

**ANNUAL REPORT**

FOR THE YEAR ENDED 31ST MARCH, 2023

**HG INDUSTRIES LIMITED**

**AUDITORS'**

M/S S. P. SHAW & CO.  
CHARTERED ACCOUNTANTS  
7, GARSTIN PLACE, 2ND FLOOR,  
KOLKATA – 700 001.  
PHONE: 22108964, 40056268



**S.P. SHAW & CO.**

CHARTERED ACCOUNTANTS

**Independent Auditors' Report**

**To the Members of HG Industries Limited  
(Formerly Himalaya Granites Limited)**

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of HG Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, and the statement of Profit and Loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("The act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2023, and the loss, and the total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial Statements.

**Key Audit Matters**

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

We have determined the matters described below to be the key audit matters to be communicated in our report:



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**HGIL | Independent Auditors' Report FY 2022-23**  
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Key Audit Matter	Auditor's Response
<p><b>Appropriateness of capitalisation of costs as per Ind AS 16 Property, Plant and Equipment ( Refer to Note 1 and Note 3 of the financial statements)</b></p> <p>The Company has spent Rs. 10,116.73 lakhs towards capital work in progress and Rs. 1354.77 Lakhs towards capital advances till March 31, 2023.</p> <p>Given the significance of the capital expenditure during the year, there are risks pertaining to the appropriateness of the capital expenditure and incorrect accumulation of revenue expenditure as Capital expenditure in line with the criteria of Ind AS 16 'Property, Plant and Equipment'.</p>	<p>Our procedures in relation to appropriateness of capitalisation of costs as per Ind AS 16 included the following:</p> <p>Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalisation of various costs incurred in relation to Property Plant and Equipment.</p> <p>Performed test of details relating to capital acquisition process i.e. quotation / vendor selection, invoice and purchase order approvals and classification</p> <p>Performed test of details with focus on those items ( example internally generated cost, borrowing costs etc.) that we considered significant due to their amount or nature and tested a number of items capitalised during the year against underlying supporting documents to ascertain nature of costs and whether they meet the recognition criteria provided in Ind AS 16 in this regard.</p> <p>Tested other costs debited to Statement of Profit and Loss Account, to ascertain whether these meet the criteria for capitalisation.</p> <p>Ensured adequacy of disclosures in the financial statements.</p>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Company's annual report particularly with respect to the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business responsibility report and Corporate Governance report, but does not include the financial statements and our auditor's report thereon.

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

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

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report this regard.



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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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 based on these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

1. 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 paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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), the Statement of Cash Flow and Statement of Change in Equity dealt with by this report are in agreement with the books of account.






- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of sub-section 2 of section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) In our opinion, and to the best of our information and according to the information given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- (h) With respect to the 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. There were no pending litigations which would impact the financial position of the Company.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - 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.

- (i) The company has not declared or paid any dividend during the year in contravention of the provisions of Section 123 of the Companies Act 2023.
- (j) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

**For S.P Shaw & CO.**  
**Chartered Accountants**  
**Firm Reg. No. – 314229E**

  
**(S.P.SHAW)**  
**Partner**  
**Membership No. – 051927**  
**UDIN No: 23051927BGUTUS4742**



Place: Kolkata

Date: 26th May, 2023

## **Annexure A" to the Independent Auditors' Report**

The Annexure as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements of our Independent Auditors' Report to the members of **HG Industries Limited** on the financial statements for the year ended March 31, 2023, we report that:

- i. In respect of the Company's Property, Plant and Equipment (PPE) and Intangible:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of PPE & relevant details of right of use assets.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) According to the information and explanation provided to us, the Property, Plant & Equipment, and right to use assets have been physically verified by the management according to designed process to cover all the items every year, which in our opinion is reasonable having regard to the size of the Company and the nature of its Assets. The discrepancies, noticed on such physical verification had been properly dealt with in the books of account.
  - c) According to the information and explanation given to us and based on our examination of records, we report that, the title deeds of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the balance sheet
  - d) According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
  - e) According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - a) The company does not hold any physical inventories. Hence, clause 3(ii) of the Order is not applicable.
  - b) According to the information and explanation given to us and based on our examination of records, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, clause 3(ii) of the Order is not applicable.
- iii. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments. Also, it has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause 3 (iii) (a), 3(iii) (c) to 3 (iii) (f) of the Order are not applicable.
- iv. According to the information and explanations given to us, the Company has not given any loan or guarantee or provided any security covered under section 185 of the Companies Act, 2013. The company has complied with the provisions of section 186 of the companies act 2013 in respect of the investments made.





- v. According to the information and explanations given to us, during the year the Company has neither accepted any deposits from the public nor any deposits are outstanding during the year. There are no deemed deposits under the provisions of Companies Act, 2013 and rules thereunder. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Services Tax, cess and other material statutory dues have been generally regular in depositing during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other material statutory dues were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no dues outstanding of income-tax, goods and service tax, value added tax, sales tax, service tax, duty of custom and cess on account of any dispute.
- (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). Accordingly, provisions of clause 3(viii) of the Order is not applicable.
- (ix) (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender. Accordingly, provisions of under clause 3(ix)(a) of the Order is not applicable.
- (b) Based on the information and explanations obtained by us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.
- (d) According to the information and explanation given to us and based on our examination of records, funds raised on a short- term basis have not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanation given to us and based on our examination of records, the Company is not having any subsidiary, associate or joint venture. Accordingly, provisions of clause 3(ix)(e) of the Order is not applicable.



(f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities. Accordingly, provisions of clause 3(ix)(f) of the Order is not applicable.

(x) (a) According to the information and explanation given to us and on the basis of our examination of the records, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, provisions of clause 3 (x)(a) of the order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, the company has not made any private placement of shares. Accordingly, provisions of clause 3 (x)(b) of the order is not applicable.

(xi) (a) According to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) According to the information and explanation given to us and based on our examination of records, 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 up to the date of this report.

(c) We have been informed that there is no whistle blower complaint received by the Company during the year (and up to the date of this report). Accordingly, provisions of clause 3(xi) of the Order is not applicable.

(xii) The company is not Nidhi Company. Accordingly, Clause (xii)(a), (xii)(b) and (xii)(c) of Para 3 of the order is not applicable to the Company.

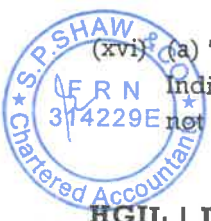
(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the note no 29 of financial statements as required by the applicable Ind AS.

(xiv) (a) According to the information and explanation given to us and based on our examination of records, 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 of our report, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 (2 of 1934). Accordingly, the provisions of the clause 3(xvi)(a) of the Order are not applicable to the company.



- (b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
- (c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and based on our examination of the records, there is one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses during the financial year covered by our audit and but not in immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year, accordingly, provisions of clause 3(xviii) of the Order is not applicable.
- (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) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing or other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, provisions of clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For S.P Shaw & CO.**

**Chartered Accountants**  
**Firm Reg. No. – 314229E**

  
**(S.P.SHAW)**

**Partner**

**Membership No. – 051927**

**UDIN No: 23051927BGUTUS4742**



Place: Kolkata

Date: 26th May, 2023

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of HG Industries Limited.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’**

### **Opinion**

We have audited the internal financial controls with reference to financial statements reporting of **HG Industries limited** (“the Company”) as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2023, based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statement 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 with reference to financial statement 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement 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 with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 with reference to financial statement.

**Meaning of Internal Financial Controls with reference to financial statement**

A Company's internal financial control with reference to financial statement 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 with reference to financial statement 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 with reference to financial statement**

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

**For S.P Shaw & CO.**  
**Chartered Accountants**  
**Firm Reg. No. – 314229E**

  
**(S.P.SHAW)**

**Partner**

**Membership No. – 051927**

**UDIN No: 23051927BGUTUS4742**



Place: Kolkata

Date: 26th May, 2023



**HG INDUSTRIES LIMITED**  
(Formerly Himalaya Granites Limited)  
**BALANCE SHEET As on 31st March '2023**

		(₹ in Lakhs)	
		As on 31st Mar'2023	As on 31 Mar'2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant And Equipment	1	122.94	77.70
Capital Work In Progress (Including Asset In Transit)	1	10116.73	68.61
<b>Financial Assets</b>			
Loans	2	-	-
Deferred Tax Assets ( Net)	11	12.83	-
Other Non Current Assets	3	1367.09	17.72
<b>Total Non-Current Assets</b>		<b>11619.59</b>	<b>164.03</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
(i) Investment	4	-	35.42
(ii) Cash And Cash Equivalents	5	31.22	1.59
Other Current Assets	6	1316.12	25.82
<b>Total Current Assets</b>		<b>1347.34</b>	<b>62.83</b>
<b>Total Assets</b>		<b>12966.93</b>	<b>226.84</b>
<b>Equity And Liabilities</b>			
<b>Equity:</b>			
Equity Share Capital	7	231.68	231.68
Other Equity	8	(139.95)	(60.86)
<b>Total Equity</b>		<b>91.73</b>	<b>170.82</b>
<b>Liabilities:</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	9	10359.52	-
Provisions	10	18.07	23.00
Deferred Tax Liabilities (Net)	11	-	1.34
<b>Total Non-Current Liabilities</b>		<b>10377.59</b>	<b>24.33</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	12	626.80	-
(ii) Trade Payables			
-Total Outstanding Dues Of Micro Enterprises And Small Enterprises		-	-
-Total Outstanding Dues Of Creditors Other Than Micro Enterprises And Small Enterprises	13	2.48	26.57
(iii) Other Financial Liabilities	14	1.73	-
Other Current Liabilities	15	1841.66	4.49
Provisions	16	24.94	0.62
<b>Total Current Liabilities</b>		<b>2497.61</b>	<b>31.68</b>
<b>Total Equity And Liabilities</b>		<b>12966.93</b>	<b>226.84</b>
Significant Accounting Policies		I	
See Accompanying Notes to the Financial Statements		1 to 33	

AS PER OUR ANNEXED REPORT OF EVEN DATE

For S.P. Shaw & Co  
Chartered Accountants  
ICAI Firm Reg. No. 314229E



**S.P. Shaw**  
Partner  
Membership No. 051927

**Ramesh Kumar Haritwal**  
Managing Director & CEO  
(DIN : 01486666)

For and on behalf of Board of Directors of  
HG Industries Limited  
CIN:L20100DL198PLC408363

**Mathangi Ramanujam**  
Director  
(DIN : 07095686)

**Jayasankar Ramalingam**  
Chief Financial Officer

**Hariom Pandey**  
Company Secretary

Place of Signature :Kolkata  
Dated : 26 May, 2023

Place of Signature : New Delhi  
Dated : 26 May, 2023

**HG INDUSTRIES LIMITED**  
(Formerly Himalaya Granites Limited)  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH'2023**

		For the year ending 31st Mar'2023	(₹ in Lakhs) For the year ending 31 Mar'2022
<b>INCOME:</b>			
Revenue from Operations	17	-	35.70
Other Income	18	16.47	103.82
<b>Total Income</b>		<b>16.47</b>	<b>139.52</b>
<b>EXPENSES:</b>			
Employees Benefits Expense	19	82.31	73.26
Finance Cost	20	-	0.22
Depreciation and Amortisation Expense	21	-	10.60
Other Expenses	22	21.90	49.81
<b>Total Expenses</b>		<b>104.21</b>	<b>133.89</b>
<b>Profit/(loss) before Tax</b>		<b>(87.74)</b>	<b>5.63</b>
Current Tax		-	-
Deferred Tax (credit/(charge))		12.78	(2.98)
<b>Tax Expense</b>		<b>12.78</b>	<b>(2.98)</b>
<b>Profit/(loss) for the year after tax</b>		<b>(74.96)</b>	<b>2.65</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement gain/(loss) on defined benefit plans		(5.52)	(6.31)
Release of Deferred Tax		1.39	1.64
<b>Other Comprehensive Income (net of tax)</b>		<b>(4.13)</b>	<b>(4.67)</b>
<b>Total Comprehensive Income for the year (net of Tax)</b>		<b>(79.09)</b>	<b>(2.02)</b>
<b>Earnings per Equity Share - Basic and Diluted (in ₹)</b>			
(Face Value of ₹ 5 each)	23	(1.62)	0.06

Significant Accounting Policies

I

See Accompanying Notes to the Financial Statements

1 to 33

AS PER OUR ANNEXED REPORT OF EVEN DATE

For S.P.Shaw & Co

Chartered Accountants

ICAI Firm Reg. No. 314229E

For and on behalf of Board of Directors of

**HG Industries Limited**

CIN:L20100DL198PLC408363

(S.P.Shaw)

Partner

Membership No. 051927



**Ramesh Kumar Haritwal**  
Managing Director & CEO  
(DIN : 01486666)

**Mathangi Ramanujam**  
Director  
(DIN : 07095686)

**Jayasankar Ramalingam**  
Chief Financial Officer

**Hariom Pandey**  
Company Secretary

Place of Signature : Kolkata

Dated : 26 May, 2023

Place of Signature : New Delhi

Dated : 26 May, 2023

**HG INDUSTRIES LIMITED**  
(Formerly Himalaya Granites Limited)  
**Cash Flow Statement for the Period ended on 31st March'2023**

		As on 31st Mar'2023	(₹ in Lakhs) As on 31 Mar'2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Profit/(loss) before Tax		(87.74)	5.63
Adjustments for:			
Depreciation and Amortisation Expense	21	-	10.60
Finance Cost	20	-	0.22
Interest Income	18	(0.48)	(1.40)
Short Term Capital Gain - Mutual Fund		-	(0.02)
Income on FVTPL (Mutual Fund)		-	(0.86)
Re-measurement gain/(loss) on defined benefit plans		(5.52)	(6.31)
Profit on Sale of Assets	18	-	(82.97)
<b>Operating Profit before Working Capital Changes</b>		<b>(93.74)</b>	<b>(75.11)</b>
Adjustments for:			
(Increase) / Decrease in Trade and Other Receivables		(1295.49)	(23.89)
(Decrease) / Increase in Liabilities & Provisions		62.22	37.48
		(1233.27)	13.59
Cash Generated from Operations		(1327.01)	(61.53)
Income Tax Paid		-	-
<b>Net Cash Generated from Operating Activities</b>		<b>(1327.01)</b>	<b>(61.53)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Interest Received	18	0.48	1.40
Acquisition of Fixed Assets		(9665.58)	(104.07)
Sale of Investment		35.42	15.53
Sale of Fixed Assets		-	148.12
Short Term Capital Gain - Mutual Fund		-	0.02
Income on FVTPL (Mutual Fund)		-	0.86
<b>Net Cash used in Investing Activities</b>		<b>(9629.68)</b>	<b>61.86</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Loans taken from Holding Co.	9	3778.13	35.00
Loans Repaid			(35.00)
Loan from Banks	9	7208.19	
Interest Paid	20	-	(0.22)
<b>Net Cash used in Financing Activities</b>		<b>10986.32</b>	<b>(0.22)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>29.63</b>	<b>0.11</b>
<b>Cash and Cash Equivalents at the beginning of the Year</b>		<b>1.59</b>	<b>1.48</b>
<b>Cash and Cash Equivalents at the close of the Year</b>		<b>31.22</b>	<b>1.59</b>

**Non Cash Changes in Liabilities arising from financing activities**

₹ in Lakhs

Particulars	As at 1 April , 2021	Cash Flows	Non Cash Change	As at 31 March , 2022
Long Term Borrowings	-	-	-	-
Short Term Borrowings	-	-	-	-

₹ in Lakhs

Particulars	As at 1 April , 2022	Cash Flows	Non Cash Change	As at 31 March , 2023
Long Term Borrowings	-	6581.39	-	6581.39
Short Term Borrowings	-	626.80	-	626.80

**Notes:**

- (i) Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.  
(ii) Acquisition of property, plant and equipment includes capital advances and liability for capital goods during the year.  
(iii) Figures in brackets indicate cash outflows.

AS PER OUR ANNEXED REPORT OF EVEN DATE

**For S.P.Shaw & Co.**

Chartered Accountants

ICAI Firm Reg. No. 314229E

**S.P.Shaw**

Partner

Membership No. 051927



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

HG Industries Limited

CIN:L20100DL198PLC408363

**Ramesh Kumar Haritwal**

Managing Director & CEO

(DIN : 01486666)

**Mathangi Ramanujam**

Director

(DIN : 07095686)

**Jayashankar Ramalingam**

Chief Financial Officer

**Hariom Pandey**

Company Secretary

Place of Signature : Kolkata

Dated : 26 May, 2023

Place of Signature : New Delhi

Dated : 26 May, 2023

**HG INDUSTRIES LIMITED**  
(Formerly Himalaya Granites Limited)  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 March, 2023**

**A) EQUITY SHARE CAPITAL**

		₹ in Lakhs
Particulars	Note	Amount
<b>For the year ended 31st March, 2023</b>		
Balance as at 1st April 2022		231.68
Changes in equity share capital during the year		-
<b>Balance as at 31st March 2023</b>		<b>231.68</b>
<b>For the year ended 31st March 2022</b>		
Balance as at 1st April 2021		231.68
Changes in equity share capital during the year		-
<b>Balance as at 31st March 2022</b>		<b>231.68</b>

**B) OTHER EQUITY**

		₹ in Lakhs					
Particulars	Note	Capital Reserve	Capital Redemption Reserve	Reserves and Surplus Securities Premium	General Reserve	Retained Earnings	Total
<b>For the year ended 31st March, 2023</b>							
Balance as at 1st April 2022		15.00	68.82	62.36	562.12	(769.16)	(60.86)
Profit for the year		-	-	-	-	(74.96)	(74.96)
Other Comprehensive Income/(loss) for the year:							
- Remeasurements of the net defined benefit plans		-	-	-	-	(4.13)	(4.13)
<b>Balance as at 31st March 2023</b>		<b>15.00</b>	<b>68.82</b>	<b>62.36</b>	<b>562.12</b>	<b>(848.26)</b>	<b>(139.95)</b>
<b>For the year ended 31st March 2022</b>							
	8						₹ in Lakhs
<b>Particulars</b>		<b>Capital Reserve</b>	<b>Capital Redemption Reserve</b>	<b>Reserves and Surplus Securities Premium</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance as at 1st April 2021		15.00	68.82	62.36	562.12	(767.14)	(58.84)
Profit for the year		-	-	-	-	2.65	2.65
Other Comprehensive Income/(loss) for the year:							
- Remeasurements of the net defined benefit plans		-	-	-	-	(4.67)	(4.67)
<b>Balance as at 31st March 2022</b>		<b>15.00</b>	<b>68.82</b>	<b>62.36</b>	<b>562.12</b>	<b>(769.16)</b>	<b>(60.86)</b>

AS PER OUR ANNEXED REPORT OF EVEN DATE

For S.P. Shaw & Co  
Chartered Accountants  
ICAI Firm Reg. No. 314229E

For and on behalf of Board of Directors of  
HG Industries Limited  
CIN:L20100DL198PLC408363

*(Signature)*



(S.P.Shaw)  
Partner  
Membership No. 051927

*(Signature)*  
Mathangi Ramanujam  
Director  
(DIN : 07095686)

*(Signature)*  
Ramesh Kumar Haritwal  
Managing Director & CEO  
(DIN : 01486666)

*(Signature)*  
Hariom Pandey  
Company Secretary

*(Signature)*  
Jaysankar Ramalingam  
Chief Financial Officer

Place of Signature :Kolkata  
Dated : 26 May, 2023

Place of Signature : New Delhi  
Dated : 26 May, 2023

**HG INDUSTRIES LIMITED**  
(Formerly Himalaya Granites Limited)  
**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st March, 2023**

**1.01 DISCLOSURE OF ACCOUNTING POLICIES:**

**1.01.01 CORPORATE INFORMATION:**

HG Industries Limited (the 'Company') is a public limited company domiciled in India incorporated under the provisions of the Companies Act. Its shares are listed on a recognised stock exchange (i.e. BSE Limited) in India. During the year the Company has shifted its registered office to 203, 2nd floor, West Wing, Worldmark I, Aerocity, IGI Airport, Hospitality District, New Delhi-110037, India on 12 Oct. 2022.

**1.01.02 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, notified under Section 133 of the Companies Act, 2013 ("Act") and other relevant provisions of the Act.

The financial statements of the Company for the year ended 31st March, 2023 are authorised for issue in accordance with a resolution of the Directors on 26 May, 2023.

The financial statements have been prepared under the historical cost basis, except for the following assets and liabilities which have been measured at fair value - Quoted Investments in Mutual Funds and measurement of defined benefit Obligations.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company's management evaluates all recently issued or revised accounting standards on an on-going basis.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lakhs. Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

**1.01.03 ACCOUNTING ESTIMATES AND ASSUMPTIONS:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**1.02 PROPERTY, PLANT AND EQUIPMENT:**

1.02.01 Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation except freehold land which is carried at cost. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

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

1.02.03 Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.

1.02.04 Depreciation commences when assets are available for their intended use. Property, Plant and Equipment including continuous process plants are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013 except in case of assets costing less than ₹ 5000 which are depreciated over their useful life as assessed by the management. Assets are depreciated on Straight Line basis over their useful life from the date they are available for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.

1.02.05 An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/Loss on Sale and Discard of Fixed Assets.

1.02.06 Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :

Buildings - 30 to 60 years

Plant and Equipment - 5 to 15 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Office Equipment - 3 to 10 years

1.02.07 At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

**1.03 INVENTORIES:**

1.03.01 Finished Goods are valued at lower of cost and net realisable value.

1.03.02 Stock of Raw Material, Consumables and Stores and Spares are valued at lower of cost or net realisable value. Cost represents purchase price and other costs for bringing inventories up to their present location and condition and is generally determined on weighted average basis.





**HG INDUSTRIES LIMITED**  
(Formerly Himalaya Granites Limited)  
**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st March, 2023**

**1.04 CASH FLOW STATEMENT:**

- 1.04.01 Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.
- 1.04.02 Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments (excluding pledged term deposits) with an original maturity of three months or less.

**1.05 FINANCIAL ASSETS:**

- 1.05.01 The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortised cost.
- 1.05.02 The Company measures all quoted equity instruments/mutual fund other than in subsidiaries at fair value on initial and subsequent recognition. Changes in fair value of quoted investments in equity shares are shown as profit/loss on fair valuation of investments in Statement of Profit and Loss.
- 1.05.03 Trade receivables represent receivables for goods sold by the Company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date. They are recognised initially and subsequently measured at amortised cost.
- 1.05.04 A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.
- 1.05.05 Investments that are readily realisable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as Non-Current/Long-term Investments. Current investments are carried at lower of cost or market value on individual investment basis. Non-Current Investments are considered at cost, unless there is an "other than temporary" decline in value, in which case adequate provision is made for the diminution in the value of Investments.

**1.06 FINANCIAL LIABILITIES:**

- 1.06.01 Borrowings are initially recognised and subsequently measured at amortised cost, net of transaction costs incurred. The transaction costs is amortised over the period of borrowings using the effective interest method in Capital Work in Progress upto the commencement of related Plant, Property and Equipment and subsequently under finance costs in profit and loss account.
- 1.06.02 Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.
- 1.06.03 Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- 1.06.04 Trade Payables represent liabilities for goods and services provided to the Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially and subsequently measured at amortised cost.
- 1.06.05 Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**1.07 EQUITY:**

- 1.07.01 Ordinary Shares are classified as equity. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and the interim dividends are recorded as a liability on the date of declaration by the board of directors of the company.

**1.08 REVENUE RECOGNITION:**

- 1.08.01 Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.
- 1.08.02 **Sale of Goods:** Revenue from sales of goods is recognised on transfer of significant risks and rewards of ownership to the customers. Revenue does not include GST, inter-transfers, returns, trade discounts, cash discounts, other benefits passed to customers in kind.
- 1.08.03 **Services:** Revenue from Services are recognized as and when the services are rendered. The Company collects Goods and Services Tax on behalf of the Government and therefore, it is not an economic benefit flowing to the Company and hence excluded from Revenue.
- 1.08.04 **Interest:** Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- 1.08.05 **Dividends:** Dividend from investment is recognized when the Company in which they are held declares the dividend and when the right to receive the same is established.
- 1.08.06 **Rental Income:** Rental Income is recognised on accrual basis.



**HG INDUSTRIES LIMITED**  
*(Formerly Himalaya Granites Limited)*

**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st March, 2023**

**1.09 EMPLOYEE BENEFITS:**

- 1.09.01 Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- 1.09.02 Post Employment and Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.
- 1.09.03 The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.
- 1.09.04 The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.
- 1.09.05 Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions of the defined benefit obligation are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
- 1.09.06 Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

**1.10 EARNINGS PER SHARE:**

- 1.10.01 Basic earnings (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- 1.10.02 For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.11 ACCOUNTING FOR TAXES ON INCOME:**

- 1.11.01 Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.
- 1.11.02 Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.
- 1.11.03 Income-tax expenses comprises current tax and deferred tax charge or release. The deferred tax charge or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets based on expected future profits. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed as at each Balance Sheet date to reassess realisation.

**1.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

- 1.12.01 Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.
- 1.12.02 Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.
- 1.12.03 Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

**1.13 CURRENT AND NON-CURRENT CLASSIFICATION:**

- 1.13.01 The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".
- 1.13.02 The Company presents assets and liabilities in the balance sheet based on current and non-current classification.
- 1.13.03 An asset is current when it is (a) expected to be realised or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realised within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- 1.13.04 A liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.



**HG INDUSTRIES LIMITED**  
*(Formerly Himalaya Granites Limited)*

**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st March, 2023**

**1.14 FAIR VALUE MEASUREMENT:**

- 1.14.01 The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.
- 1.14.02 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.
- 1.14.03 The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- 1.14.04 A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- 1.14.05 The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
- 1.14.06 The assets and liabilities which has been measured at fair value are, (i) Quoted Investments in Equity Shares, (ii) Certain Financial Assets.

**1.15 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS:**

- 1.15.01 Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.
- 1.15.02 Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.
- 1.15.03 Non-current assets classified as held for sale are presented separately from other assets in the balance sheet. An entity shall not depreciate or amortise a non-current asset after such asset has been classified as held for sale.
- 1.15.04 Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

**1.16 ACCOUNTING STANDARD NOT YET EFFECTIVE**

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company does not expect this amendment to have any significant impact in its financial statements.



**HG INDUSTRIES LIMITED**  
(Formerly Himalaya Granites Limited)

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023**

**Note 1: Property, plant and equipment**

	Freehold Land	Building	Furniture & Fixtures	Office Equipment	Software	Vehicles	Plant & Machinery	Property Plant and equipment	Total of Property Plant and equipment	Capital Work in progress
<b>Gross Block</b>										
Balance at 1st Apr'2021	11.33	407.70	2.66	-	-	-	-	-	421.69	-
Additions	-	-	1.82	5.13	-	28.52	-	-	35.47	68.61
Disposals	-	352.79	0.46	-	-	-	-	-	353.25	-
Balance at 31 Mar'22	11.33	54.91	4.02	5.13	-	28.52	-	-	103.91	68.61
Balance at 1st Apr'2022	11.33	54.91	4.02	5.13	-	28.52	-	-	103.91	68.61
Additions	-	4.67	3.32	29.72	7.81	10.43	0.14	-	56.08	10055.98
Disposals	-	-	-	-	-	-	-	-	-	7.85
Balance at 31 Mar'23	11.33	59.58	7.34	34.85	7.81	38.95	0.14	-	160.00	10116.73

	Freehold Land	Building	Furniture & Fixtures	Office Equipment	Software	Vehicles	Plant & Machinery	Property Plant and equipment	Total of Property Plant and equipment	Capital Work in progress
<b>Accumulated Depreciation</b>										
Balance at 1st Apr'2021	-	301.27	2.44	-	-	-	-	-	303.71	-
Depreciation	-	9.16	0.06	0.45	-	0.93	-	-	10.60	-
Disposals	-	287.71	0.39	-	-	-	-	-	288.10	-
Balance at 31 Mar'22	-	22.72	2.11	0.45	-	0.93	-	-	26.21	-
Balance at 1st Apr'2022	-	22.72	2.11	0.45	-	0.93	-	-	26.21	-
Additions	-	1.89	0.25	3.22	0.87	4.61	-	-	10.83	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at 31 Mar'23	-	24.61	2.36	3.67	0.87	5.54	-	-	37.05	-

	Freehold Land	Building	Furniture & Fixtures	Office Equipment	Software	Four Wheeler	Plant & Machinery	Property Plant and equipment	Total of Property Plant and equipment	Capital Work in progress
<b>Carrying Amount</b>										
At 31 Mar'22	11.33	32.19	1.91	4.68	-	27.59	-	-	77.70	68.61
At 31 Mar'23	11.33	34.97	4.98	31.18	6.94	33.41	0.14	-	122.94	10116.73

Note:

1.1 Refer note no. 9 for property, plant and equipment subject to charges against borrowings.



**Capital Work in Progress Ageing**

Particulars	outstanding for following periods from due date/transaction date				₹ in Lakhs
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
31.03.2023					Total
Project in Progress	10048.12	68.61	-	-	10116.73
Projects temporarily suspended	-	-	-	-	-
31.03.2022					Total
Project in Progress	68.61	1-2 years	2-3 years	More than 3 years	68.61
Projects temporarily suspended	-	-	-	-	-

**Capital Work in Progress - Completion Schedule as on March 31, 2023 for projects whose completion is overdue, compared to its original plan**

Particulars	to be completed in			₹ in Lakhs
	Less than 1 year	1-2 years	2-3 years	
31.03.2023				Total
Project 1	10116.73	-	-	10116.73

**Note 1a: Preoperative expenditure included in Capital Work in Progress**

The Company has incurred some expenditure related to construction of Fixed Assets and therefore Accounted for the same under Capital Work in Progress. Details of the expense Capitalised and carried forward as capital work in progress are given below.

Particulars	For the Year ended 31st Mar'2023	For the Year ended 31st Mar'2022
Finance Cost	286.94	-
Employee Benefit Expenses	272.08	29.78
Legal & Professional Expenses	77.21	1.54
Misc. Expenses	45.85	0.18
Conveyance & Travelling	22.50	-
Power & Fuel	17.47	-
Security Expenses	16.42	-
Repairs & Maintenance	15.57	8.83
Depreciation	10.83	-
Insurance	8.07	-
Rates & Taxes	7.33	1.02
Rent	3.56	-
<b>Total</b>	<b>783.83</b>	<b>41.35</b>





**HG INDUSTRIES LIMITED**  
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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March '2023**

(₹ in Lakhs)

**NON-CURRENT ASSETS**

**2 LOANS**

	As on 31st Mar'2023 ₹ in Lakhs	As at 31 Mar'2022 ₹ in Lakhs
(Unsecured, considered doubtful)		
Loan to others	-	227.00
Interest receivable	-	153.31
	-	380.31
Less: Provision for doubtful Assets	-	380.31
Add: Provision for doubtful assets written back	-	18.00
	-	362.31
Less: Write off*	-	362.31
	-	-

\* In spite of putting rigorous efforts, the Company could recover ₹ 18 lakh only and has failed to recover the balance amount of unsecured loan (including interest accrued thereon) of ₹ 362.31 Lakhs from Plylam Enterprises Private Limited for which 100% provision has already been made in the books of accounts of the Company. Considering the overall post-covid 19 scenario and a fair evaluation of the recovery probability, the management has decided to write off the above mentioned unsecured loan ( including interest accrued thereon).

**3 OTHER NON CURRENT ASSETS**

	As on 31st Mar'2023 ₹ in Lakhs	As at 31 Mar'2022 ₹ in Lakhs
<b>Unsecured, Considered Goods</b>		
Capital Advances	1354.77	10.58
Security Deposits	12.32	7.14
<b>Total</b>	<b>1367.09</b>	<b>17.72</b>

**4 INVESTMENTS**

	As on 31st Mar'2023 ₹ in Lakhs	As at 31 Mar'2022 ₹ in Lakhs
<b>Quoted</b>		
HDFC Liquid Fund - Direct Growth	-	35.42
<b>Total</b>	-	35.42
Aggregate Book Value of Unquoted Investments	-	-
Aggregate Market Value of Quoted Investments	-	35.42

**5 CASH AND CASH EQUIVALENTS**

	As on 31st Mar'2023 ₹ in Lakhs	As at 31 Mar'2022 ₹ in Lakhs
Balances with Banks - on Current Accounts	31.22	1.59
<b>Total</b>	<b>31.22</b>	<b>1.59</b>

**6 OTHER CURRENT ASSETS**

	As on 31st Mar'2023 ₹ in Lakhs	As at 31 Mar'2022 ₹ in Lakhs
Prepaid Expenses	1.03	0.22
TDS receivable ( Net of provision)	2.12	9.73
Goods and Service Tax Receivable	1300.31	4.31
Advance against Expenses	0.24	10.87
Amount due from Sales Tax authority( Security Deposit)	0.25	0.25
Employee Imprest	-	0.45
Other receivables	12.17	-
<b>Total</b>	<b>1316.12</b>	<b>25.82</b>

**7 EQUITY SHARE CAPITAL**

	As on 31st Mar'2023	As at 31 Mar'2022
	Number	Number
	Amount	Amount
	₹ in Lakhs	₹ in Lakhs
<b>7.1 Authorised</b>		
Equity Shares of ₹ 5 each	8000000	8000000
	400.00	400.00
<b>7.2 Issued, Subscribed and Fully Paid up</b>		
Equity Shares of ₹ 5 each	4633568	4633568
	231.68	231.68
<b>7.3 The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year</b>		
Equity Shares outstanding at the beginning of the year	4633568	4633568
Equity Shares outstanding at the end of the year	4633568	4633568
	231.68	231.68

**7.4 Terms/Rights attached to the Equity Shares**

The Company has only one class of equity Shares having a par value of ₹ 5 per share (previous year ₹ 5 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Company has proposed dividend as distribution to equity shareholders ₹ Nil per equity share (Previous year ₹ Nil per equity share)

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

**7.5 Name of the Shareholders holding more than 5% Shares**

	Number	%	Number	%
Equity Shares of ₹ 5 each				
Saurabh Mittal	-	-	-	-
Greenlam Industries Ltd	3470966.00	74.91%	3470966.00	74.91%



**HG INDUSTRIES LIMITED**  
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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2023**

**Details of shares held by promoters**

As on 31st Mar'2023	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% of changes during the year
Equity shares of ₹ 5 each	Greenlam Industries	3470966	-	3470966	74.91%	-

As at 31 March 2022	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% of changes during the year
Equity shares of ₹ 5 each	Greenlam Industries Ltd	3470966	3470966	3470966	74.91%	100%
Equity shares of ₹ 5 each	Mr. Saurabh Mittal	3389566	(3389566)	-	-	-100%

7.6 No ordinary shares have been reserved for issue under options and contracts commitments for the sale of shares disinvestment as at the Balance Sheet date  
No securities convertible into Equity Preference shares have been issued by the Company during the year.  
No calls are unpaid by any Director or Officer of the Company during the year

7.7 The Company for the period of five years immediately preceding the date of Balance Sheet has :  
i. Not allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.  
ii. Not allotted fully paid up shares by way of bonus shares.  
iii. The company has not bought back any shares during last 5 years

**8 OTHER EQUITY**

	As on 31st Mar'2023 ₹ in Lakhs	As at 31 Mar'2022 ₹ in Lakhs
Capital Reserve	15.00	15.00
Capital Redemption Reserve	68.82	68.82
Securities Premium Account	62.36	62.36
General Reserve	562.12	562.12
Retained Earnings		
Retained Earnings other than OCI		
As per last Balance Sheet	(763.05)	(765.70)
Add : Net profit for the current year	(74.96)	2.65
	<u>(838.01)</u>	<u>(763.05)</u>
Other Comprehensive Income (OCI)		
As per last Balance Sheet	(6.11)	(1.44)
Remeasurements of the net defined benefit plans	(4.13)	(4.67)
	<u>(10.24)</u>	<u>(6.11)</u>
	<u>(848.25)</u>	<u>(769.16)</u>
<b>Total</b>	<u>(139.95)</u>	<u>(60.86)</u>

**9 Non-Current Borrowings**

	As on 31st Mar'2023 ₹ in Lakhs	As at 31 Mar'2022 ₹ in Lakhs
<b>Secured</b>		
Term loan from Bank *	7208.19	-
Less : Current maturities of Long Term Borrowings	626.80	-
<b>From related party #</b>		
Term loan from Holding Co. (unsecured) #	3778.13	-
	<u>10359.52</u>	<u>-</u>

**# Terms and repayment schedule for loan from holding Company**

Loan from holding company is repayable in 10 years.

**\* Terms and repayment schedule for loan from bank**

Term Loans of ₹ 7208.19 Lakhs (Previous Year ₹ Nil Lakhs) are secured by exclusive charge by way of hypothecation on entire movable fixed assets of the Company, present and future. Exclusive Charge by way of equitable mortgage on project land (agricultural) of company in Tamil Nadu situated at Panchalam Village, Melpettai post, Tindivanam, Villupuram - 604307, Tamil Nadu. Further, the term loan is secured by corporate guarantee from Holding Company.

**Repayment Schedule**

	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	June-29
Equal Quarterly Instalments	626.80	1253.60	1253.60	1253.60	1253.60	1253.60	313.40
	<u>626.80</u>	<u>1253.60</u>	<u>1253.60</u>	<u>1253.60</u>	<u>1253.60</u>	<u>1253.60</u>	<u>313.40</u>

The Company has not defaulted in repayment of loans and interest during the period.

**10 Non Current Provisions**

	As on 31st Mar'2023 ₹ in Lakhs	As at 31 Mar'2022 ₹ in Lakhs
Provisions for Employee Benefits		
Net defined benefit liability- Gratuity (Refer note- 19.1.(iii))	10.94	19.60
Liability for compensated absences (Refer note- 19.1.(iv))	7.13	3.39
<b>Total</b>	<u>18.07</u>	<u>23.00</u>

**11 Deferred Tax Asset (Net)**

	As on 31st Mar'2023 ₹ in Lakhs	As at 31 Mar'2022 ₹ in Lakhs
<b>Deferred Tax Liability</b>		
Depreciation	10.26	7.48
	<u>10.26</u>	<u>7.48</u>
<b>Less : Deferred Tax Assets</b>		
Provision for Gratuity Liabilities	23.10	6.14
<b>Total</b>	<u>(12.83)</u>	<u>1.34</u>



**HG INDUSTRIES LIMITED**  
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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2023**

12 Current Borrowings	As on 31st Mar'2023	As at 31 Mar'2022
	₹ in Lakhs	₹ in Lakhs
Current Maturity of long term borrowings	626.80	-
Total	626.80	-

13 Trade Payables	As on 31st Mar'2023	As at 31 Mar'2022
	₹ in Lakhs	₹ in Lakhs
Total outstanding dues of Micro Enterprises and Small Enterprises (to the extent identified with the available information)	-	-
Total outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises	2.48	26.58
Total	2.48	26.58

Ageing Schedule	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
31 March 2023					
Dues to micro and small enterprises	-	-	-	-	-
Dues to other than micro and small enterprises	2.48	-	-	-	2.48
Total	2.48	-	-	-	2.48
31 March 2022					
Dues to micro and small enterprises	-	-	-	-	-
Dues to other than micro and small enterprises	26.58	-	-	-	26.58
Total	26.58	-	-	-	26.58

14 Other Financial Liabilities	As on 31st Mar'2023	As at 31 Mar'2022
	₹ in Lakhs	₹ in Lakhs
Interest Accrued but not due	1.73	-
Total	1.73	-

16 Current Provisions	As on 31st Mar'2023	As at 31 Mar'2022
	₹ in Lakhs	₹ in Lakhs
Provisions for Employee Benefits (unfunded)		
Net defined benefit liability- Gratuity (Refer note- 19.1.(iii))	21.34	0.40
Liability for compensated absences (Refer note- 19.1.(iv))	3.60	0.23
Total	24.94	0.62

15 Other Current Liabilities	As on 31st Mar'2023	As at 31 Mar'2022
	₹ in Lakhs	₹ in Lakhs
Unpaid expenses	35.19	0.50
Statutory Dues	34.20	3.18
Employee Payable	0.29	0.81
Amount payable to capital goods vendors	1771.98	-
Total	1841.66	4.49

17 Revenue from Operations	For the Year ended 31st Mar'2023	For the Year ended 31st Mar'2022
	₹ in Lakhs	₹ in Lakhs
Rental Income	-	35.70
	-	35.70

18 Other Income	For the Year ended 31st Mar'2023	For the Year ended 31st Mar'2022
	₹ in Lakhs	₹ in Lakhs
Liability no Longer Required written back	-	0.02
Interest Income	0.48	1.40
Profit on Sale of Assets	-	82.97
Miscellaneous Income ( Provision for Doubtful assets written back)	-	18.00
Income on FVTPL (Mutual Fund)	-	0.86
Other Income	15.99	0.56
Total	16.47	103.82

19 Employee Benefit Expense	For the Year ended 31st Mar'2023	For the Year ended 31st Mar'2022
	₹ in Lakhs	₹ in Lakhs
Salary, Wages and Bonus	73.21	61.28
Contribution to Provident Fund & Other Funds	4.31	5.29
Employees' Welfare Expenses	4.79	6.69
Total	82.31	73.26



**HG INDUSTRIES LIMITED**  
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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2023**

**19.1 DISCLOSURES REGARDING EMPLOYEE BENEFITS**

i) **Defined Contribution Plan:** Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

ii) **Defined Benefit Plan:** Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.  
Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.

As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

iii) **Actuarial Valuation of Gratuity**

a) **Defined Benefit Cost**

	For the Year ended 31st Mar'2023 ₹ in Lakhs	For the Year ended 31st Mar'2022 ₹ in Lakhs
Current Service Cost	5.32	1.93
Interest Expense on Defined Benefit Obligation (DBO)	1.44	0.73
<b>Defined Benefit Cost included in Profit and Loss</b>	<b>6.76</b>	<b>2.66</b>
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	-	-
<b>Defined Benefit Cost included in Other Comprehensive Income</b>	<b>-</b>	<b>-</b>
<b>Total Defined Benefit Cost in Profit and Loss and OCI</b>	<b>6.76</b>	<b>2.66</b>

b) **Movement in Defined benefit liability:**

Opening Defined Benefit Obligation	20.00	11.03
Interest Expense on Defined Benefit Obligation (DBO)	1.44	0.73
Current Service Cost	5.32	1.93
Total Remeasurements included in OCI	-	-
Less: Benefits paid	-	-
Actuarial Gain	5.52	6.31
<b>Closing benefit obligation</b>	<b>32.28</b>	<b>20.00</b>
Current Liabilities of Closing benefit obligation	21.34	0.40
Non-Current Liabilities of Closing benefit obligation	10.94	19.60
	<b>32.28</b>	<b>20.00</b>

c) **Sensitivity Analysis:**

**Under Base Scenario**

Salary Escalation - Increase by 0.50%	0.44	0.31
Salary Escalation - Decrease by 0.50%	(0.41)	(0.29)
Discount Rates - Increase by 0.50%	(0.40)	(0.29)
Discount Rates - Decrease by 0.50%	0.44	0.30

d) **Actuarial assumptions:**

Mortality Table	IALM 2012-2014	IALM 2012-2014
Discount Rate (per annum)	7.36%	7.18%
Rate of escalation in salary (per annum)	5.50%	5.50%
Withdrawal rate		
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

iv) **Actuarial Valuation of Leave**

a) **Defined Benefit Cost**

	For the Year ended 31st Mar'2023 ₹ in Lakhs	For the Year ended 31st Mar'2022 ₹ in Lakhs
Current Service Cost	6.36	1.54
Past Service Cost including curtailment Gain Losses	-	2.08
<b>Defined Benefit Cost included in Profit and Loss</b>	<b>6.36</b>	<b>3.62</b>
<b>Interest cost</b>	<b>0.26</b>	<b>-</b>
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	0.49	-
<b>Defined Benefit Cost included in Other Comprehensive Income</b>	<b>0.49</b>	<b>-</b>
<b>Total Defined Benefit Cost in Profit and Loss and OCI</b>	<b>6.85</b>	<b>3.62</b>

b) **Movement in Defined benefit liability:**

Opening Defined Benefit Obligation	3.62	-
Past Service Cost including curtailment Gain Losses	-	2.08
Current Service Cost	6.36	1.54
Interest Expense on Defined Benefit Obligation (DBO)	0.26	-
Total Remeasurements included in OCI	0.49	-
Less: Benefits paid	-	-
Actuarial Gain	-	-
<b>Closing benefit obligation</b>	<b>10.73</b>	<b>3.62</b>
Current Liabilities of Closing benefit obligation	3.60	0.23
Non-Current Liabilities of Closing benefit obligation	7.13	3.39
	<b>10.73</b>	<b>3.62</b>



**HG INDUSTRIES LIMITED**  
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**c) Sensitivity Analysis:**

**Under Base Scenario**

Salary Escalation - Increase by 0.50%	0.30	0.17
Salary Escalation - Decrease by 0.50%	(0.55)	(0.16)
Discount Rates - Increase by 0.50%	(0.54)	(0.16)
Discount Rates - Decrease by 0.50%	0.29	0.17

**d) Actuarial assumptions:**

Mortality Table	IALM 2012-2014	IALM 2012-2014
Discount Rate (per annum)	7.18%	7.18%
Rate of escalation in salary (per annum)	5.50%	5.50%
Withdrawal rate		
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

v) Amount incurred as expense for defined contribution to Provident Fund\* is ₹ 4.31 Lakhs (Previous Year ₹ 5.29 Lakhs).

\* This amount does not include the contribution of employees involved in project.

**20 FINANCE COST**

	For the Year ended 31st Mar'2023 ₹ in Lakhs	For the Year ended 31st Mar'2022 ₹ in Lakhs
Interest Expense*	-	0.22
	-	0.22

\* Finance Cost amounting to ₹ 286.94 Lakhs have been capitalized during the year ( Previous Year- ₹ Nil)

**21 DEPRECIATION AND AMORTISATION EXPENSE**

	For the Year ended 31st Mar'2023 ₹ in Lakhs	For the Year ended 31st Mar'2022 ₹ in Lakhs
Depreciation of Plant, Property and Equipment*	-	10.60
Total	-	10.60

\* Depreciation amounting to ₹ 10.83 Lakhs have been capitalized during the year ( Previous Year- ₹ Nil)

**22 OTHER EXPENSES**

	For the Year ended 31st Mar'2023 ₹ in Lakhs	For the Year ended 31st Mar'2022 ₹ in Lakhs
Repairs to Buildings & Others	-	3.89
Insurance	-	0.14
Travelling & Conveyance	-	3.74
Rates and Taxes	-	4.46
Legal and Professional Expenses	4.74	9.17
Listing Fees	5.68	3.00
Electricity Expenses	-	0.90
Directors' Sitting Fees	1.45	0.90
Auditors' Remuneration (Refer note 22.1 below)	0.95	1.23
Secretarial Auditors' Remuneration	0.45	-
Printing & Stationery	-	0.90
Security Expenses	-	4.92
Other General Expenses	8.63	16.57
Total	21.90	49.81

**22.1 AUDITORS' REMUNERATION**

As Auditors	0.80	0.50
For Other Services - Certifications	0.15	0.73
Total	0.95	1.23

For expense capitalized during the year, pls refer note - 1a

**23 EARNINGS PER SHARE**

**BASIC AND DILUTED EARNINGS PER SHARE:**

	For the Year ended 31st Mar'2023	For the Year ended 31st Mar'2022
Number of Equity Shares at the beginning of the year	4633568	4633568
Number of Equity Shares at the end of the year	4633568	4633568
Weighted average number of equity shares	4633568	4633568
Profit for the year (after tax, available for equity shareholders)	(74.96)	2.65
BASIC AND DILUTED EARNINGS PER SHARE	(1.62)	0.06

**24 CONTINGENT LIABILITIES AND COMMITMENTS**

**24a Contingent liabilities**

Disputed Demand ₹ Nil (Previous year ₹ Nil)

**24b Commitments**

- Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances ₹ 4898.00 Lakhs) (Previous year ₹ 207.84 Lakhs)
- Uncalled liability on shares and other investments which are partly paid ₹ Nil (Previous year ₹ Nil).
- Other commitments ₹ Nil (Previous year ₹ Nil).





# HG INDUSTRIES LIMITED

(Formerly Himalaya Granites Limited)

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2023

### 25 FINANCIAL RISK MANAGEMENT

The Company's financial risk management is an integral part of planning and executing its business strategies. The Company's financial risk management policy is planned, approved and reviewed by the Board of Directors. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

#### 25.1 LIQUIDITY RISK

Liquidity Risk is the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's corporate finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are reviewed by the Board of Directors. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financial Liabilities as reported in the Balance Sheet are segregated into current and non-current. Non-current financial liabilities have a maturity period of more than one year, whereas the current financial liabilities have maturities within one year.

31st Mar'2023						
Particulars	On Demand	Not Due	Less than 1 Year	More than 1 year to 5 year	More than 5 year	₹ in Lakhs Total
<b>Non-derivative</b>						
Trade payables	-	-	2.48	-	-	2.48
Borrowings	-	-	626.80	6267.99	4,091.53	10986.32
<b>Other financial liabilities</b>						
Interest Accrued but not due on borrowings	-	-	-	-	-	-
<b>Total</b>	-	-	629.28	6267.99	4091.53	10988.81

31st Mar'2022						
Particulars	On Demand	Not Due	Less than 1 Year	More than 1 year to 5 year	More than 5 year	₹ in Lakhs Total
<b>Non-derivative</b>						
Trade payables	-	-	26.58	-	-	26.58
Borrowings	-	-	-	-	-	-
<b>Other financial liabilities</b>						
Interest Accrued but not due on borrowings	-	-	-	-	-	-
<b>Total</b>	-	-	26.58	-	-	26.58

#### 26(a) FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidated sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loans from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable.

Level 3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

	As on 31st Mar'2023 ₹ in Lakhs	As on 31st Mar'2022 ₹ in Lakhs
<b>Financial assets at amortised cost - Level 3</b>		
Loans - Non-current	-	-
Other Non Current Assets	1367.09	17.72
Cash and Cash Equivalents	31.22	1.59
<b>Total</b>	<b>1398.30</b>	<b>19.31</b>
<b>Financial assets at fair value through profit and loss:</b>		
Investments - Non-current - Level 1	-	35.42
	-	35.42
<b>Total Financial Assets</b>	<b>1398.30</b>	<b>(16.12)</b>
<b>Financial liabilities at amortised cost:</b>		
Borrowings - Non Current	10359.52	-
Borrowings - Current	626.80	-
Trade Payables	2.48	26.57
Other Financial Liabilities - Current	1.73	-
<b>Total</b>	<b>10990.53</b>	<b>26.57</b>

#### 26(b) Foreign Currency Risk

The Company is in the process of importing plant and machinery from few foreign vendors. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign currency forward contracts to hedge exposure to foreign currency risk.

#### Hedged Foreign Currency Exposures:

Particulars	Currency	31st Mar'2023 ₹ in Lakhs	31st Mar'2022 ₹ in Lakhs
Amount Payable to capital Vendors	Foreign Currency	-	-

#### Unhedged Foreign Currency Exposures:

Particulars	Currency	31st Mar'2023 ₹ in Lakhs	31st Mar'2022 ₹ in Lakhs
Amount Payable to Capital Vendors	USD	14120.00	11.60

27 In respect of setting up of greenfield project for manufacturing of 18.9 million square meter plywood per annum at Tindivanam, Tamil Nadu by the Company, consent for establishment has been obtained, civil construction work is under progress, order for procurement of equipment has been placed and deliveries of equipment at the project site has been started and installation of the same are under progress. The project is on schedule which is expected to commence commercial production by Q4 of F.Y. 2022-23.



**HG INDUSTRIES LIMITED**  
(Formerly Himalaya Granites Limited)  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023**

**28 RELATED PARTY DISCLOSURES**

**28.1 List of related parties and relationship:**

**a) Related parties with whom transactions have taken place during the year:**

**Key Managerial Personnel/Director**

- i) Mr. Ramesh Kumar Haritwal, Managing Director & CEO
- ii) Mr. Manojit Dash, Independent Director
- iii) Mr. Shalabh Jalan, Independent Director
- iv) Ms. Mathangi Ramanujam, Non-executive Director
- v) Mr. Jayasankar Ramalingam, Chief Financial Officer
- vi) Mr. Hariom Pandey, Company Secretary

**b) Enterprises Owned or Influenced by:-**

- i) Greenlam Industries Limited

**c) Holding Co**

- i) Greenlam Industries Limited

**28.2 Transactions during the year**

Particulars	Key Managerial Personnel / Director		Holding Co.		Enterprise over which key management personnel is having significant influence	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
<b>Rental Income</b>						
Greenlam Industries Limited	-	-	-	-	-	35.70
<b>Total</b>	-	-	-	-	-	35.70
<b>Reimbursement of Expenses</b>						
Greenlam Industries Limited	-	-	20.35	0.49	-	-
	-	-	20.35	0.49	-	-
<b>Loan Received</b>						
Greenlam Industries Limited	-	-	3650.00	35.00	-	-
	-	-	3650.00	35.00	-	-
<b>Loan Repaid</b>						
Greenlam Industries Limited			-	35.22		
			-	35.22		
<b>TDS on Interest paid</b>						
Greenlam Industries Limited	-	-	14.24	0.02	-	-
	-	-	14.24	0.02	-	-
<b>Interest Expense *</b>						
Greenlam Industries Limited	-	-	142.37	0.22	-	-
	-	-	142.37	0.22	-	-
*transferred to CWIP (FY 22-23)						
<b>Notional Guarantee Commission</b>						
Greenlam Industries Limited	-	-	11.80	-	-	-
	-	-	11.80	-	-	-
<b>Remuneration Paid</b>						
Mr. Ramesh Kumar Haritwal	47.55	31.87	-	-	-	-
Mr. Jayasankar Ramalingam	10.50	9.91	-	-	-	-
Mr. Hariom Pandey	15.17	13.04	-	-	-	-
<b>Total</b>	73.22	54.82	-	-	-	-
<b>Sitting Fees</b>						
Mr. Manojit Dash	0.60	0.65	-	-	-	-
Mr. Shalabh Jalan	0.60	0.65	-	-	-	-
Ms. Mathangi Ramanujam	0.25	0.35	-	-	-	-
<b>Total</b>	1.45	1.65	-	-	-	-
<b>Amount outstanding as at Balance Sheet date</b>						
<b>Loan O/s</b>						
Greenlam Industries Limited	-	-	3778.13	-	-	-
	-	-	3778.13	-	-	-
<b>Reimbursement of Expenses</b>						
Greenlam Industries Limited	-	-	16.67	-	-	-
	-	-	16.67	-	-	-
<b>Notional Guarantee Commission</b>						
Greenlam Industries Limited	-	-	11.80	-	-	-
	-	-	11.80	-	-	-



**HG INDUSTRIES LIMITED**  
(Formerly Himalaya Granites Limited)  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2023**

**29 Financial Ratios**

Ratios	Numerator	Denominator	31st Mar'2023	31st Mar'2022	% change	Remarks
Current ratio	Current Assets	Current Liabilities	0.54	1.98	-73%	Due to project current liability has increased in FY 22-23.
Debt- Equity Ratio	Net Debt= total debt -cash & cash equivalents	Tangible Networth= Share holders Equity- Intangible Assets	119.43	NA	100%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	NA	NA	NA	
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity- OCI- Capital Reserve	-60.23%	1.65%	-3746%	Company is in project implementation phase. There was no revenue in FY 22-23.
Inventory Turnover ratio	Average Inventory	Revenue from Operations	NA	NA	NA	
Trade Receivable Turnover Ratio	Average receivables	Revenue from Operations	NA	NA	NA	
Trade Payable Turnover Ratio	Average Trade Payables	Revenue from Operations	NA	NA	NA	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	NA	NA	NA	
Net Profit ratio	Net Profit	Revenue from Operations	NA	NA	NA	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	-0.79%	3.43%	-123.12%	Company is in project implementation phase. There was no revenue in FY 22-23.
Return on Investment	Interest (Finance Income)	Average current Investment	0.35%	9.15%	-96.20%	Investment liquidated during the year

**30 INFORMATION REGARDING MICRO, SMALL AND MEDIUM ENTERPRISES**

Based on the information documents available with the Company, information as per the requirements of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

	As on 31st Mar'2023	As on 31st Mar'2022
i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).	-	-
ii) Interest due on above	-	-
<b>Total of (i) &amp; (ii)</b>	-	-
iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	-	-
iv) Amount paid to the suppliers beyond due date during the year.	-	-
v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
vi) Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-
viii) 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 and Medium Enterprises Development Act, 2006	-	-



**HG INDUSTRIES LIMITED**  
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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2023**

31 As there is neither more than one business segment nor more than one geographical segment, segment information is not required to be disclosed.

**32 Other Statutory Information**

- 1 All the borrowings of the company are used for the specific purpose for which it was taken.
  - 2 The company is not a wilful defaulter as declared by any bank or financial Institution or any other lender.
  - 3 The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
  - 4 The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
  - 5 There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
  - 6 The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
  - 7 There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- 33 The figures for the previous year are re-classified re-arranged re-grouped, wherever necessary so as to be in conformity with the figures of the current year's classification disclosure.

AS PER OUR ANNEXED REPORT OF EVEN DATE

**For S.P.Shaw & Co**

Chartered Accountants

ICAI Firm Reg. No. 314229E



S.P.Shaw  
Partner  
Membership No. 051927



Place of Signature : Kolkata  
Dated : 26 May, 2023

**For and on behalf of Board of Directors of**  
HG Industries Limited  
CIN: L20100DL198PLC408363



**Ramesh Kumar Haritwal**  
Managing Director & CEO  
(DIN : 01486666)



**Jayashankar Ramalingam**  
Chief Financial Officer

Place of Signature : New Delhi  
Dated : 26 May, 2023



**Mathangi Ramanujam**  
Director  
(DIN : 07095686)



**Hariom Pandey**  
Company Secretary