	-	100.00
Ratlam Industrial Ltd	-	550.00
Associated General Trading Society Ltd.	-	100.00
Promain Limited	50.00	-
Loan - Repaid		
Hindusthan Engineering & Industries Ltd	-	500.00
Hindusthan Consultancy and Services Ltd.	-	750.00
Orient Bonds and Stock Limited	510.00	500.00
Pradyumna Steel Ltd	-	100.00
Paramount Enterprises Ltd	-	350.00
Intercontinental Trading and Investment Company Ltd.	-	100.00
Loan - Given		
Hindusthan Speciality Chemicals Ltd	1,280.00	2,840.00
Loan - Received back		
Hindusthan Speciality Chemicals Ltd	1,280.00	2,850.00
Security Amount Given for Appointment of Director		
Hindusthan Speciality Chemicals Ltd	1.00	1.00
Security Amount Refund received against Appointment of Director		
Hindusthan Speciality Chemicals Ltd	1.00	1.00
Security Amount Given for Premises taken on Rent		
Promain Limited	31.23	-
CSR Contribution		
Mody Education Foundation	-	-

ii) With Directors/Key Managerial Personnel

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Remuneration to Key Managerial Personnel:		
Mr Raghavendra Anant Mody	159.12	77.97
Mr Shyam Sunder Bhuwania	-	14.04
Mr Deepak Kejriwal	69.62	52.62
Mr Murari Lal Birmiwala	37.65	28.18
Mr Sushil Kumar Mishra	24.39	17.09
Advisory Fess Paid to Key Managerial Personnel:		
Mr Shyam Sunder Bhuwania	12.00	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sitting Fees Paid to Directors		
Ms. Suman Lata Saraswat	0.30	1.03
Mr. Mool Chand Gauba	2.30	1.65
Mr. Sadhu Ram Bansal	2.40	1.55
Ms. Deepika Agrawal	1.10	-
Salary paid to relative of Director(s)/ Key Managerial Personnel:	-	-
Mrs Sanchita Mody	74.20	36.97
Ms Devhuti Mody	18.57	16.39
Outstanding - Receivable		
Hindusthan Speciality Chemicals Ltd	36.43	34.83
Hindusthan Engineering & Industries Ltd	0.50	3.07
Hindusthan Consultancy and Services Ltd.	-	4.41
Outstanding - Loan Given		
Hindusthan Speciality Chemicals Ltd (Loan Given)	4,375.66	4,375.66
Outstanding - Interest receivable on Loan Given (Net of TDS)		
Hindusthan Speciality Chemicals Ltd	1,417.90	947.21
Outstanding - Payable		
Hindusthan Engineering & Industries Ltd	-	9.29
Hindusthan Speciality Chemicals Ltd	46.09	38.52
Outstanding - Loan taken (including interest payable)		
Hindusthan Engineering & Industries Ltd	1,459.96	9.22
Orient Bonds and Stock Limited	290.00	400.00
Pradyumna Steel Ltd	275.00	125.00
Paramount Enterprises Ltd	550.00	400.00
Intercontinental Trading and Investment Company Ltd.	225.00	225.00
Olympic General Trading Ltd.	100.00	100.00
Ratlam Industrial Ltd	552.01	550.00
Associated General Trading Society Ltd.	100.00	100.00
Promain Limited	50.00	-
Hindusthan Consultancy and Services Ltd.	756.13	750.00
Investment in Equity Share Capital in wholly owned subsidiary co.		
Hindusthan Speciality Chemicals Ltd.	8,459.31	8,459.31
Guarantees and collaterals by the Company		
Hindusthan Engineering & Industries Ltd	572.24	572.24
Hindusthan Speciality Chemicals Ltd	20,802.00	20,989.00

35 Segment Reporting

- l) Based on the guiding principles given in Ind AS-108 "Operating Segment", The Vice-Chairman and Managing Director of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Company's business segments are organised around customers on industry and products lines as under:
- Conductor:** Conductor includes electrical conductor and related items.
 - Insulator:** Insulator includes electrical insulator and related items.
 - Real-estate :** Real-estate includes Property at Faridabad given for rent purpose.
 - Others :** This segment is engaged in Investment activities

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

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

No operating segments have been aggregated to form the above reportable operating segments.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Finance costs are not allocated to individual segments as the underlying instruments are managed on a Company basis

Current taxes and Deferred taxes are not allocated to those segments as they are also managed on a Company basis

A Business Segment

Segment information for the year ended 31st March, 2022

Particulars	Conductor	Insulator	Real-estate	Others	Un-allocated	Total
Revenue from Operations (Gross)	7,966.57	20,296.41	659.20	-	-	28,922.17
	(18,051.66)	(16,828.18)	(375.44)	-	-	(35,255.28)
Results						
Segment result	(747.00)	400.68	517.52	-	-	171.20
	(16.45)	(2,280.17)	(292.13)	-	-	(2,588.75)
Interest Income	-	-	-	-	616.75	616.75
	-	-	-	-	(689.44)	(689.44)
Finance cost	-	-	-	-	2,229.27	2,229.27
	-	-	-	-	(2,327.95)	(2,327.95)
Unallocable Corporate Expenditure	-	-	-	-	599.63	599.63
	-	-	-	-	(566.07)	(566.07)
Profit /(Loss) before taxation & exceptional items	-	-	-	-	-	(2,040.95)
	-	-	-	-	-	384.17
Exceptional Items	-	-	-	-	-	-
	-	-	-	-	-	-
Net Profit/ (Loss) before tax	-	-	-	-	-	(2,040.95)
	-	-	-	-	-	(384.17)
Tax Expense	-	-	-	-	-	(777.43)
	-	-	-	-	-	(125.35)
Net Profit/ (Loss) after tax	-	-	-	-	-	(1,263.52)
	-	-	-	-	-	(258.81)

Particulars		Conductor	Insulator	Real-estate	Others	Un-allocated	Total
Other Information	As at						
Segment assets	Mar 31, 2022	16,263.23	28,735.33	20,850.73	8,459.31	242.11	74,550.71
	Mar 31, 2021	(24,329.00)	(26,800.51)	(20,782.79)	(8,459.55)	(83.82)	(80,455.66)
Segment liabilities	Mar 31, 2022	9,027.56	14,225.06	150.44	-	6,567.84	29,970.91
	Mar 31, 2021	(15,222.60)	(11,820.64)	(140.57)	-	(7,374.43)	(34,558.24)
Capital Employed	Mar 31, 2022	7,235.67	14,510.27	20,700.28	8,459.31	(6,325.73)	44,579.80
	Mar 31, 2021	(9,106.39)	(14,979.86)	(20,642.22)	(8,459.55)	7,290.61	(45,897.42)
Capital expenditure	Mar 31, 2022	112.18	1,118.52	32.95	-	-	1,263.65
	Mar 31, 2021	(114.15)	(94.05)	(166.13)	-	-	(374.32)
Depreciation	Mar 31, 2022	713.16	641.78	33.96	-	-	1,388.90
	Mar 31, 2021	(755.31)	(633.85)	(21.36)	-	-	(1,410.52)

Figures in brackets represents previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

B Additional Information by Geographies For the year ended 31st March, 2022

Particulars	March 31, 2022	March 31, 2021
a) Revenue from operations by geographical location of customers (Gross)		
Within India	27,495.21	34,711.99
Outside India	1,426.97	543.29
Total	28,922.17	35,255.28
b) Carrying amount of segment assets		
Within India	73,652.81	80,235.02
Outside India	897.90	220.64
Total	74,550.71	80,455.66
c) Capital expenditure		
Within India	1,263.65	374.32
Outside India	-	-
Total	1,263.65	374.32

- 1) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organization structure and the internal financial reporting systems.
- 2) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- 3) All non-current assets of the company are located within India.
- 4) Information about major customers :
Three customers contributed more than 10% (₹ 6934.54 Lakhs) to the Company's revenue in 2021-22 and two customers contributed more than 10% (₹ 15984.28 Lakhs) to the Company's revenue in 2020-21.

36 Tax Expense

(a) Tax charge/(credit) recognised in the Statement of Profit & Loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax :		
Current tax for the Year	-	99.60
Tax adjustment of earlier year	0.09	(516.52)
MAT Credit entitlement	(0.09)	(99.60)
Total Current Tax (i)	-	(516.52)
Deferred Tax :		
Fixed Assets/Depreciation	130.91	(128.69)
Equity Component of Preference Share Capital	69.22	(64.57)
Provision for Gratuity / Leave Encashment	46.14	28.08
Provision for Doubtful Debts	20.13	(13.17)
Un Absorbed Depreciation/ Brought forward Losses	515.87	825.05
Others	(4.83)	(4.83)
Total Deferred Tax (ii)	777.43	641.87
Total Tax (i)+(ii)	777.43	125.35

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

(b) Tax on Other Comprehensive Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Deferred Tax :		
(Gain)/Loss on remeasurement of defined benefit plans	29.06	(4.59)
Total Deferred Tax	29.06	(4.59)

(c) Reconciliation of tax expense and accounting profit multiplied by India's domestic rate

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	(2,040.95)	384.17
Tax using the domestic tax rate	34.944%	34.944%
Tax effect of :		
Non-deductible tax expenses	(777.43)	641.87
Deductible tax expenses	0.09	(516.52)
Total tax expenses in the statement of profit and loss	(777.34)	125.35

(d) Movement in Deferred tax assets/liabilities

Movement during the year ended 31st March, 2022	As at April 1, 2021	Charge/ (Credit) in stmt of profit & loss	Charge/ (Credit) in OCI	Charge/ (Credit) in Other Equity	As at March 31, 2022
Property, Plant & Equipment	4,445.17	-	-	-	4,445.17
Depreciation	2,849.51	(130.91)	-	-	2,718.60
Equity Component of Preference Share Capital	2,400.75	(69.22)	-	-	2,331.53
Provision for Gratuity & Leave Encashment	(224.65)	(46.14)	-	-	(270.79)
Provision for Doubtful Debts	(38.97)	(20.13)	-	-	(59.09)
Un-absorbed Depreciation/ Brought forward Losses	(38.20)	(515.87)	-	-	(554.07)
Other temporary differences	(662.47)	4.83	(29.06)	-	(686.70)
MAT Credit Entitlement	(1,356.71)	(0.09)	-	-	(1,356.81)
Total	7,374.43	(777.52)	(29.06)	-	6,567.84

37 Earnings Per Share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit/ (Loss) after Tax and exceptional items	-1,263.52	258.81
Basic/weighted average number of equity shares outstanding during the year	14,42,885	14,42,885
Nominal value of Equity Share	10	10
Basic/Diluted EPS		
On Profit after Tax and exceptional items	-87.57	17.94

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

39 Disclosure pursuant to Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013 :

In respect of unsecured loans given to subsidiary company :

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
i) Hindusthan Speciality Chemicals Limited		
Outstanding as at the beginning of year	4,375.66	4,385.66
Loan given during the year	1,280.00	2,840.00
Repayment received during the year	1,280.00	2,850.00
Outstanding as at the end of year	4,375.66	4,375.66
Purpose	Business	Business
Interest Rate per annum	11.65%	11.65%

40 Other Disclosures to Statement of Profit and Loss:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) NET GAIN/(LOSS) ON FOREIGN EXCHANGE		
SUNDRY DEBTORS		
For Export/Deemed Export	16.30	-1.51
SUNDRY CREDITORS		
For Import	2.56	-6.96
For Foreign Currency Loan	-20.54	3.67
	-1.68	-4.80
(b) PAYMENT TO AUDITORS		
- Audit fees	2.50	2.95
- Out of Pocket Expenses	0.08	0.19
- Tax Audit	0.50	0.50
- Other Services	1.36	0.70
	4.44	4.34
(c) AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED		
Sundry Debtors Credit Balance Written off	26.76	0.10
Sundry Credit Balance Written off	53.15	22.13
Jobs on Contract	36.91	6.35
Interest on Deferred Sales tax Liability	11.44	65.83
Provision for Bonus, Variable Pay etc.	55.41	56.61
Others	57.07	11.75
	240.74	162.77

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(d) VALUE OF IMPORTS CALCULATED ON C.I.F BASIS		
Raw Material	545.29	735.02
Components & Spare Parts	6.12	4.46
Capital Goods	-	-
	551.41	739.48
(e) EXPENDITURE IN FOREIGN CURRENCY		
Interest / Bank Charges	-	-
Commission	29.05	16.15
Others	24.69	5.49
	53.74	21.65

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
(f) VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH % IMPORTED				
Raw Materials	757.69	5.41%	631.25	2.75%
Stores and Spare Parts	8.38	0.90%	17.18	1.72%
INDIGENOUS				
Raw Materials	13,251.37	94.59%	22,351.69	97.25%
Stores and Spare Parts	924.62	99.10%	980.05	98.28%
	14,942.06		23,980.16	

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
(g) EARNINGS IN FOREIGN EXCHANGE				
Exports (F.O.B.)	1,426.97		543.29	
Freight & Insurance on Export	192.03		10.68	
	1,619.00		553.98	

41. Financial Instruments : Fair Value Measurement

Financial Assets & Liabilities	Note	Level of hierarchy	31 March, 2022			31 March, 2021		
			Carrying Amount		Fair Value	Carrying Amount		Fair Value
			FVTPL	Amortised Cost		FVTPL	Amortised Cost	
Financial assets								
Investments in unquoted equity instruments	(b)		-	8,459.31	8,459.31	-	8,459.31	8,459.31
Trade receivables	(a)		-	10,036.83	10,036.83	-	13,989.41	13,989.41
Loans	(a, b)		-	4,377.42	4,377.42	-	4,380.11	4,380.11
Cash and cash equivalents	(a)		-	343.16	343.16	-	32.18	32.18
Other bank balances	(a, b)		-	278.65	278.65	-	1,495.35	1,495.35
Other financial assets	(a)		-	1,669.46	1,669.46	-	1,014.15	1,014.15
Total financial assets			-	25,164.83	25,164.83	-	29,370.50	29,370.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Financial Assets & Liabilities	Note	Level of hierarchy	31 March, 2022			31 March, 2021		
			Carrying Amount		Fair Value	Carrying Amount		Fair Value
			FVTPL	Amortised Cost		FVTPL	Amortised Cost	
Financial liabilities								
Non-current borrowings	(b)		-	5,373.90	5,373.90	-	4,501.14	4,501.14
Current borrowings	(a)		-	11,705.45	11,705.45	-	9,198.59	9,198.59
Trade payables	(a)		-	4,382.76	4,382.76	-	11,960.06	11,960.06
Derivative financial liabilities	(d)	Level 2	5.73	-	-	-	-	-
Other financial liabilities	(a)		-	792.90	792.90	-	509.46	509.46
Total financial liabilities			6	22,255.02	22,255.02	-	26,169.26	26,169.26

Note:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair value of non-current financial assets and liabilities has not been disclosed as there is no significant differences between carrying value and fair value.
- The fair value is determined by using the valuation model/techniques with observable/non-observable inputs and assumptions.
- Derivatives are carried at fair value at each reporting date. The fair values of the derivatives financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
- There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2022 and 31 March 2021.

Fair Value hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows: -

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

42. Financial Risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The Company through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risk are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see(i));
- liquidity risk (see(ii)); and
- market risk (see(iii)).

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit exposure.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Trade receivables and other financial assets

The Company has established a credit policy under which new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for Trade receivables:

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance) is ₹ 7352.95 Lakhs (31 March 2021: ₹ 3775.69 Lakhs)

Movement in the expected credit loss allowance of trade receivables are as follows:

Particulars	31 March 2022	31 March 2021
Balance at the beginning of the year	111.53	73.84
Add: Provided during the year (net of reversal)	67.58	37.41
Less: Amount written off/back	(9.97)	0.28
Balance at the end of the year	169.14	111.53

Expected credit loss on financial assets other than trade receivables:

With regard to all financial assets with contractual cash flows, other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on standalone Balance Sheet.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short term liquidity situation is reviewed daily by the treasury department. Longer term liquidity position is reviewed on a regular basis by the Parent Company's Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at 31 March, 2022	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
Financial liabilities				
Borrowings	17,079.36	17,079.36	11,705.45	5,373.90
Trade payables	4,382.76	4,382.76	4,382.76	-
Other financial liabilities	798.63	798.63	670.11	128.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

As at 31 March, 2021	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
Financial liabilities				
Borrowings	13,699.73	13,699.73	10,095.16	3,604.57
Trade payables	11,960.06	11,960.06	11,960.06	-
Other financial liabilities	509.46	509.46	483.94	25.52

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Company. The functional currencies of the Company are primarily the INR, USD and EUR. The currencies in which these transactions are primarily denominated are USD and INR.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31 March 2022			31 March 2021		
	USD	GBP	EURO	USD	GBP	EURO
Cash and cash equivalents	2,925	-	-	2,330	-	-
Trade receivable	11,57,967	-	3,11,226	4,81,885	-	1,01,855
Trade payables	-	(96,116)	(36,032)	(16,524)	(1,51,968)	-
Borrowings	(37,57,967)	-	-	(2,41,490)	-	-
Net exposure	(25,97,075)	(96,116)	2,75,194	2,26,201	(1,51,968)	1,01,855

Sensitivity analysis

A reasonable possible strengthening/ weakening of the EUR, USD or INR against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss (before tax)	
	Strengthening	Weakening
31 March 2022		
USD (1% movement)	(25,970.75)	25,970.75
GBP (1% movement)	(961.16)	961.16
EUR (1% movement)	2,751.94	(2,751.94)
31 March 2021		
USD (1% movement)	2,262.01	(2,262.01)
GBP (1% movement)	(1,519.68)	1,519.68
EUR (1% movement)	1,018.55	(1,018.55)

(₹ in Lakhs)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed-rate borrowings	-	-
Floating rate borrowings	17,079.36	13,699.73
Total borrowings	17,079.36	13,699.73

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basis points higher/ lower and all other variables were held constant, the Company's profit for the year ended 31 March 2022 would decrease / increase by 42.70 Lakhs (31 March 2021: 34.25 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

43. Capital Management**Risk management**

The Company's objectives when managing capital are to:

- safeguarding their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

'Net Debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total Equity' (as shown in the Standalone Balance sheet)

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt	16,457.55	12,172.21
Total equity	44,579.80	45,897.42
Net debt to equity ratio	0.37	0.27

Dividends

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Equity Shares	14,42,885	14,42,885
The Board of Directors have recommended not to pay any Dividend on Equity Shares this year		
(ii) Preference Shares	9,51,89,700	9,51,89,700
The Board of Directors have recommended not to pay any Dividend on Preference Shares this year		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(iii) Dividend not recognised at the end of the reporting year		
In addition to the above dividends, since year end the directors have recommended not to pay any Dividend this year on equity shares as well as Preference Shares (31 March 2021: Nil)	-	-

44 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment/ date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-5 years	More than 5 years	
Undisputed Trade receivables - considered goods	2514.73	1994.62	742.60	4527.63	257.25	10036.83
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	0
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	0
Disputed Trade Receivables - considered goods	-	-	-	-	-	0
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	0
Disputed Trade Receivables - credit impaired	-	-	-	-	-	0

Ubilled Dues (if any) - NIL

45 Equity Share Capital - Shareholding of Promoters as under

Promoter Name	Shares held by promoters at the end of the year		Shares held by promoters at the beginning of the year		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Hindusthan Consultancy and Services Limited	708825	49.13	708825	49.13	-
Carbo Industrial Holding Ltd	132820	9.21	132820	9.21	-
Promain Limited	117900	8.17	117900	8.17	-
Pradyumna Steel Limited	70000	4.85	70000	4.85	-
Hindusthan Business Corporation Limited	47000	3.26	47000	3.26	-
Rajendra Prasad Mody	500	0.03	500	0.03	-
Raghavendra Anant Mody	3866	0.27	3866	0.27	-
Total	1080911	74.92	1080911	74.92	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

46 Trade Payable ageing schedule

Particulars	Outstanding for following periods from due date of payment/ date of transaction				
	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
MSME	112.55	41.37	15.98	-	169.90
Others	3575.00	382.79	255.07	-	4212.86
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Ubbilled Dues (if any) -

Additional Info in Notes -

47 Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment:

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-

48 Capital-work-in Progress (CWIP) - ageing schedule

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress (CWIP)	80.74	-	18.40	-	99.14
Intangible assets under development	0.00	27.46	-	-	27.46

49 CWIP completion schedule for Projects whose completion is overdue or has exceeded its cost compared to its original plan -

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1	-	-	-	-	-

50 Security of current assets against borrowings - Details of Quarterly statements filed by the Company with banks -

Company has taken borrowings from banks on the basis of security of current assets for which quarterly statements of current assets filed by the company with banks are in agreement with the books of accounts and there is no material discrepancies.

51 Charges yet to be registered with ROC

charges or satisfaction yet to be registered with ROC beyond the statutory period, details and reasons thereof - **Not Applicable**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

52 Ratios -

Particulars	Numerator	Denominator	Current year	Preceding year	% Variance	Reason for variance (if more than 25%)
Current Ratio	Current assets	Current liabilities	1.59	1.47	8.14	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.38	0.30	28.35	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	-0.38	1.77	-121.69	Decrease in Sale with lower margin
Return on Equity Ratio %	Net Profits after taxes	Average Shareholder's Equity	-0.03	0.01	-593.87	Decrease in Sale with lower margin
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	2.71	3.38	-19.88	-
Trade Receivables turnover ratio	Revenue	Average Accounts Receivable	2.41	2.80	-14.01	-
Trade payables turnover ratio	Purchases	Average Trade Payables	2.13	2.74	-22.35	-
Net capital turnover ratio	Revenue	Working Capital	2.84	3.28	-13.50	-
Net profit ratio %	Net Profit after Tax	Revenue	-0.04	0.01	-695.10	Decrease in Sale with lower margin
Return on Capital employed %	Earning before interest and taxes	Capital Employed	-0.01	0.03	-137.85	Decrease in Sale with lower margin
Return on investment %	Income generated from investments	Time weighted average investments	-	-	-	-

53 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current years classification disclosure.

54 The financials statements has been approved by the Board on 27th May, 2022.

As per our report of even date
For K. N. Gutgutia & Company

Chartered Accountants
 FRN: 304153E

(B. R. Goyal)

Partner
 Membership No: 12172

Place: New Delhi
 Date : 27th May, 2022

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

Raghavendra Anant Mody
 (DIN : 03158072)

Chairman and Whole Time Director

Sushil Kumar Mishra
 Chief Financial Officer

Deepak Kejriwal
 (DIN : 07442554)

Managing Director

M.L.Birmiwala
 President-Finance &
 Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HINDUSTHAN URBAN INFRASTRUCTURE LIMITED

I. Report on the Audit of Consolidated Financial Statements for the year ended 31st March, 2022

1. Opinion

- A. We have audited the accompanying Consolidated Financial Statements of **HINDUSTHAN URBAN INFRASTRUCTURE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of its consolidated **Loss** and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional 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. We have determined that there are no key audit matters to be communicated in our report.

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

- A. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- B. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

- A. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, Consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the other accounting principles generally accepted in India including Indian Accounting Standards (Ind AS)

INDEPENDENT AUDITOR'S REPORT (Contd.)

specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

- B. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group and are also responsible for overseeing the financial reporting process of the Group.

6. Auditor's Responsibilities for the Audit of the Consolidated Financial statements

- A. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - v) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- C. We communicate with those charged with governance of the Holding Company and such other entities included

INDEPENDENT AUDITOR'S REPORT (Contd.)

in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- D. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- E. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143(3) of the Act, based on our audit we report to the extent applicable that:
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - B. In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books;
 - C. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - D. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - E. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary incorporated in India, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - F. With respect to the adequacy of the internal financial controls over financial reporting of and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**," which is based on the auditors' reports of the Holding and subsidiary incorporated in India;
 - G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note 31 to the consolidated financial statements
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the group incorporated in India.
 - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate)

INDEPENDENT AUDITOR'S REPORT (Contd.)

have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(d) The Company and its subsidiaries had neither declared nor paid any dividend during the year

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

In our opinion and to the best of our information and according to the explanations given to us, its holding company and its subsidiary covered under the Act paid remuneration to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**FOR K.N. GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
FRN 304153E**

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

UDIN :22012172AJSELC1585

**PLACE: NEW DELHI
DATE: 27.05.2022**

INDEPENDENT AUDITOR'S REPORT (Contd.)

ANNEXURE "A" TO THE INDEPNEDNT AUDITOR'S REPORT

(Referred to in point F of paragraph II under "Report on Other Legal and Regulatory Requirements" section of our report to the members of HINDUSTHAN URBAN INFRASTRUCTURE LIMITED of even date)

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

Opinion

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **HINDUSTHAN URBAN INFRASTRUCTURE LIMITED** (hereinafter referred to as "Holding") and its subsidiary company, which are incorporated in India as of that date.

In our opinion to the best of our information and according to the explanations given to us, the Holding and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

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

PLACE: NEW DELHI
DATE: 27.05.2022

FOR K.N. GUTGUTIA & CO.
CHARTERED ACCOUNTANTS
FRN 304153E

(B.R. GOYAL)
PARTNER
M. NO. 12172
UDIN :22012172AJSELC1585

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non - current assets			
(a) Property, Plant and Equipment	2	37,084.46	38,053.97
(b) Capital work - in - progress	3	769.63	147.71
(c) Investment Properties	4	20,747.59	20,748.60
(d) Other Intangible Assets	5(a)	1,314.24	1,531.78
(e) Intangible assets under development	5(b)	27.46	26.06
(f) Financial assets			
(i) Investment	6	30.00	30.00
(ii) Loans	10	1.33	1.35
(iii) Other Financial Assets	11	230.01	25.55
(g) Other non - current assets	13	1,567.37	1,302.24
Total non - current assets		61,772.10	61,867.27
(2) Current assets			
(a) Inventories	7	15,950.11	13,252.72
(b) Financial assets			
(i) Trade receivables	8	18,498.98	20,099.77
(ii) Cash and cash equivalents	9 (I)	3,457.21	586.72
(iii) Other bank balances	9 (II)	278.65	1,646.35
(iv) Loans	10	0.42	3.10
(v) Other Financial Assets	11	534.36	73.26
(c) Current Tax Assets (Net)	12	277.41	91.30
(d) Other Current Assets	13	2,515.08	2,101.46
Total current assets		41,512.22	37,854.67
Total Assets		1,03,284.32	99,721.94
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity share capital	14	144.29	144.29
(b) Other equity		41,477.70	42,271.19
(c) Non-controlling interests		4,512.70	4,140.89
Total equity		46,134.69	46,556.37
(2) LIABILITIES			
A Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	17,298.85	16,735.61
(ii) Other financial liabilities	17	128.51	25.52
(b) Provisions	18	519.01	521.92
(c) Deferred tax liabilities (net)	19	5,265.10	5,776.31
(d) Other Non-current liabilities	20	44.20	64.77
Total non - current liabilities		23,255.67	23,124.13
B Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	16,814.89	13,430.94
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	16	255.68	279.25
(b) total outstanding dues of creditors other than (ii) (a) above	16	13,375.36	14,571.09
(iii) Other financial liabilities	17	1,894.03	1,005.88
(b) Other current liabilities	20	1,318.34	632.48
(c) Provisions	18	235.66	121.80
Total current liabilities		33,893.96	30,041.43
Total Equity & Liabilities		1,03,284.32	99,721.94
Significant accounting policies	1		
Notes to the financial statements	2-54		

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

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

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

Place: New Delhi
Date : 27th May, 2022

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

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

Deepak Kejriwal
(DIN : 07442554)
Managing Director

Sushil Kumar Mishra
Chief Financial Officer

M.L.Birmiwala
President-Finance &
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	21	73,988.51	54,096.11
II Other income	22	670.68	628.72
III Total income (I + II)		74,659.19	54,724.83
IV Expenses			
Cost of Materials Consumed	23	50,840.29	35,660.49
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(941.84)	(1,545.90)
Employee benefits expense	25	3,206.06	2,666.89
Finance costs	26	4,129.23	4,102.89
Depreciation and amortization expense	27	2,912.66	2,855.70
Other expenses	28	15,373.84	11,409.48
Total expenses		75,520.24	55,149.55
V Profit/(Loss) before exceptional items and tax (III - IV)		(861.05)	(424.72)
VI Exceptional items	30	-	-
VII Profit/(Loss) before tax (V - VI)		(861.05)	(424.72)
VIII Tax expense/(benefit)	36		
(1) Current tax		-	99.60
(2) Deferred tax		(485.03)	420.36
(3) Tax adjustment of earlier years		0.09	(516.51)
(4) Minimum Alternate Tax (Credit) Entitlement		(0.09)	(99.60)
IX Profit / (Loss) for the year (VII - VIII)		(376.02)	(328.57)
X Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	29	(71.76)	14.63
(ii) Income tax relating to items that will not be reclassified to profit or loss		26.09	(4.98)
Total Other Comprehensive Income for the year		(45.66)	9.65
XI Total Comprehensive Income for the year (IX + X)		(421.68)	(318.92)
XII Profit attributable to:			
Owners of the Company		(744.33)	(84.77)
Non-controlling interests		368.31	(243.80)
XIII Other Comprehensive income attributable to:			
Owners of the Company		(49.16)	9.19
Non-controlling interests		3.50	0.46
XIV Total Comprehensive income attributable to:			
Owners of the Company		(793.49)	(75.58)
Non-controlling interests		371.81	(243.34)
XV Earnings per equity share:	37		
(1) Basic		(51.59)	(5.88)
(2) Diluted		(51.59)	(5.88)
Significant accounting policies	1		
Notes to the financial statements	2-54		

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

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

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

Place: New Delhi
Date : 27th May, 2022

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

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

Deepak Kejriwal
(DIN : 07442554)
Managing Director

Sushil Kumar Mishra
Chief Financial Officer

M.L. Birmiwala
President-Finance &
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

	(₹ in Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) Before Tax	(861.05)	(424.72)
Adjustments for :		
Depreciation & amortisation expense	2,912.66	2,855.70
Unrealised Foreign Exchange Fluctuation Loss/(Gain)	22.60	45.68
Finance Cost	4,129.23	4,102.89
Provision for Liquidated Damages/ Bad Debts W/off	(9.97)	38.31
Liability/Sundry Balance Written back	(308.84)	(163.61)
Provision for Employee Benefits	108.47	(90.28)
Re-measurement of defined benefit plans transferred to OCI	(71.76)	14.63
Rental Income	(659.20)	(372.55)
Interest Income	(214.08)	(156.79)
Profit on Sale of Property, Plant & Equipment	(0.01)	(82.83)
Deferred Government Grant transferred	(14.63)	(14.63)
Operating Profit Before Working Capital Changes	5,033.41	5,751.80
Adjustments for:		
(Increase)/Decrease in Trade Receivables	(235.54)	(6,460.16)
(Increase)/Decrease in Loans and Other Assets	772.42	1,877.43
(Increase)/Decrease in Inventories	(2,697.40)	(2,052.13)
Increase/(Decrease) in Trade Payable, Provisions & Other liabilities	957.74	8,047.18
Cash Generated from Operations	3,830.65	7,164.13
Direct Tax Paid (net of refund)	184.49	(123.94)
Net Cash Inflow /(Outflow) from Operating Activities	3,646.16	7,040.18
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition / Purchase of PPE & Other Intangible Assets	(2,315.17)	(2,192.49)
Sale Proceeds of Property, Plant & Equipment (PPE)	0.23	145.86
Purchase of Investment Property	(32.95)	(190.48)
Purchase of Investment	-	-
Sale of Investments in shares / mutual funds	-	-
Interest Income Received	286.21	(356.92)
(Investment)/Redemption in Term Deposit with bank as margin money (including unclaimed dividend)	1,163.24	(907.56)
Rental Income	647.46	375.44
Loan given to Subsidiary (net)	-	-
Net Cash Inflow /(Outflow) from Investing Activities	(250.98)	(3,126.14)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From / (Repayment) of Short Term Borrowings (net)	(1,223.14)	(2,940.06)
Loan taken from /(repaid to) Related parties	2,182.05	1,955.86
Proceeds from /(Repayment) of Long term Borrowings	2,986.11	1,155.31
Finance Cost Paid	(4,455.31)	(4,500.64)
Repayment of Lease Liability	(14.40)	(19.20)
Dividend Paid (including DDT)	-	(0.54)
Net Cash Inflow /(Outflow) from Financing Activities	(524.69)	(4,349.26)
Net Increase/ (Decrease) in cash & cash equivalents	2,870.49	(435.22)
Cash & cash equivalents at Beginning of the Year	586.72	1,021.94
Cash & cash equivalents at End of the Year	3,457.21	586.72
Components of cash & cash equivalents:		
- Balance with Banks : On current accounts	13.95	32.75
- Cash on hand	10.37	4.11
- Term Deposits with Banks (with maturity of less than 3 months)	3,432.89	549.86
	3,457.21	586.72

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

Significant accounting policies 1
Notes to the financial statements 2-54

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

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

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

Place: New Delhi
 Date : 27th May, 2022

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

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

Deepak Kejriwal
 (DIN : 07442554)
 Managing Director

Sushil Kumar Mishra
 Chief Financial Officer

M.L.Birmiwala
 President-Finance &
 Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

A Equity Share Capital

Particulars	Issued		Subscribed & fully paid up		
	Equity shares of ₹ 10 each	No of Shares	Amount	No of Shares	Amount
As at March 31, 2021		1443000	144.30	1442885	144.29
As at March 31, 2022		1443000	144.30	1442885	144.29

B Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Equity Component of	Grand Total		
	Capital Redemption Reserve	General Reserve	Surplus/ (Deficit)	Remeasurement of Defined Benefit Plans	Redeemable Preference Share Capital (Net of Taxes)	Total Attributable to Owners of the Company	Non-Controlling Interests	Total
Balance as at 01.04.2020 (A)	26.44	39,545.72	(3,670.17)	(19.18)	4,848.37	42,346.77	4,384.23	87,462.17
Non-Controlling Interest in Subsidiary	-	-	-	-	-	-	-	-
Profit for the year	-	-	(328.57)	-	-	(84.77)	(243.80)	(657.14)
Items of OCI for the year ended, net of tax-	-	-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	9.65	-	9.19	0.46	19.30
Total Comprehensive Income for the year 2020-21 (B)	-	-	(328.57)	9.65	-	(75.58)	(243.34)	(637.84)
Increase / Reductions during the year	-	-	-	-	-	-	-	-
Proposed Dividend on Equity	-	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-
Leases: Ind-AS 116 transition effect	-	-	-	-	-	-	-	-
Non-Controlling Interest in Subsidiary	-	-	-	-	-	-	-	-
Transferred to / (from) - Surplus / (Deficit)	-	-	-	-	-	-	-	-
Total (C)	-	-	-	-	-	-	-	-
Balance as at 31.03.2021 (A)+(B)+(C) (D)	26.44	39,545.72	(3,998.74)	(9.53)	4,848.37	42,271.19	4,140.89	86,824.33
Non-Controlling Interest in Subsidiary	-	-	-	-	-	-	-	-
Profit for the year	-	-	(421.68)	-	-	(744.33)	368.31	(797.70)
Items of OCI for the year ended, net of tax-	-	-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	(45.66)	-	(49.16)	3.50	(91.32)
Total Comprehensive Income for the year 2021-22 (E)	-	-	(421.68)	(45.66)	-	(793.49)	371.81	(318.92)
Leases: Ind-AS 116 transition effect	-	-	-	-	-	-	-	-
Total (F)	-	-	-	-	-	-	-	-
Balance as at 31.03.2022 (D)+(E)+(F) (G)	26.44	39,545.72	(4,420.42)	(55.19)	4,848.37	41,477.70	4,512.70	86,505.41

Significant accounting policies Notes to the financial statements

1
2-54

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

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

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

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

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

Deepak Kejriwal
(DIN : 07442554)
Managing Director

Place: New Delhi
Date : 27th May, 2022

Sushil Kumar Mishra
Chief Financial Officer

M.L.Birmiwala
President-Finance &
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

GROUP INFORMATION

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

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

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on 27th May, 2022.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

(a) Statement of compliance

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

(b) Historical cost convention

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

(c) Rounding of Amounts

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

1.2 The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits.
- ii. The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind-AS 110), "Consolidated Financial Statements" and using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The subsidiary companies considered in the consolidated financial statements are as under:

Name	Country of Incorporation	Percentage of Ownership
Hindusthan Speciality Chemicals Ltd.	India	58.50%

- iii. The parent company's portion of equity in the subsidiary is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiary on the date of investment.
- iv. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

1.3 Current & non-current classification:

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

Assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

Liabilities

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

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

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

1.4 Property, Plant and Equipment and Intangible Assets

(i) Property, Plant and Equipment

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

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

(ii) Capital work in progress and Capital advances:

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

(iii) Intangible Assets

• Acquired Intangible Assets

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

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

• Internally generated intangible assets

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

(iv) Derecognition

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

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

(v) Depreciation and Amortisation**• Depreciation**

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

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

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

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

• Amortisation

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

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

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

1.5 Impairment

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

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

1.6 Revenue Recognition

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

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

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

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

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

1.7 Government grants and subsidies

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

1.8 Inventory

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

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

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

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

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

1.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Assets

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

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

a) Effective interest method

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

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

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

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

c) Financial assets at fair value through profit & loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit & loss. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

B) Financial Liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1.10 Derivative financial instrument

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

1.11 Measurement of Fair Values

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

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

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

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

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

1.12 Investment in Subsidiary Companies

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

1.13 Foreign Currency Translation

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

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

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

Exchange differences arising out of these translations are recognized in the Other Comprehensive Income.

1.14 Income Taxes

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

Current tax:

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

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

Deferred tax:

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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

Presentation of current and deferred tax:

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

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

1.15 Provisions and Contingencies

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

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

1.16 Cash and Cash Equivalents

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

1.17 Employee Benefits

Short Term Employee Benefits:

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

Post-Employment Benefits:

I. Defined Contribution plans:

Recognition and measurement of defined contribution plans:

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

II. Defined Benefit plans:

Recognition and measurement of Defined Benefit plans:

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

Other Long Term Employee Benefits:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

1.18 Research & Development

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

1.19 Borrowing Cost

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

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

1.20 Operating Segment

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

1.21 Events after Reporting date

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

1.22 Earnings Per Share

a) *Basic earnings per share*

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

b) *Diluted earnings per share*

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

1.23 Investment properties

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

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

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

1.24 Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items

1.25 Leases

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

Company as a lessee

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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

Right-of-use assets

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

Lease Liability

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

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

Short-term leases and leases of low-value assets

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

1.26 Key Accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a. Property, Plant and Equipment

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

b. Defined benefit obligation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

c. Fair value measurement of Financial Instruments

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

d. Income taxes

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

2 Property, Plant & Equipment

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & equipment	QC Laboratory Instruments	R&D Laboratory Instruments	Computers & IT equipment	Office equipment	Furniture & fixtures	Motor Vehicle	ROU Asset	Total
Gross Block												
As at 01.04.2020	1,745.60	913.12	16,090.04	33,306.93	141.24	148.71	120.76	212.58	591.33	429.02	46.26	53,745.59
Additions	-	44.48	-	1,775.48	19.39	23.92	6.61	3.70	52.54	0.19	-	1,926.32
Disposals	-	-	-	(649.81)	-	-	-	-	-	(15.92)	-	(665.74)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2021	1,745.60	913.12	16,134.52	34,432.60	160.63	172.64	127.37	216.28	643.87	413.29	46.26	55,006.17
As at 01.04.2021	1,745.60	913.12	16,134.52	34,432.60	160.63	172.64	127.37	216.28	643.87	413.29	46.26	55,006.17
Additions	-	-	47.12	1,425.12	6.04	65.28	11.09	22.44	11.70	96.78	-	1,685.56
Disposals	-	-	-	-	-	-	(0.39)	(0.52)	(0.83)	-	-	(1.75)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2022	1,745.60	913.12	16,181.64	35,857.72	166.67	237.91	138.07	238.19	654.74	510.07	46.26	56,689.98
Depreciation												
As at 01.04.2020	-	62.07	2,945.42	11,201.88	14.04	14.79	87.35	172.06	206.94	244.85	16.82	14,966.22
Charge for the year	-	8.92	518.97	1,882.38	14.51	15.46	13.48	13.35	56.15	46.35	16.82	2,586.39
Disposals	-	-	-	(585.56)	-	-	-	-	-	(14.85)	-	(600.41)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2021	-	70.98	3,464.39	12,498.70	28.55	30.25	100.83	185.41	263.09	276.35	33.64	16,952.20
As at 01.04.2021	-	70.98	3,464.39	12,498.70	28.55	30.25	100.83	185.41	263.09	276.35	33.64	16,952.20
Charge for the year	-	8.92	516.14	1,949.50	15.53	17.23	10.31	12.10	60.90	51.61	12.62	2,654.86
Disposals	-	-	-	-	-	-	(0.37)	(0.50)	(0.67)	-	-	(1.53)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2022	-	79.90	3,980.53	14,448.20	44.08	47.48	110.77	197.01	323.33	327.97	46.26	19,605.52
Net Block												
As at 31.03.2021	1,745.60	842.13	12,670.14	21,933.90	132.08	142.39	26.54	30.87	380.78	136.94	12.62	38,053.97
As at 31.03.2022	1,745.60	833.22	12,201.11	21,409.52	122.59	190.43	27.30	41.18	331.41	182.10	0.00	37,084.46

3 Capital Work in Progress

Particulars	Capital Work In Progress
As at 31.03.2021	147.71
As at 31.03.2022	769.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

4 Investment Properties

Particulars	Land at Banera	Land at Bangalore (including Site development)	Land at Khurda	Land at Faridabad	Building at Faridabad	Total
Gross Block						
As at 01.04.2020	0.91	1,123.21	-	19,046.00	763.00	20,933.12
Additions	-	-	-	-	190.48	190.48
Other adjustments	-	(24.35)	-	-	-	(24.35)
As at 31.03.2021	0.91	1,098.86	-	19,046.00	953.48	21,099.24
As at 01.04.2021	0.91	1,098.86	-	19,046.00	953.48	21,099.24
Additions	-	-	-	-	32.95	32.95
Other adjustments	-	-	-	-	-	-
As at 31.03.2022	0.91	1,098.86	-	19,046.00	986.43	21,132.19
Depreciation						
As at 01.04.2020	-	-	-	-	329.28	329.28
Charge for the year	-	-	-	-	21.36	21.36
Other adjustments	-	-	-	-	-	-
As at 31.03.2021	-	-	-	-	350.64	350.64
As at 01.04.2021	-	-	-	-	350.64	350.64
Charge for the year	-	-	-	-	33.96	33.96
Other adjustments	-	-	-	-	-	-
As at 31.03.2022	-	-	-	-	384.60	384.60
Net Block						
As at 31.03.2021	0.91	1,098.86	-	19,046.00	602.84	20,748.60
As at 31.03.2022	0.91	1,098.86	-	19,046.00	601.83	20,747.59
Fair Value #						
As at 31.03.2021	0.91	7,507.50	-	19,768.93	1,242.91	28,520.25
As at 31.03.2022	0.91	8,002.50	-	22,928.88	1,242.91	32,175.20

Estimation of Fair Value

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

	Year ended March 31, 2022	Year ended March 31, 2021
Rental income derived from investment properties	659.20	375.44
Direct operating expenses (including repairs and maintenance) generating rental income	107.72	61.95
Income arising from investment properties before depreciation	551.48	313.50
Depreciation	33.96	21.36
Income arising from investment properties (Net)	517.51	292.14

Premises given on operating lease:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

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

	As at March 31, 2022	As at March 31, 2021
For a period not later than one year	699.00	587.35
For a period later than one year and not later than five years	2,649.76	1,362.54
For a period later than five years	-	-
Total	3,348.76	1,949.89

5(a) Other Intangible Assets

Particulars	Computer softwares	Product Development	Intangible Assets	Total
Gross Block				
As at 01.04.2020	242.90	135.00	1,642.91	2,020.81
Additions	21.35	-	172.78	194.13
Disposals	-	-	-	-
As at 31.03.2021	264.24	135.00	1,815.69	2,214.94
As at 01.04.2021	264.24	135.00	1,815.69	2,214.94
Additions	6.28	-	-	6.28
Disposals	-	-	-	-
Other adjustments	-	-	-	-
As at 31.03.2022	270.53	135.00	1,815.69	2,221.22
Amortization				
As at 01.04.2020	176.39	86.87	171.94	435.21
Charge for the year	45.92	27.49	174.54	247.95
Disposals	-	-	-	-
Adjustments	-	-	-	-
As at 31.03.2021	222.31	114.37	346.48	683.15
As at 01.04.2021	222.31	114.37	346.48	683.15
Charge for the year	18.46	20.64	184.73	223.83
Disposals	-	-	-	-
Adjustments	-	-	-	-
As at 31.03.2022	240.77	135.00	531.21	906.98
Net Block				
As at 31.03.2021	41.93	20.64	1,469.21	1,531.78
As at 31.03.2022	29.75	(0.00)	1,284.48	1,314.24

5(b) Intangible Assets under development

Particulars	Total
As at 31.03.2021	26.06
As at 31.03.2022	27.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

6 Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
Investments in Equity Shares				
b) Unquoted Equity Shares (Measured at Cost)				
Narmada Clean Tech Limited (NCTL)	-	30.00	-	30.00
Total	-	30.00	-	30.00

Aggregate amount of unquoted investments	As at March 31, 2022		As at March 31, 2021	
	No. of Units	Amount	No. of Units	Amount
Investments in Equity Shares				
Narmada Clean Tech Limited (NCTL)(Rs 10 each)	3,00,000	30.00	3,00,000	30.00

7 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Raw materials - In hand	4,183.80	2,830.08
(II) Work-in-Progress	5,198.05	4,296.13
(III) Finished Goods	4,369.90	4,221.74
(IV) Stores & Spares and Packing	2,131.15	1,729.76
(V) Stock in Trade	2.21	2.21
(VI) Scrap	65.01	172.81
Total	15,950.11	13,252.72

(i) For method of valuation of inventories, refer note 1.8

(ii) The provision in respect of excess, slow-moving, damaged, or obsolete inventories lying in books is NIL (Prev year - ₹ 1713.80 Lakhs) for Work in Progress & ₹ 58.53 Lakhs (Prev year - ₹ 58.53 Lakhs) for Stores & Spares.

8 Trade Receivables

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Trade receivables considered good - Secured			300.26	462.88
- Unsecured, considered good (over six months)			-	-
- Unsecured, considered good (others)			-	-
Trade receivables considered good - Unsecured			18,367.87	19,748.42
Trade receivables which have significant increase in credit risk			-	-
Trade receivables - credit impaired			-	-
Total			18,668.12	20,211.30
Less: Loss allowance			-169.14	-111.53
Total			18,498.98	20,099.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

9 Cash & cash equivalents and Other Bank Balances

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Cash and Bank Balances				
(I) Cash & cash equivalents				
(i) Balance with Banks				
Current Accounts			13.95	32.75
(ii) Cash on Hand			10.37	4.11
(iii) Deposits with Banks held as Margin money/Security (Maturity of less than three months)			3,432.89	549.86
	-	-	3,457.21	586.72
(II) Other Bank Balances				
Earmarked Balances with Banks - Unclaimed Dividend	-	-	0.97	1.25
Deposits with Banks held as Margin money/ Security (Maturity of more than 3 months and upto 12 months)	-	-	277.68	1,645.10
	-	-	278.65	1,646.35
Total	-	-	3,735.86	2,233.07

10 Loans

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Unsecured, considered good				
Loans to employees	1.33	1.35	0.42	3.10
Total	1.33	1.35	0.42	3.10

Break-up of security details

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good - Secured	-	-
Loans considered good - Unsecured	1.75	4.45
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	1.75	4.45

11 Financial Assets: Others

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Unsecured, considered good				
Interest accrued but not Due - Unsecured	-	-	65.37	53.17
Unamortized premium on Forward contract	-	-	-	-
SGST Incentive Receivable	-	-	464.36	-
Interest receivable	-	-	2.69	-
Insurance Claim Receivable	-	-	1.93	-
Mark to Market Balance against outstanding forward contract	-	-	-	20.09
Deposits with Banks held as Margin money/ Security (Maturity of more than twelve months)	230.01	25.55	-	-
	-	-	-	-
Total	230.01	25.55	534.36	73.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

12 Current Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Payment of Tax / TDS / TCS (Net of Provision for Income Tax)	277.41	91.30
Total	277.41	91.30

13 Other Assets

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
(I) Capital Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	303.20	153.91	-	-
(II) Security Deposits				
Secured, considered good				
Unsecured, considered good				
(A) (i) Sales Tax (Under Litigation)	202.92	202.92	-	-
(ii) Municipal Corporation (Under Litigation)	5.15	5.15	-	-
(iii) Central Excise & Custom (Under Litigation)	5.14	6.29	-	-
(iv) Electricity Board (Under Litigation)	27.91	27.91	-	-
(B) Others -				
I) Tender	97.87	96.66	-	-
II) Electricity	342.23	287.25	-	-
III) Others	515.90	409.20	-	-
Less: Provision for doubtful deposits	-0.00	-	-	-
(III) Earnest Money Deposit - Lien Fixed Deposit	-	-	-	-
- Others	51.81	91.81	-	-
(IV) Deposit/ Credit with Government Authorities				
Custom, Excise & Service Tax , GST	-	-	1,838.07	867.40
MEIS License	-	-	16.05	-
Sales tax	-	0.49	26.07	26.07
Electricity Duty	-	-	-	-
(V) Subsidies/ incentives receivable from Central/ State government	-	-	-	488.41
(V) Advances to Suppliers	-	-	426.29	351.57
Less: Provision for doubtful advances	-	-	-	-3.90
(VI) Advance to Employees	3.43	-	24.01	39.68
Less: Provision for doubtful advances	-	-	-	-
VII) Others				
Related Parties	-	-	-	13.97
Others	11.82	20.63	184.58	318.24
Total	1,567.37	1,302.24	2,515.08	2,101.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

14 Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
25,00,000 (31 March 2020 : 25,00,000) Equity Shares of ₹ 10/-each.	250.00	250.00
Issued		
14,43,000 (31 March 2020 : 14,43,000) Equity Shares of ₹ 10/-each.	144.30	144.30
Subscribed & Fully Paid up		
14,42,885 (31 March 2020 : 14,42,885) Equity Shares of ₹ 10/-each.	144.29	144.29
Total	144.29	144.29

(a) Reconciliation of shares outstanding at the beginning and at end of the year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	14,42,885	144.29	14,42,885	144.29
Add:- Addition during the Year	-	-	-	-
Less:- Deletion during the Year	-	-	-	-
Closing Balance	14,42,885	144.29	14,42,885	144.29

(b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

Shares in respect of each class in the company held by its holding company rights ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate : NIL

Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts : NIL

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company has not Issued equity share capital including shares allotted for consideration other than cash during the last five years.

(c) Details of Shareholders holding more than 5% equity shares in the company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Equity Shares	Percentage Holding	No. of Equity Shares	Percentage Holding
Hindusthan Consultancy & Services Ltd.	7,08,825	49.12%	7,08,825	49.12%
Carbo Industrial Holdings Ltd	1,32,820	9.21%	1,32,820	9.21%
Promain Ltd	1,17,900	8.17%	1,17,900	8.17%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

15 Borrowings

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Secured Loans from Banks:				
a) - Term Loan (Rupee Loan)	9,730.17	8,694.26	2,145.79	1,528.48
Less:- Current Maturities	(2,145.79)	(1,528.48)	-	-
	7,584.38	7,165.77	2,145.79	1,528.48
b) - Term Loan (FCLR Loan)	4,132.50	4,897.11	592.15	475.59
Less:- Current Maturities	(592.15)	(475.59)	-	-
	3,540.35	4,421.52	592.15	475.59
c) Term Loan (GECL)	3,996.91	2,646.71	669.56	147.08
Less:- Current Maturities	(669.56)	(147.08)	-	-
	3,327.35	2,499.63	669.56	147.08
d) Unsecured Loans				
From Related parties (Unsecured)	-	-	6,090.00	3,907.95
	-	-	6,090.00	3,907.95
e) Liability Component of Redeemable Preference Shares	2,846.77	2,648.69	-	-
	2,846.77	2,648.69	-	-
f) Working Capital Facilities from Banks-Secured (Repayable on Demand)				
Foreign Currency Loan				
PCFC Loan	-	-	291.67	175.08
FCNR Loan	-	-	2,529.30	-
	-	-	2,820.97	175.08
Rupee loan				
Cash Credit	-	-	3,496.42	5,896.75
Working Capital Demand Loan	-	-	1,000.00	1,300.00
	-	-	4,496.42	7,196.75
Total	17,298.85	16,735.61	16,814.89	13,430.94

a) Term Loan (Rupee Loan)

(i) **Type of Loan :** 10.50% p.a. Term loan Canara Bank, New Delhi of ₹ 4500 Lakhs is sanctioned on 14.08.2015 by Canara Bank, New Delhi for our Khurda Projects against which ₹ 4064.34 Lakhs availed.

Nature of Security: The loan is secured by exclusive charge on land & building and other fixed/movable/immovable assets situated at Village-chmpajhara, Distt- Khurda, Bhubaneswer.

Terms of Repayment : The said loan is repayable in 32 quarterly structured instalments starting from quarter ending December' 2015 and ending on quarter ending November'2023.

(ii) **Type of Loan :** 7.85% p.a. GECL2.0 Term loan of ₹ 1010 Lakhs from Canara Bank is sanctioned on 03.03.2021 against which ₹ 800.01 lakh availed till 31.03.2022.

Nature of Security: Secured by second charge on primary security/collateral security

Terms of Repayment: The loan is repayable in 47 equated monthly instalments of ₹ 21 lakhs & last instalment of ₹ 23 lakhs after moratorium period of 12 months from the date of disbursement.

(iii) **Type of Loan :** 13.50% p.a. Term loan of ₹ 1150 Lakhs from State Bank of India.

Nature of Security : Secured by 1st Charge over fixed assets situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Terms of Repayment: The loan is repayable in 19 quarterly instalment of ₹ 60.93 Lakhs starting from Sep'2016 & ending on Sep'2021.

- (iv) **Type of Loan :** 7.75% p.a. Term loan of ₹ 400 Lakhs from State Bank of India as per Common COVID-19 Emergency Credit Line Scheme

Nature of Security: Secured by extension of charges on primary security/collateral security

Terms of Repayment: The loan is repayable in 18 equated monthly instalments of ₹ 23 lakhs starting from Sep'2020 and ending on Feb'2022.

- (v) **Type of Loan :** GECL (Guaranteed Emergency Credit Line) Loan sanctioned by State Bank of India @ 7.95% p.a. ₹ 852 Lakhs (Outstanding amount of ₹ 849.29 Lakhs)

Nature of Security: Secured by Second pari-passu charge over entire stock of raw material, finished goods, stock in process, consumable stores & spares, packing materials, book debts, outstanding monies, receivables, claims and bills etc. of IEC division of the company and Collateral security given as Second pari-passu charge on movable and immovable fixed assets of IEC division situated at Plot No. 1-8, New Industrial Area, Mandideep, Raisen, MP along with IDBI Bank.

Terms of Repayment: The same are repayable in 48 monthly instalments commencing from 31.10.2022.

- (vi) **Type of Loan :** Further GECL (Guaranteed Emergency Credit Line) Loan sanctioned by State Bank of India @ 7.95% p.a. ₹ 426 Lakhs (Outstanding amount of ₹ 425.96 Lakhs)

Nature of Security: Secured by Second pari-passu charge over entire stock of raw material, finished goods, stock in process, consumable stores & spares, packing materials, book debts, outstanding monies, receivables, claims and bills etc. of IEC division of the company and Collateral security given as Second pari-passu charge on movable and immovable fixed assets of IEC division situated at Plot No. 1-8, New Industrial Area, Mandideep, Raisen, MP along with IDBI Bank.

Terms of Repayment: The same are repayable in 48 monthly instalments commencing after a moratorium period 24 months from the date of disbursement respectively.

- (vii) **Type of Loan :** GECL (Guaranteed Emergency Credit Line) Loan sanctioned by IDBI @ 8.60% p.a. ₹ 400 Lakhs (Outstanding amount of ₹ 400 Lakhs)

Nature of Security: Secured by Second pari-passu charge over entire stock of raw material, finished goods, stock in process, consumable stores & spares, packing materials, book debts, outstanding monies, receivables, claims and bills etc. of IEC division of the company and Collateral security given as Second pari-passu charge on movable and immovable fixed assets of IEC division situated at Plot No. 1-8, New Industrial Area, Mandideep, Raisen, MP along with SBI Bank.

Terms of Repayment: The same are repayable in 48 monthly instalments commencing after a moratorium period 24 months from the date of disbursement respectively.

- (viii) **Term Loan** sanctioned by State Bank of Bikaner & Jaipur (merged with State Bank of India) @ 11.50% p.a. ₹ 5000 Lakhs and by State Bank of Hyderabad (merged with State Bank of India) @ 11.50 % p.a. ₹ 2500 Lakhs (Outstanding amount of ₹ 4329.58 Lakhs including interest amount of ₹ 1.23 Lakhs (Previous Year ₹ 4818.50 Lakhs including Interest Amount of ₹ 8.51 Lakhs)), by Andhra Bank (merged with Union Bank of India) @ 12.25% p.a. ₹ 3280 Lakhs (Outstanding amount of ₹ 2044.44 Lakhs (Previous Year ₹ 2280.37 Lakhs including Interest Amount of ₹ 21.49 Lakhs)) and by Corporation Bank (merged with Union Bank of India) @ 11.55% p.a. ₹ 6500 Lakhs (Outstanding amount of ₹ 4056.81 Lakhs (Previous Year ₹ 4552.94 Lakhs including Interest Amount of ₹ 37.61 Lakhs)) is secured by first pari-passu charge by way of mortgage of all the immovable properties and assets including project land (including leasehold right), first pari-passu charge by way of hypothecation on all of tangible movable fixed assets both present & future, interest, title, benefits, claims and demands in the material project documents, project clearances, letter of credit, guarantees, liquidated damages, performance bond and under insurance contracts, first pari-passu charge by overall bank account & profit after tax of the company & second pari-passu charge on the entire current assets of the company and Corporate Guarantee of holding company namely, Hindusthan Urban Infrastructure Ltd. The same is repayable in 25 quarterly instalments commencing from September 2021.

*Out of above, Term Loan sanctioned by State Bank of India @ 11.50 p.a. ₹ 7500 Lakhs which was outstanding as on 30.03.2022 amounting to ₹ 4144.00 Lakhs converted into FCNR Loan Amount of USD 5448330.27 @ ₹ 76.06 per USD equivalent to ₹ 4144.00 Lakhs (Previous Year ₹ 4810.00 Lakhs converted into FCNR Loan Amount of USD 66,57,080.10 @ ₹ 72.2539 per USD equivalent to ₹ 4810.00 Lakhs). Terms & conditions are same which are given in above paragraph.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

- b) **GECL (Guaranteed Emergency Credit Line)** Loan sanctioned by State Bank of India @ 7.95% p.a. ₹ 1100 Lakhs (Outstanding amount of ₹ 1084.51 Lakhs including interest amount of ₹ 7.43 Lakhs (Previous Year ₹ 1107.43 Lakhs including interest amount of ₹ 7.43 Lakhs)) and by Union Bank of India @ 7.80% p.a. ₹ 1535.00 Lakhs (Outstanding amount of ₹ 1532.35 Lakhs including interest amount of ₹ 6.94 Lakhs (Previous Year ₹ 1539.28 Lakhs including interest amount of ₹ 6.94 Lakhs)) are secured by second pari-passu charge by way of mortgage of all the immovable properties and assets including project land (including leasehold right), second pari-passu charge by way of hypothecation on all of tangible movable fixed assets both present & future, interest, title, benefits, claims and demands in the material project documents, project clearances, letter of credit, guarantees, liquidated damages, performance bond and under insurance contracts, second pari-passu charge by overall bank account & profit after tax of the company & second pari-passu charge on the entire current assets of the company and Corporate Guarantee of holding company namely, Hindusthan Urban Infrastructure Ltd. The same are repayable in 48 monthly instalments commencing from March 2022 respectively.
- c) **Further GECL (Guaranteed Emergency Credit Line)** Loan sanctioned by State Bank of India @ 7.95% p.a. ₹ 600 Lakhs (Outstanding amount of ₹ 604.05 Lakhs including interest amount of ₹ 4.05 Lakhs (Previous Year ₹ NIL)), and by Union Bank of India @ 7.85% p.a. ₹ 776.00 Lakhs (Outstanding amount of ₹ 776.00 Lakhs (Previous Year ₹ NIL)) are secured by second pari-passu charge by way of mortgage of all the immovable properties and assets including project land (including leasehold right), second pari-passu charge by way of hypothecation on all of tangible movable fixed assets both present & future, interest, title, benefits, claims and demands in the material project documents, project clearances, letter of credit, guarantees, liquidated damages, performance bond and under insurance contracts, second pari-passu charge by overall bank account & profit after tax of the company & second pari-passu charge on the entire current assets of the company and Corporate Guarantee of holding company namely, Hindusthan Urban Infrastructure Ltd. The same are repayable in 48 monthly instalments commencing after a moratorium period 24 months from the date of disbursement respectively.
- d) **Loans repayable on demand** - Inter-corporate loans taken during the year from related parties repayable on demand
- e) **Liability Component of Redeemable Preference Shares** : Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 9518.97 Lakhs issued on 12.12.2018. Present Value of Principal amount of such shares at the end of 20 years considered as Liability Component as per Ind-AS 32 using discount rate @ 7.50% is ₹ 2648.69 Lakhs. Interest expense recognised during the year as per Ind-AS 32 is ₹ 198.08 lakhs (Previous year - ₹ 184.79 Lakhs)
- f) **Working Capital Facilities for Banks :**
- (i) **Type of Loan:** Working Capital Facilities from Canara Bank for the Conductor Division against which drawing is ₹ 1278.31 Lakhs. (Previous year - ₹ 1123.52 Lakhs)
- Nature of Security :** Secured against hypothecation of stocks, book debts and plant & machinery both present & future at Village-champajhara, Distt- Khurda, Bhubaneswar & 12/1, Milestone, Delhi Mathura Road, Faridabad. & Plot No 1C, Industrial park, Sila Mouza, Kamrup, Guwahati, Assam and equitable mortgage of land and building at 12/ 1, Milestone, Delhi Mathura Road, Faridabad.
- (ii) **Type of Loan:** Working capital facilities from State Bank of India, Bhopal Branch & IDBI Bank, Bhopal Branch for the Insulator division against which drawing is ₹ 2411.46 Lakhs (Previous year - ₹ 5249.99 Lakhs). During the year Working capital facilities from IDBI Bank, Bhopal Branch ₹ 1000.00 Lakhs Converted into 9.65% WCDL in between 1st Feb'2022 to 4th Feb'2022.
- Nature of Security:** Secured against hypothecation of all types of stocks and book debts and other receivable situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P. or such other place as approved by bank and secured collaterally by way of second charge on fixed assets of insulators division situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.
- (iii) **Type of Loan:** PCFC Working Capital Loan from State Bank of India, Bhopal Branch & IDBI Bank, Bhopal Branch for the Insulator division against which drawing is 420823.10 USD @ 75.7925 amounting to ₹ 318.95 Lakhs as on 31.03.2022 (Previous year -241490 USD @ 72.50 amounting to ₹ 175.08 lakhs)
- (iv) **Type of Loan :** 9.78% p.a. FCNR CC limit of USD 3314000 from State Bank of India disbursed on 11.02.2022 against which drawing is 3337144 USD @ 75.7925 amounting to ₹ 2529.30 Lakhs as on 31.03.2022
- Nature of Security :** Secured against hypothecation of all types of stocks and book debts and other receivable situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P. or such other place as approved by bank and secured collaterally by way of second charge on fixed assets of insulators division situated at plot no 1-8, New Industrial area Mandideep, Tehsil-Goharganj, Distt-Raisen, M.P.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

(iv) **Type of Loan:** Working Capital Facilities from Union Bank of India (E-Andhra Bank & E-Corporation Bank) as well as State Bank of India for Chemical Division against which drawing is ₹ 806.65 Lakhs/- (Previous year - ₹ 823.24 Lakhs).

Nature of Security : Secured against hypothecation of first charge on stocks, book debts and second charge on plant & machinery and land & building.

Interest rate varies from 1% p.a. to 6% p.a. per annum on foreign currency denominated working capital facilities and it varies from 8% p.a. to 13% p.a. on rupee denominated working capital facilities.

16 Trade payables (including Acceptances)*

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Total outstanding dues of micro and small enterprises	255.68	279.25
Total outstanding dues of creditors other than micro and small enterprises	13,375.36	14,571.09
Total	13,631.04	14,850.34

*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

17 Other financial liabilities

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Interest accrued but not due on borrowings	-	-	153.84	19.97
Interest payable	-	-	167.48	110.23
Unclaimed dividend	-	-	0.97	1.25
Other Payables	-	-	1,334.27	490.14
Due to Micro and Small Enterprises (Capital Goods)	-	-	-	-
Creditors For Capital Goods	-	-	81.06	189.55
Other Deposits : Trade/Service deposits	128.51	25.52	73.62	180.91
Mark to Market Balance against outstanding forward contract	-	-	82.79	-
Lease Liabilities	-	-	-	13.82
Total	128.51	25.52	1,894.03	1,005.88

18 Provisions

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Provision for employee benefits	517.77	520.68	235.66	121.80
Contract Loss provision	1.24	1.24	-	-
Total	519.01	521.92	235.66	121.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

19 Deferred tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities on:		
- Fixed assets U/s-32	9,284.83	9,231.62
- Equity Component of Preference Share Capital	2,331.53	2,400.75
	11,616.36	11,632.36
Deferred tax assets on:		
- Bonus, gratuity & leave salary U/s-43B	280.84	234.05
- Provision for doubtful debts U/s-36(1)(vii)	59.09	38.97
- Business loss / Un Absorbed Depreciation U/s-72	3,985.53	3,563.85
- Other Temporary Differences	638.55	661.09
- Other Comprehensive Income	30.44	1.37
	4,994.45	4,499.34
MAT Credit Entitlement	1,356.81	1,356.71
Net Deferred Tax Liabilities	5,265.10	5,776.31

20 Other Liabilities

Particulars	Non-current		Current	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Advances from customers	-	-	132.91	66.54
Other Payables to Related Party	-	-	68.10	9.29
Rent Received in Advance	-	-	57.81	-
Interest on Sales tax Liability	-	-	-	51.44
Deferred Government Grants	28.01	42.64	14.63	14.63
Deferred Security Deposit (Rent)	16.19	22.13	11.12	9.13
Deferred Credit Note Received	-	-	48.56	-
Statutory Liabilities				
- Income Tax (TDS)	-	-	125.34	97.54
- Goods & Service Tax (GST)	-	-	827.73	348.19
- Others	-	-	32.13	35.72
Total	44.20	64.77	1,318.34	632.48

21 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products & services		
(I) Conductors & Cables	7,777.95	17,510.90
(II) Insulators	20,296.41	16,734.46
(III) Real Estate (Rental Income)	659.20	372.55
(IV) Epoxy Resin & Allied Products	44,270.18	18,818.17
	73,003.73	53,436.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

21 Revenue from operations (Contd.)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Other operating revenue		
(I) Scrap Sales	177.73	124.85
(II) Export Incentives	45.33	22.06
(III) Subsidy Income	14.63	513.12
(IV) SGST Incentive Income	747.08	-
	984.78	660.03
Revenue from Operations (Gross)	73,988.51	54,096.11

22 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) INTEREST INCOME		
From FDR's	178.03	103.58
From Customers	9.72	16.81
From Related Parties	-	-
From Others	26.34	43.81
(B) NET GAIN ON INVESTMENT		
Gain on Sale Of Investment measured at FVTPL	-	-
(D) OTHER NON- OPERATING INCOME		
Fluctuation in Exchange Rate (Net)	108.08	139.65
Claims Received (Net)	34.89	61.80
Profit on Sale of Fixed Assets	0.01	82.83
Liabilities No Longer Required & Sundry Credit Balance Written Back	308.84	162.77
Entry Tax Refund	-	-
Profit/(Loss) on Purchase of MEIS	0.52	-
Miscellaneous Income	4.24	17.48
Total	670.68	628.72
Total Revenue	74,659.19	54,724.83

23 Cost of Materials Consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw Material	50840.29	35660.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

24 Changes in inventories of finished goods, stock-in-trade & work-in-progress

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year		
Finished Goods	4,221.74	4,298.61
Work-In-Progress	4,296.13	2,790.19
Stock-in-trade	2.21	2.31
Scrap	172.81	55.86
	8,692.88	7,146.98
Inventories at the end of the year		
Finished Goods	4,369.90	4,221.74
Work-In-Progress	5,197.61	4,296.13
Stock-in-trade	2.21	2.21
Scrap	65.01	172.81
	9,634.72	8,692.88
Total	(941.84)	(1,545.90)

25 Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries & wages	2,929.34	2,450.45
Contribution to provident & other funds	191.95	144.04
Staff & Workmen welfare expenses	84.77	72.40
Total	3,206.06	2,666.89

26 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(1) INTEREST		
On Term Loan	1,701.42	1,536.90
On Working Capital Borrowings	1,273.24	1,588.14
On Exchange difference to the extent considered as an adjustment to borrowing cost	-	-
On Liability Component of Redeemable Preference Share Capital	198.08	184.79
On Lease Liability	0.58	2.31
On Others	526.83	382.85
	3,700.15	3,694.99
(2) OTHER BORROWING COST		
Bank Charges	429.08	407.90
Total	4,129.23	4,102.89

27 Depreciation and amortization expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of Property, plant & equipment	2,642.25	2,569.57
Depreciation on Investment Properties	224.30	21.37
Amortization of Intangible assets	33.50	247.94
Depreciation of Right of Use Asset	12.62	16.82
Total	2,912.66	2,855.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

28 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
MANUFACTURING EXPENSES		
(i) Stores & Spares	1,105.92	1,113.27
(ii) Packing & Forwarding Expenses (Net)	2,454.70	1,403.51
(iii) Power & Fuel	7,060.66	4,801.84
(iv) Repairs to Building	80.44	28.24
(v) Repairs to Machinery	277.84	223.90
(vi) Jobs on Contract	2,815.20	2,683.28
SELLING AND ADMINISTRATION		
(i) Rent	74.46	27.31
(ii) Insurance	98.44	92.98
(iii) Rates & Taxes	67.99	77.80
(iv) Repairs - Others	60.96	54.01
(v) Directors Meeting Fees	7.95	6.38
(vi) Payment to Auditors	7.16	5.39
(vii) Charity & Donation	13.85	-
(viii) Brokerage & Commission	30.52	50.06
(ix) Bad Debts Written off	6.27	0.90
(x) Allowance for Doubtful Debts	(9.97)	37.41
(xi) Legal & Professional Charges	453.40	-
(xii) Travelling & Conveyance	220.81	-
(xiii) Security Charges Paid	117.80	-
(xiv) Miscellaneous Expenses	429.43	803.21
Total	15,373.84	11,409.48

29 Other Comprehensive Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(71.76)	14.63
	(71.76)	14.63
Items that will be reclassified to profit or loss		
	-	-
	-	-
Total	(71.76)	14.63

30 Exceptional items

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Exceptional items	-	-
Total	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

31 Contingent Liabilities & Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
(1) Contingent liabilities (to the extent not provided for)		
(A) Guarantee		
(a) The Parent Company has given following corporate guarantees on behalf of group companies under sales tax, excise, custom etc.:		
Hindusthan Engineering Industries Ltd (Group company), under sales tax, excise, custom etc	572.24	572.24
(b) Outstanding guarantees furnished by banks on behalf of the group	2,943.95	6,873.66
(c) Outstanding letters of credit furnished by banks on behalf of the group	11,039.95	9,943.39
(B) Claims against group, disputed by the group, not acknowledged as debt:		
(a) Income Tax demand under appeal *	23.51	23.51
(b) Excise Duty show cause notices/demands under appeal	62.13	138.24
(c) Claims against the group for Sales/Purchase Tax/VAT	442.40	977.44
(d) Claims against the group for Labour Cases/MCF & Other under litigation	193.03	206.62
*These demand includes ₹ 4.28 Lacs pertaining to ITAT Appeal order effect not given by the Income Tax department. The parent company has filed rectification application for the same demand.		
(2) Commitments as at year end: (to the extent not provided for)		
(A) Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account (Net of advances)	618.86	2.00
(B) Other Commitments:		
(i) Sales order to be executed against Government and Private Contracts	7,510.11	23,358.17
(ii) Liability in respect of sales bills discounted with banks/NBFC's	829.43	1,844.59

32 Disclosure requirement under MSMED Act, 2006

The Group has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

There are no micro and small enterprises, to whom the group owes dues, which are outstanding for more than 45 days as at 31 March 2022. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Group. The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due and remaining unpaid to any supplier at the end of the each accounting year	255.68	279.25
The amount of interest paid by the buyer in term of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 (27 of 2006), alongwith the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment(which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small & Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year, and	-	-
The amount of further interest remaining due and payable in succeeding year, until such interest when the interest dues above are actually paid to the small enterprises, for the purpose of disallowances on account of deductible expenditure under section 23 of the Micro, Small & Medium Enterprises Development Act, 2006.	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

33 Employee Benefits

As per Ind-AS 19 on "Employee Benefits," the disclosures of Employee Benefits are given below:

a) Defined Contribution Scheme

Particulars	As at March 31, 2022	As at March 31, 2021
Contribution to Defined Contribution Plan, recognized for the year are as under:		
Employer's Contribution to Provident Fund	108.83	65.31
Employer's Contribution to Pension Fund	67.38	64.19
Employer's-ESI Contribution	14.90	14.55
Total	191.11	144.04

b) Defined Benefit Scheme

Disclosure as required by Ind AS 19 on Employee Benefits in respect of gratuity and leave encashment are as follows:

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2021-22	2020-21	2021-22	2020-21
Net expenses recognised during the year 2021-22				
Current Service Cost	23.03	15.37	47.06	33.76
Interest Cost	3.77	5.38	33.74	38.79
Expected return on plan assets	-	-	-	-
Actuarial Losses / (Gains)	10.72	(12.75)	71.76	(14.63)
Past Service Cost	(2.72)	-	-	-
Net benefit expenses	34.80	8.00	152.55	57.92
Net assets/(Liability) recognized in Balance Sheet as at 31st March, 2022				
Present Value of Defined Benefit	-	-	-	-
Obligation	86.82	59.15	667.63	583.33
Fair Value of plan assets	-	-	-	-
Net Liabilities recognised in Balance Sheet	86.82	59.15	667.63	583.33
Change in the Present value of obligation over the year ended 31st March, 2021				
Present Value of Defined Benefit	-	-	-	-
Obligation as on 1st April, 2021	59.16	98.56	583.33	627.53
Interest Cost	13.41	5.38	44.31	38.79
Past Service Cost	0.99	-	1.47	-
Current Service Cost	12.40	15.37	35.02	33.76
Benefits Paid	(14.65)	(47.41)	(79.67)	(102.12)
Actuarial (Gain) / loss on obligation	15.51	(12.75)	83.16	(14.63)
Present Value of Defined Benefit Obligation as on 31st March, 2022	86.82	59.15	667.63	583.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Other Comprehensive Income	Gratuity (Non-Funded)	
	2021-22	2020-21
Actuarial (gains) / losses		
change in demographic assumptions	-	0.00
change in financial assumptions	88.53	-16.18
experience variance (i.e. Actual experience vs assumptions)	-16.78	1.56
others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	71.76	-14.63

Major Actuarial Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	Segment	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
		2021-22	2020-21	2021-22	2020-21
Financial Assumptions					
Discount Rate					
(based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities)	Conductor	7.05%	6.53%	7.05%	6.53%
	Insulators	6.77%	5.60%	6.77%	5.60%
	Chemical	7.12%	6.80%	7.12%	6.80%
Salary increase					
(based on account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis)	Conductor	5.00%	5.00%	5.00%	5.00%
	Insulators	5.00%	5.00%	5.00%	5.00%
	Chemical	5.00%	5.00%	5.00%	5.00%
Demographic Assumptions					
Mortality Rate (% of IALM 2012-14)	Conductor	100.00%	100.00%	100.00%	100.00%
(inclusive of provision for disability)	Insulators	100.00%	100.00%	100.00%	100.00%
	Chemical	100.00%	100.00%	100.00%	100.00%
Withdrawal rates, based on age:(per annum)	Conductor	3.00%	3.00%	3.00%	3.00%
Up to 30 years	Insulators	0.50%	0.50%	0.50%	0.50%
	Chemical	3.00%	3.00%	3.00%	3.00%
31 - 44 years	Conductor	2.00%	2.00%	2.00%	2.00%
	Insulators	0.20%	0.20%	0.20%	0.20%
	Chemical	2.00%	2.00%	2.00%	2.00%
Above 44 years	Conductor	1.00%	1.00%	1.00%	1.00%
	Insulators	0.10%	0.10%	0.10%	0.10%
	Chemical	1.00%	1.00%	1.00%	1.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Sensitivity Analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Leave Encashment (Non-Funded)	Gratuity (Non-Funded)
	2021-22	2021-22
Impact of the change in discount rate		
Present Value of Obligation at the end of the period	86.81	666.61
Impact due to increase of 0.50 %/1.00%	(3.21)	(12.81)
Impact due to decrease of 0.50 %/1.00%	3.49	13.60
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	86.81	666.61
Impact due to increase of 0.50 %/1.00%	3.54	13.78
Impact due to decrease of 0.50 %/1.00%	(3.27)	(13.08)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

The defined benefit obligations shall mature after the end of reporting period is as follows:

	Leave Encashment (Non-Funded)	Gratuity (Non-Funded)
	2021-22	2021-22
Expected cash flows over the next (valued on undiscounted basis):		
1 Year	27.64	208.02
1 to 6 years	21.90	329.63
More than 6 years	37.27	118.11

Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows -

- A) Salary Increases : Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk : If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability : Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

34. Related Party Disclosures

A. List of Related Parties and relatives with whom transactions have taken place

Enterprise which have significant influence over the group

Hindusthan Consultancy and Services Ltd.

Director(s)/ Key Managerial Personnel :

Mr. Raghavendra Anant Mody, Chairman & Whole-time Director

Mr. Deepak Kejriwal, Managing Director

Mr. Shyam Sunder Bhuwania, Director

Ms. Suman Lata Saraswat, Independent Director (Resigned on 11.11.2021)

Mr. Mool Chand Gauba, Independent Director

Mr. Sadhu Ram Bansal, Independent Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Ms. Deepika Agrawal, Independent Director (Appointed on 13.11.2021)
Mr. Murari Lal Birmiwala, President - Finance & Secretary
Mr. Sushil Kumar Mishra, Chief Finance Officer
Mr. Rahul Sahni, Chief Financial Officer (CFO) at Hindusthan Speciality Chemicals Ltd.
Mr. Neeraj Jain, Company Secretary at Hindusthan Speciality Chemicals Ltd.
Mr. Praveen Kumar Saini, Deputy General Manager at Hindusthan Speciality Chemicals Limited (Appointed as on 01.04.2021)

Relatives of Director(s)/Key Managerial Personnel :

Mrs Sanchita Mody

Ms Devhuti Mody

Others

Hindusthan Vidyut Products Ltd, Employees Provident Fund Trust

Hindusthan Engineering & Industries Ltd.

Promain Ltd.

Orient Bonds and Stock Limited

Pradyumna Steels Ltd

Paramount Enterprises Ltd

Intercontinental Trading and Investment Company Ltd.

Olympic General Trading Ltd.

Ratlam Industrial Ltd

Associated General Trading Society Ltd.

Hindusthan M-I Swaco Limited

Mody Education Foundation

B. Transactions with related parties

The following transactions were carried out with the related parties in the ordinary course of business.

i) With parties other than Directors / Key Managerial personnel

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
R & D expenses paid		
Mody Education Foundation	-	7.47
Purchase of Stores & Spares/PPE		
Hindusthan Engineering & Industries Ltd	-	-
Hindusthan M-I Swaco Limited	6.50	2.09
Sale of PPE /Goods		
Hindusthan M-I Swaco Limited	1.96	10.36
Rent paid /payable		
Promain Limited	76.95	24.78
Hindusthan Engineering & Industries Ltd	0.14	0.14
Hindusthan Consultancy and Services Ltd.	4.67	3.83
Reimbursement of Expenses Received /Receivable		
Hindusthan Engineering & Industries Ltd.	1.30	3.07
Hindusthan Consultancy and Services Ltd.	-	4.41
Reimbursement of Expenses Paid /Payable		
Hindusthan Engineering & Industries Ltd.	3.39	0.46
Brand Fee Paid		
Hindusthan Consultancy and Services Ltd.	20.04	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Provident Fund Deposit (Paid/Payable)		
Hindusthan Vidyut Products Ltd Employees Provident Fund Trust	71.79	76.62
Interest Paid / Payable		
Hindusthan Consultancy and Services Ltd.	80.25	28.32
Hindusthan Engineering & Industries Ltd	138.70	77.80
Orient Bonds and Stock Limited	54.01	57.81
Pradyumna Steels Ltd	30.89	28.12
Paramount Enterprises Ltd	49.93	43.69
Intercontinental Trading and Investment Company Ltd.	23.63	23.23
Olympic General Trading Ltd.	11.15	9.42
Promain Limited	2.64	
Ratlam Industrial Ltd	59.70	28.75
Associated General Trading Society Ltd.	11.12	9.44
Loan - Received		
Hindusthan Engineering & Industries Ltd	2,000.00	-
Orient Bonds and Stock Limited	900.00	550.00
Pradyumna Steels Ltd	150.00	400.00
Paramount Enterprises Ltd	150.00	800.00
Intercontinental Trading and Investment Company Ltd.	-	450.00
Hindusthan Consultancy and Services Ltd.	-	1,500.00
Olympic General Trading Ltd.	-	100.00
Ratlam Industrial Ltd	-	550.00
Associated General Trading Society Ltd.	-	100.00
Promain Limited	50.00	-
Loan - Repaid		
Hindusthan Engineering & Industries Ltd	-	500.00
Hindusthan Consultancy and Services Ltd.	-	750.00
Orient Bonds and Stock Limited	910.00	500.00
Pradyumna Steels Ltd	150.00	225.00
Paramount Enterprises Ltd	-	750.00
Intercontinental Trading and Investment Company Ltd.	-	325.00
Security Amount Given for Premises taken on Rent		
Promain Limited	31.23	-

ii) With Directors/Key Managerial Personnel

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Remuneration to Key Managerial Personnel:		
Mr Raghavendra Anant Mody	159.12	77.97
Mr Shyam Sunder Bhuwalia	-	14.04
Mr Deepak Kejriwal	69.62	52.62
Mr Murari Lal Birmiwala	37.65	28.18
Mr Sushil Kumar Mishra	24.39	17.09
Mr Rahul Sahni	29.44	19.85
Mr Neeraj Jain	13.36	8.94
Mr. Dilip Chandrakant Anjekar	-	53.54
Mr. Praveen Kumar Saini	18.68	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Advisory Fess Paid to Key Managerial Personnel:		
Mr. Shyam Sunder Bhuwania	12.00	-
Loan Given		
Mr. Rahul Sahni	4.00	-
Mr. Neeraj Jain	2.40	-
Loan Given Repaid		
Mr. Rahul Sahni	1.33	-
Mr. Neeraj Jain	0.80	-
Outstanding - Loan Given		
Mr. Rahul Sahni	2.67	-
Mr. Neeraj Jain	1.60	-
Sitting Fees :		
Ms. Suman Lata Saraswat	0.40	1.48
Mr. Mool Chand Gauba	3.05	2.50
Mr. Sadhu Ram Bansal	3.15	2.40
Ms. Deepika Agrawal	1.35	-
Professional Fess paid to relative of Director		
Damodar Agarwal and Associates	0.11	-
Salary paid to relative of Director(s)/ Key Managerial Personnel:		
Mrs. Sanchita Mody	74.20	36.97
Ms. Devhuti Mody	18.90	16.39

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding - Receivable		
Hindusthan Engineering & Industries Ltd	0.50	3.07
Hindusthan Consultancy and Services Ltd.	-	4.41
Outstanding - Payable		
Hindusthan Engineering & Industries Ltd	-	9.29
Hindusthan Consultancy and Services Ltd.	2.70	-
Outstanding - Loan taken (including interest payable)		
Hindusthan Engineering & Industries Ltd	3,225.84	1,118.18
Orient Bonds and Stock Limited	491.61	500.00
Pradyumna Steels Ltd	275.00	275.00
Paramount Enterprises Ltd	550.00	400.00
Intercontinental Trading and Investment Company Ltd.	225.00	225.00
Olympic General Trading Ltd.	100.00	100.00
Ratlam Industrial Ltd	552.01	550.00
Associated General Trading Society Ltd.	100.00	100.00
Promain Limited	50.00	-
Hindusthan Consultancy and Services Ltd.	756.13	750.00
Guarantees and collaterals by the Group		
Hindusthan Engineering & Industries Ltd	572.24	572.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

35 Segment Reporting

l) Based on the guiding principles given in Ind AS-108 "Operating Segment"; The Vice-Chairman and Managing Director of the Group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Group's business segments are organised around customers on industry and products lines as under:

- a. **Conductor:** Conductor includes electrical conductor and related items.
- b. **Insulator:** Insulator includes electrical insulator and related items.
- c. **Real-estate :** Real-estate includes Property at Faridabad given for rent purpose.
- d. **Speciality Chemicals:** Speciality Chemicals includes business of Subsidiary Company "Hindusthan Speciality Chemicals Ltd."
- e. **Others :** This segment is engaged in investment activities

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

No operating segments have been aggregated to form the above reportable operating segments.

Revenue, expenses, assets and liabilities which relate to Group and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Finance costs are not allocated to individual segments as the underlying instruments are managed on a Group basis

Current taxes and deferred taxes are not allocated to those segments as they are also managed on a Group basis

A Business Segment

Segment information for the year ended 31st March, 2022

Particulars	Conductor	Insulators	Real-estate	Speciality Chemicals	Others	Un-Allocated	Total
Revenue from Operations (Gross)	7,966.57	20,296.41	659.20	45,066.34	-	-	73,988.51
	(18,051.66)	(16,828.18)	(371.70)	(18,844.57)	-	-	(54,096.11)
Results							
Segment result	(747.00)	400.68	517.52	3,482.52	-	-	3,653.73
	(16.45)	(2,280.17)	(292.13)	(1,491.30)	-	-	(4,080.04)
Interest Income						214.08	214.08
						(164.20)	(164.20)
Finance cost						4,129.23	4,129.23
						(4,102.89)	(4,102.89)
Unallocable Corporate Expenditure						599.63	599.63
						(566.07)	(566.07)
Profit /(Loss) before taxation & exceptional items							(861.05)
							(424.72)
Exceptional Items	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Net Profit/ (Loss) before tax							(861.05)
							(424.72)
Tax Expense							(485.03)
							(96.15)
Net Profit/ (Loss) after tax							(376.02)
							(328.57)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars		Conductor	Insulators	Real-estate	Speciality Chemicals	Others	Un-Allocated	Total
Other Information	As at							
Segment assets	Mar 31, 2022	10,433.24	28,735.33	20,850.73	42,987.60	-	277.41	1,03,284.31
	Mar 31, 2021	(18,925.34)	(26,800.51)	(20,782.79)	(33,303.66)	-	(91.30)	(99,903.60)
Segment liabilities	Mar 31, 2022	9,027.56	14,178.97	150.44	28,527.56	-	5,265.10	57,149.63
	Mar 31, 2021	(15,222.60)	(11,820.64)	(140.57)	(20,387.09)	-	(5,776.31)	(53,347.22)
Capital Employed	Mar 31, 2022	1,405.68	14,556.37	20,700.28	14,460.04	-	(4,987.69)	46,134.68
	Mar 31, 2021	(3,702.74)	(14,979.86)	(20,642.22)	(12,916.57)	-	5,685.01	(46,556.37)
Capital expenditure	Mar 31, 2022	112.18	1,118.52	32.95	1,084.47	#	-	2,348.12
	Mar 31, 2021	(114.15)	(94.05)	(166.13)	(1,979.21)	-	-	(2,353.53)
Depreciation	Mar 31, 2022	713.16	641.78	33.96	1,523.76	-	-	2,912.66
	Mar 31, 2021	(755.31)	(633.85)	(21.36)	(1,445.18)	-	-	(2,855.70)

Figures in brackets represents previous year(s).

B Additional Information by Geographies

For the year ended 31st March, 2022

Particulars	March 31, 2022	March 31, 2021
a) Revenue from operations by geographical location of customers (Gross)		
Within India	72,561.55	53,552.82
Outside India	1,426.97	543.29
Total	73,988.51	54,096.11
b) Carrying amount of segment assets		
Within India	1,02,386.41	99,501.30
Outside India	897.90	220.64
Total	1,03,284.31	99,721.94
c) Capital expenditure		
Within India	2,348.12	2,353.53
Outside India	-	-
Total	2,348.12	2,353.53

- 1) Segments have been identified and reported taking into account the nature of products and services, the differing risk and returns, the organization structure and the internal financial reporting systems.
- 2) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- 3) All non-current assets of the group are located within India.
- 4) Information about major customers :

Four customers contributed more than 10% (₹ 14081.68 Lakhs) to the Group's revenue in 2020-21 and two customers contributed more than 10% (₹ 15984.28 Lakhs) to the Group's revenue in 2019-20.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

36 Tax Expense

(a) Tax charge/(credit) recognised in the Statement of Profit & Loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax :		
Current tax for the Year	-	99.60
Tax adjustment of earlier year	0.09	(516.51)
MAT Credit entitlement	(0.09)	(99.60)
Total Current Tax (i)	-	(516.51)
Deferred Tax :		
Fixed Assets/Depreciation	53.21	155.23
Equity Component of Preference Share Capital	(69.22)	(64.57)
Provision for Gratuity / Leave Encashment	46.78	25.96
Provision for Doubtful Debts	20.13	(13.17)
Un Absorbed Depreciation/ Brought forward Losses	421.68	321.75
Others	12.45	(4.83)
Total Deferred Tax (ii)	485.03	420.36
Total Tax (i)+(ii)	485.03	(96.15)

(b) Tax on Other Comprehensive Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Deferred Tax :		
(Gain)/Loss on remeasurement of defined benefit plans	26.09	(4.98)
Total Deferred Tax	26.09	(4.98)

(c) Reconciliation of tax expense and accounting profit multiplied by India's domestic rate

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	(861.05)	(424.72)
Tax using the domestic tax rate	-	-
Tax effect of :		
Non-deductible tax expenses	(485.03)	420.36
Deductible tax expenses	0.09	(516.52)
Total tax expenses/(benefit) in the statement of profit and loss	(484.94)	(96.15)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

(d) Movement in Deferred tax assets/liabilities

Movement during the year ended 31st March, 2022	As at April 1, 2021	Charge/ (Credit) in stmt of profit & loss	Charge/ (Credit) in OCI	Charge/ (Credit) in Other Equity	As at March 31, 2022
Property, Plant & Equipment	4,445.17	-	-	-	4,445.17
Depreciation	4,786.45	53.21	-	-	4,839.66
Equity Component of Preference Share Capital	2,400.75	(69.22)	-	-	2,331.53
Provision for Gratuity & Leave Encashment	(234.05)	(20.69)	(26.09)	-	(280.84)
Provision for Doubtful Debts	(38.97)	(20.13)	-	-	(59.09)
Un-absorbed Depreciation/ Brought forward Losses	(3,563.85)	(421.68)	-	-	(3,985.53)
Other temporary differences	(662.47)	(6.53)	-	-	(669.00)
MAT Credit Entitlement	(1,356.71)	(0.09)	-	-	(1,356.81)
Total	5,776.31	(485.13)	(26.09)	-	5,265.10

37 Earnings Per Share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit/ (Loss) after Tax and exceptional items	(376.02)	(328.57)
Profit attributable to:		
Owners of the Company	(744.33)	(84.77)
Non-controlling interests	368.31	(243.80)
Basic/weighted average number of equity shares outstanding during the year	14,42,885	14,42,885
Nominal value of Equity Share	10	10
Basic/Diluted EPS		
On Profit after Tax and exceptional items	(51.59)	(5.88)

38 The Subsidiary Company of the Group i.e. "Hindusthan Speciality Chemicals Ltd" had applied for registration under "Gujarat industrial Policy 2015 Scheme for Incentive to Industries (General)" which was introduced vide resolution No. INC-102015-645918-I dated 25.07.2016 and further amended vide Resolution No. INC-102018-522243-I dated 15.11.2018, issued "Modalities for reimbursement of SGST Incentives in place of VAT under various Incentive scheme" but till date i.e. 31.03.2022, final registration is under process at respective authority.

During the year company had applied a GST Refund of ₹ 747.08 Lakhs including amount of refund ₹ 130.34 Lakhs pertaining to Financial Year 2021-22.

39 Other Disclosures to Statement of Profit and Loss:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) NET GAIN/(LOSS) ON FOREIGN EXCHANGE		
SUNDRY DEBTORS		
For Export	16.30	(1.51)
SUNDRY CREDITORS		
For Import	126.60	71.71
For Foreign Currency Loan	(34.82)	57.73
Others	-	-
	108.08	127.93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021		
(b) PAYMENT TO AUDITORS				
- Audit fees	4.00	3.75		
- Out of Pocket Expenses	0.08	0.19		
- Tax Audit	1.00	0.75		
- For Certification (Without GST)	2.08	0.70		
	7.16	5.39		
(c) AGGREGATE OF PROVISIONS, CONTINGENCIES OR COMMITMENT WRITTEN BACK AS NO LONGER REQUIRED				
Sundry Debtors Credit Balance Written off	26.76	0.10		
Sundry Credit Balance Written off	93.41	22.13		
Carriage Inwards/ Outward	-	-		
Jobs on Contract	36.91	6.35		
Vat/Duty	-	-		
Stores, Spares & Packing material	-	-		
Interest on Deferred Sales tax Liability	11.44	65.83		
Provision for Bonus, Variable Pay etc.	83.63	56.61		
Others	56.70	11.75		
	308.84	162.77		
(d) VALUE OF IMPORTS CALCULATED ON C.I.F BASIS				
Raw Material	34,974.03	8,262.40		
Components & Spare Parts	12.50	4.46		
Capital Goods	10.53	-		
	34,997.06	8,266.86		
(e) EXPENDITURE IN FOREIGN CURRENCY				
Interest / Bank Charges	239.62	-		
Commission	29.05	16.15		
Others	29.21	7.49		
	297.89	23.64		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021		
(f) VALUE OF IMPORTED/INDIGENOUS MATERIAL CONSUMED DURING THE YEAR ALONGWITH %				
IMPORTED				
Raw Materials	35,186.42	69.21%	7,611.04	21.34%
Stores and Spare Parts	16.37	1.48%	17.18	1.54%
INDIGENOUS				
Raw Materials	15,653.88	30.79%	28,049.45	78.66%
Stores and Spare Parts	1,089.56	98.52%	1,096.09	98.46%
	51,946.22	36,773.76		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(g) EARNINGS IN FOREIGN EXCHANGE		
Exports (F.O.B.)	1,426.97	543.29
Freight & Insurance on Export	192.03	10.68
	1,619.00	553.98

40. Financial Instruments : Fair Value Measurement

Financial Assets & Liabilities	Note	Level of hierarchy	31 March, 2022			31 March, 2021		
			Carrying Amount		Fair Value	Carrying Amount		Fair Value
			FVTPL	Amortised Cost		FVTPL	Amortised Cost	
Financial assets								
Investments in unquoted equity instruments	(b)		-	30.00	30.00	-	30.00	30.00
Trade receivables	(a)		-	18,498.98	18,498.98	-	20,099.77	20,099.77
Loans	(a, b)		-	1.75	1.75	-	4.45	4.45
Cash and cash equivalents	(a)		-	3,457.21	3,457.21	-	586.72	586.72
Other bank balances	(a, b)		-	278.65	278.65	-	1,646.36	1,646.36
Derivative financial assets	(d)	Level 2	-	-	-	20.09	-	20.09
Other financial assets	(a)		-	764.37	764.37	-	78.72	78.72
Total financial assets			-	23,030.97	23,030.97	20.09	22,446.01	22,466.10
Financial liabilities								
Non-current borrowings (including other current maturities)	(b)		-	17,298.85	17,298.85	-	18,886.77	18,886.77
Current borrowings	(a)		-	16,814.89	16,814.89	-	11,279.78	11,279.78
Trade payables	(a)		-	13,631.04	13,631.04	-	14,850.34	14,850.34
Derivative financial liabilities	(d)	Level 2	82.79	-	-	-	-	-
Other financial liabilities	(a)		-	1,939.76	1,939.76	-	1,031.40	1,031.40
Total financial liabilities			82.79	49,684.54	49,684.54	-	46,048.29	46,048.29

Note:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- (b) Fair value of non-current financial assets and liabilities has not been disclosed as there is no significant differences between carrying value and fair value.
- (c) The fair value is determined by using the valuation model/techniques with observable/non-observable inputs and assumptions.
- (d) Derivatives are carried at fair value at each reporting date. The fair values of the derivatives financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
- (e) There are no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2022 and 31 March 2021.

Fair Value hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows: -

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

41. Financial Risk management

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risks are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see(i));
- liquidity risk (see(ii)); and
- market risk (see(iii)).

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables and other financial assets

The Group has established a credit policy under which new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

Expected credit loss for Trade receivables:

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance) is ₹ 7379.61 Lakhs (31 March 2021: ₹ 3811.04 Lakhs).

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2022	31 March 2021
Balance at the beginning of the year	111.53	73.84
Add: Provided during the year (net of reversal)	67.58	37.41
Less: Amount written off/back	-9.97	0.28
Balance at the end of the year	169.14	111.53

Expected credit loss on financial assets other than trade receivables:

With regard to all financial assets with contractual cash flows, other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on Consolidated Balance Sheet.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

The Group's treasury department is responsible for managing the short-term and long-term liquidity requirements. Short term liquidity situation is reviewed daily by the treasury department. Longer term liquidity position is reviewed on a regular basis by the Parent Group's Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

As at 31 March, 2022	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
Financial liabilities				
Borrowings	34,113.74	34,113.74	3,407.50	30,706.24
Trade payables	13,631.04	13,631.04	12,894.19	736.85
Other financial liabilities	2,022.55	2,022.55	1,894.03	128.51

As at 31 March, 2021	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
Financial liabilities				
Borrowings	30,166.55	30,166.55	2,151.16	28,015.39
Trade payables	14,850.34	14,850.34	14,850.34	-
Other financial liabilities	1,031.40	1,031.40	1,005.88	25.52

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group companies. The functional currencies of the Group companies are primarily the INR, USD and EUR. The currencies in which these transactions are primarily denominated are USD and INR.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	31 March, 2022			31 March, 2021		
	USD	GBP	EURO	USD	GBP	EURO
Cash and cash equivalents	2,925	0	0	2,330	0	0
Trade receivable	11,57,967	0	3,11,226	4,81,885	0	1,01,855
Loans	0	0	0	0	0	0
Other financial assets	0	0	0	0	0	0
Trade payables	-1,15,73,378	-96,116	-36,032	(21,87,595)	-1,51,968	0
Borrowings	-91,40,503	0	0	(68,98,490)		-
Other financial liabilities	-	-	-	-	0	0
Net exposure	(1,95,52,989)	(96,116)	2,75,194	(86,01,870)	(1,51,968)	1,01,855

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Sensitivity analysis

A reasonable possible strengthening/ weakening of the EUR, USD or INR against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss (before tax)	
	Strengthening	Weakening
31 March 2022		
USD (1% movement)	(1,95,529.89)	1,95,529.89
GBP (1% movement)	(961.16)	961.16
EUR (1% movement)	2,751.94	(2,751.94)
31 March 2021		
USD (1% movement)	(86,018.70)	86,018.70
GBP (1% movement)	(1,519.68)	1,519.68
EUR (1% movement)	1,018.55	(1,018.55)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in INR and USD with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows:

The following table provides a break-up of the Group's fixed and floating rate borrowings:

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed-rate borrowings	-	-
Floating rate borrowings	34,113.74	30,166.55
Total borrowings	34,113.74	30,166.55

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basis points higher/ lower and all other variables were held constant, the Group's profit for the year ended 31 March 2022 would decrease / increase by 85.28 lakhs (31 March 2021: 75.42 lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

42. Capital Management

Risk management

The Group's objectives when managing capital are to:

- safeguarding their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

'Net Debt' (total borrowings net of cash and cash equivalents and other bank balances) divided by 'Total Equity' (as shown in the Consolidated Balance sheet, including non-controlling interest).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

The gearing ratios were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt	30,377.88	27,933.48
Total equity	46,134.69	46,556.37
Net debt to equity ratio	0.66	0.60

Dividends

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Equity Shares	14,42,885	14,42,885
The Board of Directors have recommended not to pay any Dividend on Equity Shares this year	-	-
(ii) Preference Shares	9,51,89,700	9,51,89,700
The Board of Directors have recommended not to pay any Dividend on Preference Shares this year	-	-
(iii) Dividend not recognised at the end of the year.	-	-
In addition to the above dividends, since year end the directors have recommended not to pay any Dividend this year on equity shares as well as Preference Shares (31 March 2021: Nil)	-	-

43 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment/ date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-5 years	More than 5 years	
Undisputed Trade receivables - considered goods	10950.23	2008.21	738.67	4544.63	257.25	18498.98
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered goods	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Unbilled Dues (if any) - NIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

44 Equity Share Capital - Shareholding of Promoters as under

Promoter Name	Shares held by promoters at the end of the year		Shares held by promoters at the beginning of the year		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Hindusthan Consultancy and Services Limited	708825	49.13	708825	49.13	-
Carbo Industrial Holdings Ltd	132820	9.21	132820	9.21	-
Promain Limited	117900	8.17	117900	8.17	-
Pradyumna Steels Limited	70000	4.85	70000	4.85	-
Hindusthan Business Corporation Limited	47000	3.26	47000	3.26	-
Rajendra Prasad Mody	500	0.03	500	0.03	-
Raghavendra Anant Mody	3866	0.27	3866	0.27	-
Total	1080911	74.92	1080911	74.92	

45 Trade Payable ageing schedule

Particulars	Outstanding for following periods from due date of payment/ date of transaction				
	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
MSME	198.33	41.37	15.98	-	255.68
Others	12695.86	386.76	292.74	-	13375.36
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Unbilled Dues (if any) -

Additional Info in Notes -

46 Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment:

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans(%)
Promoter	-	-
Directors	-	-
KMPs	4.27	30.98
Related Parties	-	-

47 Capital-work-in Progress (CWIP) - ageing schedule

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress (CWIP)	751.23	-	18.40	-	769.63
Intangible assets under development	-	27.46	-	-	27.46
Projects temporarily suspended	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

48 CWIP completion schedule for Projects whose completion is overdue or has exceeded its cost compared to its original plan -

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	-	-	-	-

49 Security of current assets against borrowings - Details of Quarterly statements filed by the Company with banks -

Company has taken borrowings from banks on the basis of security of current assets for which quarterly statements of current assets filed by the company with banks are in agreement with the books of accounts and there is no material discrepancies.

50 Charges yet to be registered with ROC

charges or satisfaction yet to be registered with ROC beyond the statutory period, details and reasons thereof - **Not Applicable**

51 Ratios -

Particulars	Numerator	Denominator	Current year	Preceding year	% Variance	Reason for variance (if more than 25%)
Current Ratio	Current assets	Current liabilities	1.22	1.26	-2.80	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.74	0.65	14.12	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.73	1.08	-31.72	Increase in sales with lower margin resulting in decrease in profitability
Return on Equity Ratio %	Net Profits after taxes	Average Shareholder's Equity	-0.01	-0.01	15.35	-
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	4.97	4.35	14.17	-
Trade Receivables turnover ratio	Revenue	Average Accounts Receivable	3.83	3.21	19.57	-
Trade payables turnover ratio	Purchases	Average Trade Payables	3.94	3.37	17.00	-
Net capital turnover ratio	Revenue	Working Capital	9.71	6.92	40.27	Increase in sales with minimum working capital utilisation.
Net profit ratio %	Net Profit after Tax	Revenue	-0.01	-0.01	-16.33	-
Return on Capital employed %	Earning before interest and taxes	Capital Employed	0.03	0.04	-19.20	-
Return on investment %	Income generated from investments	Time weighted average investments	-	-	-	-

52 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification disclosure.

53 The financial statements has been approved by the Board on 27th May, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

54 Financial Information of Subsidiary Company

Additional Information as required under Schedule III to the Companies Act, 2013 of the enterprises consolidated as Subsidiary Company.

Name of entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive Income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Hindusthan Urban Infrastructure Limited *	78.21%	36,083.13	335.88%	(1,262.99)	118.48%	(54.10)	312.34%	(1,317.09)
Subsidiary								
Hindusthan Speciality Chemicals Limited	12.01%	5,538.86	-137.93%	518.66	-10.81%	4.94	-124.17%	523.59
Minority Interest in subsidiary	9.78%	4,512.70	-97.95%	368.31	-7.67%	3.50	-88.17%	371.81
Total :	100.0%	46,134.69	100.0%	(376.02)	100.0%	(45.66)	100.0%	(421.68)

* Inter unit transaction profit elimination done for ₹ 0.52 lakhs (previous year ₹ 0.09 lakhs) between holding and subsidiary companies.

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

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

Place: New Delhi
 Date : 27th May, 2022

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

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

Deepak Kejriwal
 (DIN : 07442554)
 Managing Director

Sushil Kumar Mishra
 Chief Financial Officer

M.L.Birmiwala
 President-Finance &
 Company Secretary

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES:

Form AOC-1

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

Part "A" : Subsidiaries

(₹ in Lakhs)

SI No.		1
Name of subsidiary	Hindusthan Speciality Chemicals Limited	
Reporting period for the subsidiary concerned, if different from the holding company's reporting period		N/A
Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		N/A
Share Capital		14,459.14
Reserves & Surplus		(4,357.18)
Total Assets		44,459.50
Total Liabilities		44,459.50
Investment		30.00
Turnover		45,086.18
Profit before taxation		1,179.89
Provision for taxation		292.40
Profit after taxation		887.49
Proposed Dividend		-
% of Shareholding		58.50%

