ANNUAL REPORT 2021 - 22

HG INDUSTRIES LIMITED

(Formerly Himalaya Granites Limited)

HG Industries Limited

(Formerly Himalaya Granites Limited)

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Ramesh Kumar Haritwal, Managing Director & CEO
Mr. Manojit Dash, Independent Director
Mr. Shalabh Jalan, Independent Director
Ms. Mathangi Ramanujam, Non-Executive Director

AUDIT COMMITTEE
Mr. Manojit Dash, Chairman
Mr. Ramesh Kumar Haritwal
Mr. Shalabh Jalan

NOMINATION AND REMUNERATION COMMITTEE
Mr. Manojit Dash, Chairman
Mr. Shalabh Jalan
Ms. Mathangi Ramanujam

STAKEHOLDERS' RELATIONSHIP COMMITTEE
Mr. Shalabh Jalan, Chairman
Mr. Manojit Dash

CHIEF FINANCIAL OFFICER
Mr. Jayasankar Ramalingam

COMPANY SECRETARY
Mr. Hariom Pandey

STATUTORY AUDITORS
M/s. S. P. Shaw & Co.
Chartered Accountants
Sagar Court, 7 Garstin Place,
2nd Floor, Kolkata-700001

REGISTERED OFFICE
Panchalam Village, Melpettai Post,
Tindivanam, Tamil Nadu - 604 307
CIN: L20100TN1987PLC015161
Telephone: +91 4147-290021
Website: www.hgl.co.in
Email: investors@hgl.co.in

REGISTRAR & SHARE TRANSFER AGENT
M/s. S. K. Infosolutions Pvt. Ltd.
D/42, Katju Nagar Colony, Ground Floor,
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NAVIGATING THE INSIDE PAGES

Directors' Report for the financial year 2021-22

Dear Shareholders,

Your Directors have the pleasure in presenting the 34th Annual Report on the business and operations of the Company and the Audited Financial Statements of the Company for the financial year ended March 31, 2022.

1. FINANCIAL HIGHLIGHTS

(Amount in ₹)

Particulars	2021-22	2020-21
Revenue from Operations	35,70,000	59,16,000
Other Income	1,03,81,690	5,19,813
Profit/(Loss) before Finance Cost, Depreciation & Amortization Expenses and Tax Expenses	16,45,254	9,96,303
Less : Finance Cost	21,986	-
Less : Depreciation & Amortization Expenses	10,60,424	10,83,802
Profit/(loss) before tax	**5,62,844**	**(87,499)**
Less: Provision for Taxation	2,97,721	-
Profit/(loss) for the year	**2,65,123**	**(87,499)**
Add: Other Comprehensive Income (Net of Taxes)	(4,66,750)	48,605
Total Comprehensive Income (Net of Taxes)	**(2,01,627)**	**(38,894)**
Balance brought forward from earlier years	(7,67,13,904)	(7,66,75,010)
Balance carried to Balance Sheet	**(7,69,15,530)**	**(7,67,13,904)**

2. OPERATIONS AND STATE OF AFFAIRS OF THE COMPANY

During the year under review, your Company continued to let out part of its factory sheds till October 31, 2021. During the financial year 2021-22, your Company posted a total Income of ₹1,39,51,690/– as against ₹64,35,813/– in the financial year 2020-21. The Company reported a profit of ₹2,65,123/– (before other comprehensive income) during the financial year 2021-22 as against loss of ₹87,499/– (before other comprehensive income) in the financial year 2020-21.

3. FUTURE OUTLOOK AND EXPANSION

During the year under review, your Board of Directors has announced to set-up a Greenfield Project for the manufacturing of plywood and allied products, having a proposed capacity of 18.9 million square meter per annum at Tindivanam, Tamil Nadu, with an investment of approximately ₹ 125 Crore.

4. DIVIDEND

Considering the losses (after other comprehensive income) incurred by the Company in the current financial year and accumulated losses, your Directors have not recommended any dividend for the financial year under review.

5. SUBSIDIARIES AND ITS PERFORMANCE

Your Company had no Subsidiaries, Joint Venture or Associate Company during the year under review.

6. TRANSFER TO GENERAL RESERVE

In view of the losses (after other comprehensive income) during the financial year ended March 31, 2022, no amount is proposed to be transferred to the General Reserve.

7. BOARD OF DIRECTORS

There was no change in the composition of Board of Directors of the Company during the year under review.

None of the Directors of your Company are disqualified from being appointed as a director under the provisions of Section 164(2)(a) & (b) of the Companies Act, 2013.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ramesh Kumar Haritwal (DIN: 01486666), Managing Director & CEO of the Company, will retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board recommends his re-appointment at the ensuing AGM.

For the financial year 2021-22, the Company had received declarations from all the Independent Directors viz. Mr. Shalabh Jalan (DIN: 01089278) and Mr. Manojit Dash (DIN: 08960450) confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the Independent Directors of the Company have complied with the requirement of inclusion of their names in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs.

Further, in the opinion of Board of Directors, the Independent Directors of the Company appointed / re-appointed during the financial year 2021-22 are persons of integrity and possess relevant expertise, experience and proficiency.

8. CHANGES IN SHARE CAPITAL

During the year under review, there was no change in the share capital of the Company.

9. CHANGE OF NAME OF THE COMPANY

During the year under review, the name of the Company has been changed from Himalaya Granites Limited to "**HG Industries Limited**" and a fresh certificate of incorporation was issued by Registrar of Companies, Chennai, dated July 02, 2021.

10. KEY MANAGERIAL PERSONNEL

The details of the Key Managerial Personnel of the Company are provided as under:

1. Mr. Ramesh Kumar Haritwal (Managing Director & CEO)
2. Mr. Jayasankar Ramalingam (Chief Financial Officer)
3. Mr. Hariom Pandey (Company Secretary)

During the financial year 2021-22, there was no change in the Key Managerial Personnel of the Company.

11. MEETINGS OF THE BOARD

During the financial year 2021-22, Seven (7) meetings of the Board of Directors of the Company were held on May 05, 2021, June 30, 2021, July 21, 2021, September 28, 2021, November 13, 2021, December 13, 2021 and February 01, 2022. The composition of the Board of Directors and their attendance at the Board Meetings held during the financial year 2021-22 are as below:

Name of the Directors and Director Identification Number [DIN]	Category of Directorship	No. of Board Meetings	
		Held	Attended
Mr. Ramesh Kumar Haritwal [DIN: 01486666]	Managing Director & CEO	7	7
Ms. Mathangi Ramanujam [DIN: 07095686]	Non-Executive Director	7	7
Mr. Manojit Dash [DIN: 08960450]	Non-Executive Independent Director	7	7
Mr. Shalabh Jalan [DIN: 01089278]	Non-Executive Independent Director	7	7

Further, during the financial year 2021-22, a resolution was passed by the Board of Directors through circulation on May 10, 2021 in compliance with the provisions of Section 175 and other applicable provisions of the Companies Act, 2013.

12. PERFORMANCE EVALUATION

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 25 (3) & (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting held on February 01, 2022 have evaluated the performance of Non-Independent Directors after considering the views of the Executive and Non-Executive Directors, Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board. The Nomination and Remuneration Committee has also carried out evaluation of performance of every Director of the Company. Based on evaluation made by the Independent Directors and the Nomination and Remuneration Committee and by way of individual and collective feedback from the Non-Independent Directors, the Board had carried out the Annual Performance Evaluation of the

Directors individually as well as evaluation of the working of the Board as a whole and Committees of the Board.

The criteria for evaluation are outlined below:

a. For Independent Directors:

- Knowledge and skills
- Professional conduct
- Duties, role and functions
- Compliance with Code of Business Ethics and Code of Conduct of the Company
- Rendering independent and unbiased opinion and judgements
- Attendance and active participation in meetings of Board and Committees of the Board and Members of the Company
- Assistance in implementing corporate governance practices
- Updation of skills and knowledge
- Information regarding external environment
- Raising of concerns, if any, to the Board
- Study of agenda in depth prior to the Meeting
- Contribution towards the formulation and implementation of strategy for achieving the goals of the Company

b. For Executive and Non-Executive Directors:

- Performance as Team Leader/Member
- Evaluating business opportunity and analysis of Risk Reward Scenarios
- Professional conduct and Integrity
- Sharing of Information with the Board
- Attendance and active participation in the Board and Committee of the Board and Meetings of Members of the Company
- Whether difference of opinion was voiced in the meeting
- Whether Executive Directors were able to answer the queries raised by Independent Directors
- Compliance with Code of Business Ethics and Code of Conduct of the Company
- Assistance in implementing corporate governance practices
- Independent view on key appointments and strategy formulation
- Review of integrity of financial information and risk management
- Updation of skills and knowledge
- Information regarding external environment
- Raising of concerns, if any, to the Board
- Assistance in formulation of statutory and non-statutory policies for the Company
- Ensures implementation of decisions of the Board
- Ensures compliance with applicable legal and regulatory requirements
- Alignment of Company's resources and budgets to the implementation of the organization's strategic plan
- Creativity and innovations in creating new products
- Understanding of the business and products of the Company

c. For Committees of the Board:

- Adequate and appropriate written terms of reference
- Volume of business handled by the committee set at the right level?
- Whether the committees work in an 'inclusive' manner
- Effectiveness of the Board's Committees with respect to their role, composition and their interaction with the Board
- Are the committees used to the best advantage in terms of management development, effective decision, etc.
- Attendance and active participation of each member in the meetings
- Review of the action taken reports and follows up thereon

d. For Board of Directors as a whole:

- Setting of clear performance objectives and how well it has performed against them
- Contribution to the testing and development and strategy
- Contribution to ensuring robust and effective risk management
- Composition of the Board and its committees appropriate with the right mix of knowledge and skills sufficient to maximize performance in the light of future strategy
- Effectiveness of inside and outside Board relationship
- Responding to the problems or crises that have emerged
- Relationship between Board and its Committees and between committees themselves
- Communication with employees and others
- Updation with latest developments in regulatory environments and the market in which the Company operates
- Role and functioning of the Board on the matters pertaining to financial reporting and internal controls
- Contribution of the Board for ensuring that the Company is adhere to the statutory and regulatory compliances as applicable to the Company

The Directors expressed their satisfaction with the evaluation process.

13. AUDIT COMMITTEE

As on March 31, 2022, the Audit Committee of the Company comprises of three members with two Independent Directors namely Mr. Manojit Dash [DIN: 08960450] (Chairman), Mr. Shalabh Jalan [DIN: 01089278] (Member) and Mr. Ramesh Kumar Haritwal [DIN: 01486666] (Member), Managing Director & CEO of the Company. The Committee, *inter alia*, reviews the internal control system and report of Internal Auditors. The Committee also reviews the Financial Statements before they are placed before the Board. The brief terms of reference of the Committee and the details of the Committee meetings are provided herein below:

Terms of References of Audit Committee are as follows:

Powers of Audit Committee:

1. To investigate any activity within its terms of reference;
2. To seek information required from any employee;
3. To obtain external, legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee:

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    ii. Changes, if any, in accounting policies and practices and reasons for the same;
    iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    iv. Significant adjustments made in the financial statements arising out of audit findings;
    v. Compliance with listing and other legal requirements relating to financial statements;
    vi. Disclosure of any related party transactions;
    vii. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as may be referred to by the Board or mandated by regulatory provisions from time to time;
21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.

Review of information by Audit Committee:

1. The Audit Committee shall mandatorily review the following information:
   a. Management discussion and analysis of financial condition and results of operations;
   b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
   c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
   d. Internal audit reports relating to internal control weaknesses;
   e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
   f. Statement of deviations:
      i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulations 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
      ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings and attendance:

During the financial year 2021-22, five (5) meetings of the Audit Committee were held on May 05, 2021, June 30, 2021, July 21, 2021, November 13, 2021 and February 01, 2022 and the attendance of the Committee Members were as under:

Name of the Committee Members	Category	No. of Meetings	
		Held	Attended
Mr. Manojit Dash	Non-Executive -Independent Director	5	5
Mr. Shalabh Jalan	Non-Executive -Independent Director	5	5
Mr. Ramesh Kumar Haritwal	Executive- Non- Promoter Director	5	5

Further, during the financial year 2021-22, two resolutions were passed by the Members of the Audit Committee through circulation on December 13, 2021 in compliance with the provisions of Section 175 and other applicable provisions of the Companies Act, 2013.

14. NOMINATION AND REMUNERATION COMMITTEE

As on March 31, 2022, the Nomination and Remuneration Committee of the Company comprises of three members namely Mr. Manojit Dash [DIN: 08960450] (Chairman), Mr. Shalabh Jalan [DIN: 01089278] (Member) and Ms. Mathangi Ramanujam [DIN: 07095686] (Member). The brief terms of reference of the Committee and the details of the Committee meetings are provided herein below:

Terms of Reference of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall be responsible for, among other things, as may be required by the Company from time to time, the following:

1. To formulate criteria for:
   a. determining qualifications, positive attributes and independence of a director;
   b. evaluation of independent directors and the Board of Directors.
2. To devise the following policies on:
   a. remuneration including any compensation related payments of the directors, key managerial personnel and other employees and recommend the same to the board of the Company;
   b. board diversity laying out an optimum mix of executive, independent and non-independent directors keeping in

mind the needs of the Company.

3. To identify persons who are qualified to:
   a. become directors in accordance with the criteria laid down, and recommend to the Board the appointment and removal of directors;
   b. be appointed in senior management in accordance with the policies of the Company and recommend their appointment or removal to the HR Department and to the Board.
4. To carry out evaluation of the performance of every director of the Company;
5. To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
6. To express opinion to the Board that a director possesses the requisite qualification(s) for the practice of the profession in case the services to be rendered by a director are of professional nature.
7. To carry out such other business as may be required by applicable law or delegated by the Board or considered appropriate in view of the general terms of reference and the purpose of the Nomination and Remuneration Committee.
8. To decide whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors;
9. To recommend to the board, all remuneration, in whatever form, payable to senior management.

Meetings and attendance:

During the financial year 2021-22, three (3) meetings of the Nomination and Remuneration Committee were held on May 05, 2021, September 28, 2021 and February 01, 2022 and the attendance of the Committee Members were as under:

Name of the Committee Members	Category	No. of Meetings	
		Held	Attended
Mr. Manojit Dash	Non-Executive -Independent Director	3	3
Mr. Shalabh Jalan	Non-Executive -Independent Director	3	3
Ms. Mathangi Ramanujam	Non-Executive -Director	3	3

Summary on Remuneration Policy of the Company

The Board of Directors has adopted the Remuneration Policy on the recommendation of the Nomination and Remuneration Committee in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy applies to all the "Executives" of the Company and is valid for all employment agreements entered into after the approval of the Policy and for changes made to existing employment agreements thereafter. In keeping with the provisions of Section 178, the remuneration structure of the Company comprises of fixed remuneration (including fixed supplements), performance-based remuneration (variable salary) pension schemes, where applicable, other benefits in kind and severance payment, where applicable. Further, the Policy states that the Non-Executive Directors and Independent Directors of the Company may receive remuneration only by way of fee and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible by the applicable law. Additionally, the Policy also lays down the overall selection criteria for the Executives of the Company which is based on broad heads such as competencies, capabilities, compatibility, strong interpersonal skills, commitment among others.

The latest policy is available on the website of the Company at https://www.hgl.co.in/2019-20/Remuneration%20Policy.pdf

15. STAKEHOLDERS' RELATIONSHIP COMMITTEE

As on March 31, 2022, the Stakeholders' Relationship Committee of the Company consists of two Independent Directors namely Mr. Shalabh Jalan [DIN: 01089278] (Chairman) and Mr. Manojit Dash [DIN: 08960450] (Member) of the

Committee. The brief terms of reference of the Committee and the details of the Committee meetings are provided herein below:

Terms of Reference for the Stakeholders' Relationship Committee:

i. To ensure proper and timely attendance and redressal of grievances of security holders of the Company in relation to:
   a. Transfer/transmission of shares,
   b. Non-receipt of annual reports,
   c. Non-receipt of declared dividends,
   d. Issue of new/duplicate certificates,
   e. General meetings,
   f. All such complaints directly concerning the shareholders / investors as stakeholders of the Company; and
   g. Any such matters that may be considered necessary in relation to shareholders and investors of the Company.

ii. Reviewing the measures taken for effective exercise of voting rights by shareholders.

iii. Reviewing the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.

iv. Reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

v. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from the shareholders from time to time;

vi. To review and / or approve applications for transfer, transmission, transposition and mutation of share certificates including issue of duplicate certificates and new certificates on split / sub-division / consolidation / renewal and to deal with all related matters;

vii. To review and approve requests of de-materialization and re-materialisation of securities of the Company and such other related matters;

viii. Appointment and fixing of remuneration of RTA and overseeing their performance;

ix. Review the status of the litigation(s) filed by/against the security holders of the Company;

x. Review the status of claims received for unclaimed shares;

xi. Recommending measures for overall improvement in the quality of investor services;

xii. Monitoring implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015;

xiii. Review the impact of enactments/ amendments issued by the MCA/ SEBI and other regulatory authorities on matters concerning the investors in general;

xiv. Such other matters as per the directions of the Board of Directors of the Company and/ or as required under Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.

Meetings and attendance:

During the financial year 2021-22, one (1) meeting of Stakeholders' Relationship Committee was held on February 01, 2022 and the attendance of Committee Members were as under:

Name of the Committee members	Category	No. of meetings	
		Held	Attended
Mr. Shalabh Jalan	Non-executive -Independent Director	1	1
Mr. Manojit Dash	Non-executive -Independent Director	1	1

The table below gives the number of Shareholders Complaints received, resolved and pending during the financial year 2021-22.

Number of Complaints:

Received	Resolved	Pending
Nil	Nil	Nil

16. COMMITTEE OF INDEPENDENT DIRECTORS

During the financial year 2021-22, your company had constituted a Committee of Independent Directors as required under the provisions of Regulation 26 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, pursuant to the open offer by Greenlam Industries Limited, for the acquisition of 11,62,602 Equity Shares of the Company. The Committee was constituted on September 28, 2021 by the Board of Directors, comprising both the Independent Directors of the Company.

The Composition of the Committee of Independent Directors was as follows:

Name of the Committee members	Category
Mr. Shalabh Jalan, [DIN: 01089278]	Non-executive -Independent Director
Mr. Manojit Dash, [DIN: 08960450]	Non-executive -Independent Director

During the year under review, one (1) meeting of the Committee of Independent Directors was held on October 23, 2021, where both the Independent Directors of the Company were present.

Further, the Committee of Independent Directors, was dissolved on February 01, 2022, post completion of the open offer by Greenlam Industries Limited.

17. INDEPENDENT DIRECTORS AND THEIR MEETING

As on March 31, 2022 there were two (2) Independent Directors of the Company as per following details:

1. Mr. Shalabh Jalan, [DIN: 01089278]
2. Mr. Manojit Dash, [DIN: 08960450]

During the year under review, one (1) meeting of the Independent Directors was held on February 01, 2022, where both the Independent Directors of the Company were present.

18. VIGIL MECHANISM

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a 'Whistle Blower Policy' to establish Vigil Mechanism for Directors and employees of the Company to report genuine concerns. The Policy is revised from time to time to align it with applicable regulations or organisations suitability. The latest policy is available on the website of the Company at https://hgl.co.in/2019-20/Vigil%20Mechanism%20Policy.pdf. This Policy provides a process to disclose information, confidentially and without fear of reprisal or victimization, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrong doing within the Company. The Company ensures that no personnel have been denied access to the Chairperson of the Audit Committee.

19. RISK MANAGEMENT

The Company takes necessary steps to identify, assess, monitor and mitigate various risks to its key business objectives. Major risks as identified by the business and functions would be systematically addressed through mitigating actions on a continuous basis.

20. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Directors had laid down internal financial controls procedures to be followed by the Company which ensure compliance with various policies, practices and statutes. The Audit Committee of the Board, from time to time, evaluated the internal financial control of the Company with regard to the following-

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. There are well-laid manuals for such general or specific authorization.
2. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of Financial Statements in conformity with Generally Accepted Accounting Principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.
3. Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
4. The existing assets of the Company are verified/checked at reasonable intervals and appropriate action is taken with respect to differences, if any.
5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

21. CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the compliance under Section 135 of the Companies Act, 2013 was not applicable to the Company. Further, considering the financial position and other factors, your Company could not take any initiative in this regard.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Related party transactions that were entered into during the financial year 2021-22, were on arm's length basis and in the ordinary course of business. The particulars of material related party transactions which were entered into on arm's length basis are provided in Form AOC- 2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 which is annexed herewith as "**Annexure-I**". There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company.

23. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(3)(c) read with 134(5) of the Companies Act, 2013, the Directors state that:

a) In preparation of the annual accounts for the financial year ended March 31, 2022, the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures;

b) The Directors have selected such Accounting Policies as listed in the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on March 31, 2022 and of the profit / loss of the Company for that period;

c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. MATERIAL CHANGES

During the year under review, the shareholders vide special resolutions passed through postal ballot on June 10, 2021, approved:

A. To change the name of the Company from Himalaya Granites Limited to HG Industries Limited.

B. To change the main object clause of the Memorandum of Association of the Company.

Further, Greenlam Industries Limited had acquired 34,70,966 equity shares aggregating to 74.91% of the equity share capital of the Company during the year under review. Consequently, the Company became a subsidiary of Greenlam Industries Limited w.e.f. December 03, 2021.

The Company at its Board Meeting held on December 13, 2021 passed a resolution for the shifting of its Registered Office from the State of Tamil Nadu to National Capital Territory ('NCT') of Delhi subjected to the approval of shareholders. Subsequently, the aforesaid matter was approved by the shareholders by passing a special resolution vide postal ballot on January 21, 2022. The Company has filed the requisites forms, *inter alia*, e-Form INC-23 for the approval of the Regional Director (Southern Region) and the same is pending for approval.

Further, your Board of Directors on December 13, 2021 announced to set-up a greenfield project for the manufacturing of plywood and allied products, having a proposed capacity of 18.9 million square meter per annum at Tindivanam, Tamil Nadu.

Further, there have been no material changes and commitments affecting the financial position of the Company since the close of financial year ended March 31, 2022 and to the date of this report.

25. CHANGE IN THE NATURE OF BUSINESS

During the year under review, the Company has deleted all the activities related to the business of 'granites and monuments' from main object clause of the Memorandum of Association of the Company and included the business of manufacturing, marketing and trading of paper based, wood based and plastic based products of all kinds and descriptions including plywood, laminates, decorative veneers, door sets, flooring etc. in its main objects pursuant to Special Resolution passed by the Members of the Company through Postal Ballot on June 10, 2021.

26. ALTERATION IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

The Company has amended its Memorandum of Association ('MOA') pursuant to Special Resolutions passed by the members of the Company by way of Postal Ballot on June 10, 2021, with respect to the following:

A. Change in main object clause of the MOA:

   i. The Alteration of existing clause III(A) of the Memorandum of Association ("MOA") of the Company by replacing the existing sub clauses 1 to 6 of Clause III(A) of MOA with the new clause including the new business activities pertaining to the business of manufacturing, marketing and trading of paper based, wood based and plastic based products of all kinds and descriptions including plywood, laminates, decorative veneers, door sets, flooring etc.

   ii. The existing sub clauses 7 and 8 of Clause III(A) of MOA be and are hereby renumbered as sub clauses 2 and 3 respectively.

B. Change in name clause of the MOA:

   To change the name of the Company from Himalaya Granites Limited to HG Industries Limited.

Further, the Members of the Company have passed a Special Resolution for shifting of the Registered Office of the Company from the State of Tamil Nadu to National Capital Territory of Delhi by way of Postal Ballot on January 21, 2022.

27. PUBLIC DEPOSITS

The Company did not invite or accept any deposits from the public in terms of Chapter V of the Companies Act, 2013, during the period under review.

28. LISTING OF SHARES

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 513723. The Company confirms that the annual listing fees to the stock exchange for the financial year 2022-23 have been duly paid.

29. INSURANCE

The Company's properties, including building, plant, machineries and stocks, among others are adequately insured against risks.

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

Details of Loans granted, Guarantees given and Investments made, if any, during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Financial Statement of the Company forming part of this Annual Report.

31. AUDITORS AND THEIR REPORT

(a) Statutory Auditors:

The Members of the Company at the 31st Annual General Meeting (AGM) held on September 27, 2019, have approved the appointment of M/s. S. P. Shaw & Co., Chartered Accountants (ICAI Firm Registration No. 314229E), as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 for a term of 5 years from the conclusion of 31st AGM till the conclusion of 36th AGM to be held in financial year 2024-25.

The Statutory Auditors' Report on the Financial Statements of the Company for the financial year ended March 31, 2022 forms part of this Annual report.

(b) Secretarial Auditors:

The Board of Directors of the Company at their meeting held on November 13, 2021 appointed Mr. Dilip Kumar Sarawagi, Practicing Company Secretary, Proprietor of M/s. DKS & Co., (ICSI Firm Registration No. S1990WB007300), having office at 173, M.G. Road, 1st Floor, Kolkata-700007, for conducting the Secretarial Audit of the Company for the financial year 2021-22.

The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2022 is annexed herewith as "**Annexure-II**".

(c) Cost Auditors:

Your Company was not required to appoint Cost Auditor for the financial year ended March 31, 2022. Further, pursuant to sub-section (1) of Section 148 of the Companies Act, 2013, the maintenance of Cost Records as specified by the Central Government is not required by the Company and accordingly such accounts and records are not made and maintained by the Company.

(d) Internal Auditors:

The Board of Directors has appointed M/s. AS & Associates, Cost Accountants, as the Internal Auditors of the Company to carry out internal audit of the Company. The Audit Committee periodically reviews the Internal Audit Report.

32. RESPONSE TO AUDITORS' REMARKS

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors or by the Secretarial Auditors in their Statutory Audit Report and Secretarial Audit Report, respectively and hence, no explanation or comments of the Board is required in this matter.

33. ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 ('the Act') Annual Return for previous financial years and draft Annual Return for the Financial Year 2021-22 to be filed with the Registrar pursuant to Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is available on website of the Company at https://hgl.co.in/annualreturn.php

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

Since the Company's operations for part of the year pertains to renting activities, your Company has no such scope relating to conservation of energy and technology absorption as stipulated in Rule 8(3) of Companies (Accounts) Rules, 2014. There has been no Technology absorption by the Company during last three financial years. Further, there was no Foreign Exchange Earnings and outgo during the year under review.

35. PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as "**Annexure-III**".

36. FRAUD REPORTING

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

37. CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE AND DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Pursuant to the requirement under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaints Committee has been duly constituted by the Company and the composition of the same is disclosed in the Anti-Sexual Harassment Policy which is posted on the website of the Company under the link https://hgl.co.in/policies.php.

Further, no complaint was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review.

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

During the period under review, there were no significant and material orders passed by any regulators / court / tribunal impacting the going concern status and the Company's operations in future.

39. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the financial year 2021-22, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as a separate statement in the Annual Report.

40. NON-APPLICABILITY OF CORPORATE GOVERNANCE REPORT AS PER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding Corporate Governance Report, is not mandatory to your Company presently. In view of the same, the Corporate Governance Report is not provided in the Annual Report.

41. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: **Nil**

(b) Number of shareholders who approached the Company for transfer of shares from suspense account during the year: **Nil**

(c) Number of shareholders to whom shares were transferred from suspense account during the year: **Nil**

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: **Nil**

(e) The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: **Not applicable.**

42. DISCLOSURE REGARDING COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Company has complied with all the mandatorily applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

43. ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks and appreciation to financial institutions, vendors, clients, investors, Central Government, State Governments, other regulatory authorities and other stakeholders for their continuing support and Co-operation.

For and on behalf of the Board of Directors of
HG Industries Limited
(*formerly Himalaya Granites Limited*)

Place: New Delhi
Date: May 26, 2022

Ramesh Kumar Haritwal
Managing Director & CEO
[DIN: 01486666]

Mathangi Ramanujam
Non-Executive Director
[DIN: 07095686]

Annexure-I

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. **Details of contracts or arrangements or transactions not at arm's length basis: Nil**

2. **Details of material contracts or arrangement or transactions at arm's length basis are given below:**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
Greenlam Industries Limited (Mr. Saurabh Mittal was Promoter and holding more than 2% of Paid-up share capital in both the Companies)	Agreement in respect of immovable property of the Company	^For the period of 11 months w.e.f. March 01, 2021	Monthly Rent of ₹ 5,10,000/-	9th February, 2021	Nil

^The contract was terminated effective from October 31, 2021.

The Company has obtained approval of its Shareholders by passing Special Resolution at the 26th Annual General Meeting of the Company held on September 30, 2014, in respect of the above said transaction for the financial year 2014-15 or thereafter with an increase in rent by 5% every year.

For and on behalf of the Board of Directors of
HG Industries Limited
(*formerly Himalaya Granites Limited*)

Place: New Delhi
Date: May 26, 2022

Ramesh Kumar Haritwal
Managing Director & CEO
[DIN: 01486666]

Mathangi Ramanujam
Non-Executive Director
[DIN: 07095686]

Annexure-II

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

To
The Members
HG INDUSTRIES LIMITED
(*Formerly Himalaya Granites Limited*)
(CIN: L20100TN1987PLC015161)
Panchalam Village,
Melpettai Post, Tindivanam,
Tamil Nadu - 604 307

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

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

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

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**not applicable to the Company during the period under review**);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**not applicable to the Company during the period under review**)

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**not applicable to the Company during the period under review**)

  (e) The Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**not applicable to the Company during the period under review**)

  (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**not applicable to the Company during the period under review**)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**not applicable to the Company during the period under review**)

VI) Other Laws applicable specifically to the Company:

The management confirms that there are no other Laws applicable specifically to the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as applicable.

We report that during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

We further report that based on the information provided and the representation made by the Company taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable laws.

We further report that Compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
2. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. As per the minutes of the meeting duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

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

We further report that during the period under review, the following specific events / actions having major bearing on the Company's affairs had taken place:

(i) The Shareholders of the Company vide special resolution passed on June 10, 2021, pursuant to Section 4, 13 of the Companies Act, 2013 and other applicable provisions thereon have approved the Change of Name of the Company. The new name i.e. 'HG Industries Limited' had been approved by the Registrar of Companies, Chennai vide their certificate dated July 02, 2021.

(ii) The erstwhile promoters of the Company, namely Mr. Saurabh Mittal, Ms. Parul Mittal, Mr. Shiv Prakash Mittal and S. M. Safeinvest Private Limited entered into a Share Purchase Agreement (SPA) with Greenlam Industries Limited ('Acquirer'), dated August 28, 2021 to sell 34,70,966 Equity Shares representing 74.91% of the Company. The Acquirer made an open offer in terms of Regulation 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Post completion of the open offer, the Company has become a Subsidiary of Greenlam Industries Limited, with effect from December 03, 2021.

(iii) The Shareholders of the Company vide Special resolution passed on January 21, 2022, pursuant to Section 12, 13 of the Companies Act, 2013 and other applicable provisions thereon, have approved the shifting of the registered office of the Company from the "State of Tamilnadu" to the "National Capital Territory of Delhi". The same is pending for approval before the Central Government (Powers delegated to Regional Director).

For **DKS & Co.**

Place: Kolkata
Date: May 26, 2022

DILIP KUMAR SARAWAGI
Mem. No.: A13020; C.P. No.: 3090
UDIN: A013020D000374425
PR- 2106/2022

NOTE:

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

'Annexure A'

To
The Members

HG INDUSTRIES LIMITED

(*Formerly Himalaya Granites Limited*)
(CIN: L20100TN1987PLC015161)
Panchalam Village,
Melpettai Post, Tindivanam,
Tamil Nadu - 604 307

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

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

For **DKS & Co.**

Place: Kolkata
Date: May 26, 2022

DILIP KUMAR SARAWAGI
Mem. No.: A13020; C.P. No.: 3090
UDIN: A013020D000374425
PR- 2106/2022

Annexure-III

A. Particulars of employees for the year ended March 31, 2022 as required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 is as under:

Sl. No	Name of Director	Designation	Ratio of the remuneration of each director to the median remuneration of employees
1.	Mr. Ramesh Kumar Haritwal	Managing Director & CEO	3.3235
2.	Mr. Manojit Dash	Independent Director	0.0625
3.	Mr. Shalabh Jalan	Independent Director	0.0625
4.	Ms. Mathangi Ramanujam	Non-Executive Director	0.0337

ii. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22:**

Sl. No	Name of Director/KMP	Designation	% increase in Remuneration in the financial year 2021-22
1.	Mr. Ramesh Kumar Haritwal	Managing Director & CEO	61.14
2.	Mr. Shalabh Jalan	Independent Director	293.94
3.	Mr. Manojit Dash	Independent Director	333.33
4.	Ms. Mathangi Ramanujam	Non-Executive Director	438.46
5.	Mr. Hariom Pandey	Company Secretary	14.22
6.	Mr. Jayasankar Ramalingam	Chief Financial Officer	15.29

iii. The percentage increase in the median remuneration of employees of the Company during the financial year:

During the financial year 2021-22, the median remuneration of employees of the Company was decreased by 4.33%.

iv. The number of permanent employees on the rolls of Company:

As on March 31, 2022, there were 12 (Twelve) permanent employees on the rolls of Company including Managing Director & CEO.

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

Average percentage increase in salary of the Company's employees other than the managerial personnel during the financial year 2021-22 was approx. 14.76%. Total Managerial remuneration for the financial year 2021-22 was ₹ 33,51,784/- as against ₹ 21,84,503/- during the previous financial year 2020-21. The increase in overall managerial remuneration during the financial year 2021-22 was 53.43%, such increase in managerial remuneration was largely due to increase in the remuneration of Mr. Ramesh Kumar Haritwal, Managing Director & CEO of the Company upon his re-appointment during the year under review. His remuneration was revised after a period of 3 years.

vi. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid during the year ended March 31, 2022 is as per the Remuneration Policy of the Company.

B. Particulars of employees for the year ended March 31, 2022 as required under Section 197 of the Companies Act, 2013 read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: Act, 2013 read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No	Name of the Employee	Age (years)	Designation	Remuneration Received ₹	Qualification	Experience in years	Date of commencement of employment	Last employment
1.	Ramesh Kumar Haritwal	58	Managing Director & CEO	31,86,784	B.Com	30	31/05/2007	Greenply Industries Limited
2.	Jayasankar Ramalingam	56	Chief Financial Officer	9,91,191	B.Com	35	01/01/2018	Greenlam Industries Limited
3.	Hariom Pandey	33	Company Secretary	13,04,352	B.Com(H), CS, LL.B	11	08/06/2016	A2Z Infrastru-cture Limited
4.	N Shanmugaraman	44	Deputy General Manager	16,95,774	Diploma in Mech. Engineering	23	12/07/2021	Uniply Industries Limted
5.	Sure Radhakrishna Murthy	43	Senior Manager	2,44,933	ICWA	12	23/02/2022	NU Vista Limited
6.	Goutam Sarkar	46	Senior Manager	5,39,416	B.E (Elect.)	11	24/09/2021	Purbanchal Laminates
7.	Machhindra Dattatray Jagtap	51	Manager	3,20,014	Diploma in Civil Engineering	12	06/12/2021	Gawad Construction
8.	N Babu	50	Deputy Manager	2,32,112	Diploma in Electronics & Communication Engineering	24	01/12/2021	Uniply Industries Limted
9.	Shyam Babu Singh	46	Deputy Manager	3,46,540	10th	34	01/12/2021	Uniply Industries Limted
10.	Gatikrushna Mahapatra	35	Senior Executive	1,37,104	12th	15	01/12/2021	Uniply Industries Limted

Notes:

1. Remuneration shown above includes salary, allowances, cost of accommodation, medical reimbursement, contribution to provident fund, annual commission and other perquisites as per the terms of employment. However, the above remuneration does not include provision for gratuity.
2. All the employees have requisite experience to discharge the responsibility assigned to them.
3. Nature and terms of employment are as per resolution/appointment letter.
4. None of the employees own 2% or more of the equity shares of the Company as on March 31, 2022.
5. Within the meaning of Section 2(77) of the Companies Act, 2013, none of the Director of the Company is related to the other.

For and on behalf of the Board of Directors of
HG Industries Limited
(*formerly Himalaya Granites Limited*)

Place: New Delhi
Date: May 26, 2022

Ramesh Kumar Haritwal
Managing Director & CEO
[DIN: 01486666]

Mathangi Ramanujam
Non-Executive Director
[DIN: 07095686]

Management Discussion And Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENT

During the year under review till October 31, 2021, your Company continued to let out part of its factory sheds, situated at Tindivanam, Tamil Nadu. Further, the Company is in process of setting-up a greenfield project for manufacturing of Plywood and allied products, having a proposed capacity of 18.9 million square meter per annum, at Tindivanam, Tamil Nadu, with an investment of approximately ₹ 125 Crore.

OPPORTUNITIES AND THREATS

Opportunities: The Company is setting up a green field project for manufacturing of plywood and allied products. India's plywood sector is at an inflection point, hence there is a huge opportunity available for the Company in the plywood industry. The Indian retail consumption economy is shifting from the unorganised to the organised sector following GST introduction, home sector expansion and population growth which is expected to put your Company in the right place at the right time to capitalise on this sectorial opportunity.

Threats: The competition from the unorganised sector might pose a threat to the Company by selling their products at a cheaper price.

SEGMENT WISE PERFORMANCE

The Company currently operates in only one segment.

OUTLOOK

During the year under review, the Company has announced to set-up a Greenfield Project for the manufacturing of plywood and allied products, having a proposed capacity of 18.9 million square meter per annum, at Tindivanam, Tamil Nadu, with an investment of approximately ₹ 125 Crore.

RISK AND CONCERN

Since the Company does not have any outstanding borrowing as on March 31, 2022 and it was operating in a very low scale renting activities till October 31, 2021, hence there is no major risk associated with its operations.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate internal control system. The Audit Committee headed by Non-Executive Independent Director periodically reviews the audit observation(s) and the corrective remedial measures taken in this respect, whenever required.

FINANCIAL PERFORMANCE

During the financial year 2021-22, your Company posted total Income of the Company of ₹ 1,39,51,690/– in the financial year 2021-22 as against ₹ 64,35,813/– in the financial year 2020-21. The Company reported a profit of ₹ 2,65,123/– (before other comprehensive income) during the financial year 2021-22 as against post tax loss of ₹ 87,499/- (before other comprehensive income) in the financial year 2020-21.

HUMAN RESOURCES DEVELOPMENT

Your Company recognizes its people as its greatest asset and constantly strive to create an ecosystem of continuous learning, collaboration, and work-life balance. The employee-friendly policies of the Company, ensure safe and secured environment for employees at workplace. Your Company constantly strive to upgrade the skills of employees and give them the edge to compete in the dynamic market and become future ready.

There were 12 (Twelve) permanent employees on the payroll of Company including Managing Director & CEO, as on March 31, 2022.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	2021-22	2020-21
Current Ratio	2.32	10.20
Operating profit margin (%)	9.48	63.74
Net profit margin (%)	7.43	(1.48)
Return on Net worth (%)	1.55	(0.51)

Note :

1. The Return on net worth has increased in financial year 2021-22 as compared to financial year 2020-21, as there was significant increase in the Other Income of the Company for the financial year 2021-22 due to Profit on Sale of Assets and Miscellaneous Income.

2. There has been significant change in the Net Profit margin (%), as the Company has earned profits during the financial year 2021-22 as compared to losses in the financial year 2020-21.

3. There has been significant change in the Current Ratio due to increase in liabilities during the financial year 2021-22 as compared to the financial year 2020-21.

4. There has been significant change in Operating Profit Margin (%) due to decrease in Rental income during the financial year 2021-22 as compared to the financial year 2020-21.

5. There are neither any debtors (towards credit sales) nor any Inventory in the Company as on March 31, 2022, hence Debtors Turnover ratio and Inventory Turnover ratio have not been disclosed in this report.

6. Interest Coverage ratio and Debt Equity ratio have not been disclosed in this report, as the Company has no debt as on March 31, 2022.

CAUTIONARY STATEMENT

Certain statements in the Directors' report and management discussion and analysis reflecting the Company's projections, estimates, objectives and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such projections, estimates, objectives and expectations due to economic and climatic conditions effecting government regulations, policies, taxations and other factors on which the Company does not have any direct control.

For and on behalf of the Board of Directors of
HG Industries Limited
(*formerly Himalaya Granites Limited*)

Place: New Delhi
Date: May 26, 2022

Ramesh Kumar Haritwal
Managing Director & CEO
[DIN: 01486666]

Mathangi Ramanujam
Non-Executive Director
[DIN: 07095686]

Independent Auditor's Report

TO THE MEMBERS OF HG INDUSTRIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **HG INDUSTRIES LIMITED** *(Formerly Himalaya Granites Limited)* ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income, and Notes to the financial Statements), the Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date, including a summary of significant accounting policies and other explanatory information ('the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS OF OPINION

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

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were the 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.

Key Audit Matter	Auditor's Response
Deferred Tax Liabilities (Note 11) The Company has recognized deferred tax liabilities (net) of INR 1.33 lacs on the provision for gratuity & leave and netting of deferred tax liability on difference in Written down value of fixed assets as per the Companies Act, 2013 and the Income Tax Act, 1961. The deferred tax asset is recognised as it is considered to be recoverable based on the Company's projected taxable profits in the forthcoming years considering the stability and improvements in the business conditions and current and likely future state of the industry. Under Indian Accounting Standard 12 Income Taxes the carrying amount of a deferred tax asset is required to be reviewed at the end of each reporting period. The future taxable profit projections involve several key assumptions including past trends, expected demand and stability and improvement in the business conditions and current and likely future	**Principal Audit Procedures** • Evaluated and tested the design and operating effectiveness of the Company's controls over recognition and assessment of recoverability of deferred tax assets on Business loss and unabsorbed depreciation. • Reviewed the Company's accounting policy in respect of recognizing deferred tax assets on Business loss and unabsorbed depreciation. • Evaluated whether the business loss and unabsorbed depreciation is legally available to the Company for the period, considering the provisions of Income-tax Act 1961. • Reviewed the setoff of carry forward Business loss and unabsorbed depreciation in the past. • Assessed the reasonableness of the assumptions underlying profit projections made by

Independent Auditor's Report *(Contd.)*

state of the industry. We considered this a key audit matter as the amount of deferred tax assets is material to the financial statements and significant management judgement is required in assessing its recoverability based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Company's future business plan.	management, by reviewing the past trends and relevant economic and industry indicators. • Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes. Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets is reasonable.

INFORMATION OTHER THAN THE FINANCIAL STATEMENT AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexure to Board's Report but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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 and take necessary action as applicable under the request laws & regulations

Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGE WITH GOVERNANCE FOR THE FINANCIAL STATEMENT

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, total comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including specified under section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurances 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 assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design

Independent Auditor's Report *(Contd.)*

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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by 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 standalone financial statements that, individually or in the aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significant 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 communications.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
   c The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under

Independent Auditor's Report *(Contd.)*

Section 133 of the Act, read with relevant rules issued there under.

(e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. There were no pending litigations which would impact the financial position in its financial statements;

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

iii. There 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.

(h) The company has not declared or paid any dividend during the year in contravention of the provision of Section 123 of the Companies Act, 2013.

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

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

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

(S P Shaw)
Partner
Membership No. 051927
UDIN: 22051927AJQGXI2557

Place of Signature : Kolkata
Dated : 26th May, 2022

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements' section of our report to the members of even date), 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 to 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 date.

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, 2022 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 been sanctioned working capital (i.e overdraft facilities) in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The returns filed at quarter end filed with bank are in agreement with books of accounts of company.

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. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the business activities carried out by the Company. Accordingly, reporting under clause 3(vi) of the Order is 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

Annexure 'A' to the Independent Auditor's Report *(Contd.)*

arrears as at 31st March 2022 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). Hence reporting under clause 3(viii) of the Order is not applicable.

ix. a) According to the records examined by us and the information and explanation given to us, the Company does not have any loans or borrowings from any, financial institution, banks, government, or debenture holders during the year. Accordingly, reporting under clause 3(ix)(a),(c),(d),(e),(f) of the Order is not applicable to the Company.

b) Based on the information and explanations obtained by us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.

x. a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, reporting under clause (x) of the Order is not applicable to the Company.

b) According to the information and explanation given to us and based on our examination of records, the company has not made any preferential allotment or private placement of shares During the financial year companies has issued non - Convertible debentures as per the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

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), while determining the nature, timing and extent of our audit procedures. Accordingly, the reporting under the 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 standalone financial statements as required by the applicable Ind AS. (Refer Note No. 29 to the financial statements).

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.

Annexure 'A' to the Independent Auditor's Report *(Contd.)*

(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 no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year, accordingly, reporting under 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. According to the information and explanations given to us (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, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

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

(S P Shaw)
Partner
Membership No. 051927
UDIN: 22051927AJQGXI2557

Place of Signature : Kolkata
Dated : 26th May, 2022

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2(f) of our report of even date)

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

OPINION

We have audited the internal financial controls over financial reporting of HG Industries Limited ('the Company') as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing as specified 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statement.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

(S P Shaw)
Partner
Membership No. 051927
UDIN: 22051927AJQGXI2557

Place of Signature : Kolkata
Dated : 26th May, 2022

Balance Sheet as at 31st March, 2022

	Note	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
ASSETS			
Non-current assets			
Property, Plant and Equipment	1	77.70	117.98
Capital Work in Progress	2	68.61	-
Financial Assets			
Loans	3	-	-
Other non current Asssets	4	7.14	6.98
Total Non-current assets		**153.44**	**124.96**
Current assets			
Inventories		-	-
Financial Assets			
Investment	5	35.42	14.06
Cash and Cash Equivalents	6a	1.59	1.47
Bank balance Other than above	6b	-	36.89
Other Current Assets	7	36.40	12.66
Total Current assets		**73.41**	**65.08**
Total Assets		**226.84**	**190.04**
EQUITY AND LIABILITIES			
Equity:			
Equity Share Capital	8	231.68	231.68
Other Equity	9	(60.86)	(58.84)
Total Equity		**170.82**	**172.84**
Liabilities:			
Non-current Liabilities			
Provisions	10	23.00	10.82
Deferred Tax Liabilities (Net)	11	1.34	-
Total Non-current liabilities		**24.33**	**10.82**
Current Liabilities			
Financial Liabilities			
Trade Payables	12		
-Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
-Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		26.57	0.94
Short Term Provisions	13	0.62	0.21
Other Current Liabilities	14	4.49	5.23
Total Current liabilities		**31.68**	**6.38**
Total Equity and Liabilities		**226.84**	**190.04**
Significant Accounting Policies	I		
See Accompanying Notes to the Financial Statements	1 to 31		

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 : 26th May, 2022

For and on behalf of Board of Directors of
HG Industries Limited
CIN:L20100TN1987PLC015161

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 : New Delhi
Dated : 26th May, 2022

Statement of Profit and Loss for the year ended 31st March, 2022

	Note	For the period ended 31st March, 2022 ₹ in Lakhs	For the period ended 31st March, 2021 ₹ in Lakhs
INCOME:			
Revenue from Operations	15	35.70	59.16
Other Income	16	103.82	5.20
Total Income		**139.52**	**64.36**
EXPENSES:			
Employees Benefits Expense	17	73.26	42.81
Finance Cost	18	0.22	-
Depreciation and Amortisation Expense	19	10.60	10.84
Other Expenses	20	49.81	11.59
Total Expenses		**133.89**	**65.23**
Profit before Tax		**5.63**	**(0.87)**
Current Tax		-	-
Deferred Tax		(2.98)	-
Tax Expense		**(2.98)**	**-**
Profit/(Loss) for the Year		**2.65**	**(0.87)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurement gain/(loss) on defined benefit plans		(6.31)	0.48
Release of Deferred Tax		1.64	-
Other Comprehensive Income, net of tax		**(4.67)**	**0.48**
Total Comprehensive Income for the year, net of Tax		**(2.02)**	**(0.39)**
Earnings per Equity Share - Basic and Diluted (in ₹)			
(Face Value of ₹ 5 each)	21	**0.06**	**(0.02)**

Significant Accounting Policies
See Accompanying Notes to the Financial Statements 1 to 31
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 : 26th May, 2022

For and on behalf of Board of Directors of
HG Industries Limited
CIN:L20100TN1987PLC015161

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 : New Delhi
Dated : 26th May, 2022

Cash Flow Statement For The Year Ended 31st March, 2022

	As at 31st March, 2022	As at 31st March, 2021
	₹ in Lakhs	₹ in Lakhs
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:		
Profit before Tax	5.63	(0.87)
Adjustments for:		
Depreciation and Amortisation Expense	10.60	10.84
Finance Cost	0.22	-
Interest Income	(1.40)	(2.11)
Short Term Capital Gain - Mutual Fund	(0.02)	-
Income on FVTPL (Mutual Fund)	(0.86)	-
Re-measurement gain/(loss) on defined benefit plans	(6.31)	0.49
Profit on Sale of Assets	(82.97)	(3.06)
Operating Profit before Working Capital Changes	(75.11)	5.28
Adjustments for:		
(Increase) / Decrease in Trade and Other Receivables	(23.89)	(5.63)
(Decrease) / Increase in Liabilities & Provisions	37.48	1.09
	13.59	(4.53)
Cash Generated from Operations	(61.53)	0.75
Income Tax Paid	-	-
Net Cash Generated from Operating Activities	**(61.53)**	**0.75**
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:		
Adjustments for:		
Interest Received	1.40	2.11
Acquisition of Fixed Assets	(104.07)	-
Sale of Investment	15.53	-
Acquisition of Investments	-	(15.95)
Sale of Fixed Assets	148.12	-
Sale of Assets Held for Sale	-	4.65
Short Term Capital Gain - Mutual Fund	0.02	-
Income on FVTPL (Mutual Fund)	0.86	-
Net Cash used in Investing Activities	**61.86**	**(9.19)**
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:		
Adjustments for:		
Interest Paid	(0.22)	-
Net Cash used in Financing Activities	**(0.22)**	**-**
Net Increase / (Decrease) in Cash and Cash Equivalents	**0.11**	**(8.44)**
Cash and Cash Equivalents at the beginning of the Year	1.48	9.92
Cash and Cash Equivalents at the close of the Year	**1.59**	**1.48**

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 : 26th May, 2022

For and on behalf of Board of Directors of
HG Industries Limited
CIN:L20100TN1987PLC015161

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 : New Delhi
Dated : 26th May, 2022

Statement of Changes in Equity for the year ended 31st March, 2022

A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2022	**₹ in Lakhs**
Balance as at 1st April 2021	231.68
Changes in equity share capital during the year	
Balance as at 31st March 2022	**231.68**

For the year ended 31st March, 2021	**₹ in Lakhs**
Balance as at 1st April 2020	231.68
Changes in equity share capital during the year	
Balance as at 31st March 2021	**231.68**

B) OTHER EQUITY

₹ in Lakhs

For the year ended 31st March, 2022	**Reserves and Surplus**					
Particulars	**Capital Reserve**	**Capital Redemption Reserve**	**Securities Premium**	**General Reserve**	**Retained Earnings**	**Total**
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)**
Balance as at 31st March 2022	**15.00**	**68.82**	**62.36**	**562.12**	**(769.16)**	**(60.86)**
For the year ended 31st March, 2021						
Balance as at 1st April 2020	15.00	68.82	62.36	562.12	(766.75)	**(58.45)**
Profit for the year	-	-	-	-	(0.87)	**(0.87)**
Other Comprehensive Income/(loss) for the year:						
- Remeasurements of the net defined benefit plans	-	-	-	-	0.48	**0.48**
Balance as at 31st March 2021	**15.00**	**68.82**	**62.36**	**562.12**	**(767.14)**	**(58.84)**

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 : 26th May, 2022

For and on behalf of Board of Directors of
HG Industries Limited
CIN:L20100TN1987PLC015161

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 : New Delhi
Dated : 26th May, 2022

Significant Accounting Policy

1.01 DISCLOSURE OF ACCOUNTING POLICIES:

1.01.01 CORPORATE INFORMATION:

The name of Company was changed from Himalaya Granites Limited to HG Industries Limited vide fresh certificate of incorporation dated July 02, 2021.

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. The registered office of the company is located at Panchalam Village, Melpettai Post, Tindivanam, Tamil Nadu - 604 307, India.

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, 2022 are authorised for issue in accordance with a resolution of the Directors on 26th May,2022.

The financial statements have been prepared under the historical cost basis, except for the following assets and liabilities which has been measured at fair value of Quoted Investments in Equity Shares and Mutual Funds.

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 and impairment losses 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 there intended use. Property, Plant and Equipments 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

Significant Accounting Policy *(Contd.)*

their useful life as assessed by the management. Assets are depreciated on Straight Line basis over there 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 Equipments	- 10 to 15 years
Furniture and Fixtures	- 10 years
Vehicles	- 8 to 10 years
Office Equipments	- 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 upto their present location and condition and is generally determined on weighted average basis.

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 subsidaries 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.

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

Significant Accounting Policy *(Contd.)*

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 acturial 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 RELATED PARTY TRANSACTIONS:

1.10.1 A related party is a person or entity that is related to the reporting entity preparing its financial statements (a) A person or a close member of that person's family is related to a reporting entity if that person; (i) has control or joint control of the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies; (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) Both entities are joint ventures of the same third party; (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) The entity is controlled or jointly controlled by a person identified in (a); (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity. Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

1.10.2 Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on Financial Statements.

1.11 EARNINGS PER SHARE:

1.11.01 Basic earnings (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity

Significant Accounting Policy *(Contd.)*

shareholders by the weighted average number of equity shares outstanding during the period.

1.11.02 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.

1.12 ACCOUNTING FOR TAXES ON INCOME:

1.12.01 Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

1.12.02 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.

1.12.03 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.

1.13 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

1.13.01 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.

1.13.02 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.

1.13.03 Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

1.14 CURRENT AND NON-CURRENT CLASSIFICATION:

1.14.01 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”.

1.14.02 The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

1.14.03 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.

1.14.04 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.

1.15 FAIR VALUE MEASUREMENT:

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

1.15.02 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

Significant Accounting Policy *(Contd.)*

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.

1.15.03 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.

1.15.04 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.

1.15.05 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.

1.15.06 The assets and liabilities which has been measured at fair value are, (i) Quoted Investments in Equity Shares, (ii) Certain Financial Assets.

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

1.16.01 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.

1.16.02 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.

1.16.03 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.

1.16.04 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.

Notes to Financial Statements for the year ended 31st March, 2022

1. Property, Plant and Equipment	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Total As At 01/04/2021	Addition During The Year	Deduction During The Year	Total As At 31/03/2022	Total As At 01/04/2021	Dep.For the year	Adjustment For Deductions	Total Dep As At 31/03/2022	As At 31/03/2022	As At 31/03/2021
Freehold Land	11.33	-	-	11.33	-	-	-	-	11.33	11.33
Building	407.70	-	352.79	54.91	301.27	9.16	287.71	22.72	32.19	106.43
Furniture & Fixtures	2.66	1.82	0.46	4.02	2.44	0.06	0.39	2.11	1.91	0.22
Office Equipments	-	5.13	-	5.13	-	0.45	-	0.45	4.68	-
Four Wheeler	-	28.52	-	28.52	-	0.93	-	0.93	27.59	-
Total	**421.69**	**35.47**	**353.25**	**103.91**	**303.71**	**10.60**	**288.10**	**26.21**	**77.70**	**117.98**

2. Capital Work In Progress	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Total As At 01/04/2021	Addition During The Year	Deduction During The Year	Total As At 31/03/2022	Total As At 01/04/2021	Dep.For the year	Adjustment For Deductions	Total Dep As At 31/03/2022	As At 31/03/2022	As At 31/03/2021
Capital Work In Progress	**-**	**68.61**	**-**	**68.61**	**-**	**-**	**-**	**-**	**68.61**	**-**

Capital Work in progress Ageing

Particulars	outstanding for following periods from due date/transaction date				
31.03.2022	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Project in Progress	68.61	-	-	-	68.61
Projets temporarily suspended	-	-	-	-	-
31.03.2021	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Project in Progress	-	-	-	-	-
Projets temporarily suspended	-	-	-	-	-

Overdue CWIP/ Intangible Assets under development Ageing

Particulars	To be completed in				
31.03.2022	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Project	-	-	-	-	-
31.03.2021	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Project	-	-	-	-	-

1.1 During the FY 2021-22 , no revaluation of Fixed Assets is done by the company.

1.2 There are no Capital Work in progress, Intangible assets under development where complision is over due against original planed timelines or where estimated cost exeeded its original planned cost as on 31st March 22 and 31st March 2021

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

NON-CURRENT ASSETS 3 LOAN	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
(Unsecured, considered doubtful)		
Loan to others	227.00	227.00
Interest receivable	153.31	153.31
	380.31	380.31
Less: Provision for doubtful Assets	380.31	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 Lacs form 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).

4. OTHER NON CURRENT ASSETS	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
Security Deposits	7.14	6.98
Total	**7.14**	**6.98**

CURRENT ASSETS 5. INVESTMENTS	Unit	As at 31st March, 2022 ₹ in Lakhs	Unit	As at 31st March, 2021 ₹ in Lakhs
Investment in Deposit - HDFC LTD		-		14.06
HDFC Liquid Fund - Direct Growth	1122	35.42	-	-
Total		**35.42**		**14.06**
Book Value of Unquoted Investment		-		14.06
Market Value of Quoted Investment		35.42		-

6. CASH AND CASH EQUIVALENTS	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
a **Cash and Bank Balances**		
Balances with Banks - on Current Accounts		1.47
Cash on Hand	-	-
Total	**1.59**	**1.47**
b **Bank balance Other than above**		
Fixed Deposits having maturity for more than 12 months	-	36.89
Total	**-**	**36.89**

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

7 OTHER CURRENT ASSETS	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
Prepaid Expenses	0.22	0.40
Tax receivable (Net of provision)	9.73	10.66
Goods and Service Tax Receivable	4.31	1.36
Capital Advances	10.58	-
Advance against Expenses	10.87	-
Amount due from Sales Tax authority(Security Deposit)	0.25	0.25
Employee Imperest	0.45	-
Total	**36.40**	**12.66**

8 EQUITY SHARE CAPITAL	Number	As at 31st March, 2022 ₹ in Lakhs	Number	As at 31st March, 2021 ₹ in Lakhs
8.1 Authorised				
Equity Shares of ₹ 5 each	8000000	400.00	8000000	400.00
8.2 Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 5 each	4633568	231.68	4633568	231.68
8.3 The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year				
Equity Shares outstanding at the beginning of the year	4633568	231.68	4633568	231.68
Equity Shares outstanding at the end of the year	**4633568**	**231.68**	**4633568**	**231.68**

8.4 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.

8.5 Name of the Shareholders holding more than 5% Shares

	Number	%	Number	%
Equity Shares of ₹ 5 each				
Saurabh Mittal	-	-	3389566	73.15%
Greenlam Industries Ltd	3470966	74.91%	-	-

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

Details of shares held by promoters 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
Equity shares of ₹ 5 each	Greenlam Industries Ltd	-	3470966	3470966	74.91%
Equity shares of ₹ 5 each	Mr. Saurabh Mittal	3389566	(3389566)	-	-

Details of shares held by promoters As at 31 March 2021	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
Equity shares of ₹ 5 each	Mr. Saurabh Mittal	3389566	-	3389566	73.15%

8.6 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

8.7 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.

9 OTHER EQUITY	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
Capital Reserve		
As per last Balance Sheet	15.00	15.00
	15.00	**15.00**
Capital Redemption Reserve		
As per last Balance Sheet	68.82	68.82
	68.82	**68.82**
Securities Premium Account		
As per last Balance Sheet	62.36	62.36
	62.36	**62.36**
General Reserve		
As per last Balance Sheet	562.12	562.12
	562.12	**562.12**
Retained Earnings		
Retained Earnings other than OCI		
As per last Balance Sheet	(765.70)	(764.82)
Add : Net profit for the current year	2.65	(0.88)
	(763.05)	**(765.70)**
Other Comprehensive Income (OCI)		
As per last Balance Sheet	(1.44)	(1.93)
Remeasurements of the net defined benefit plans	(4.67)	0.49
	(6.11)	**(1.44)**
	(769.16)	**(767.14)**
Total	**(60.86)**	**(58.84)**

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

10 NON CURRENT PROVISIONS	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
Provisions for Employee Benefits (unfunded)		
For Gratuity- (Refer note- 17.1.(iii))	19.60	10.82
For Earned leaves-(Refer note- 17.1.(iv))	3.39	-
Total	**23.00**	**10.82**

10.1 Amount due and outstanding to be credited to the Investor Education and Protection Fund ₹ Nil (Previous Year ₹ Nil)

11 DEFERRED TAX LIABILITIES (NET)	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
Deferred Tax Liabilities		
Depreciation	7.48	-
Others	-	-
	7.48	-
Less : Deferred Tax Assets		
Provision for Gratuity/Liabilities	6.14	-
Total	**1.34**	**-**

12 CURRENT FINANCIAL LIABILITIES	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
Trade Payables		
Dues to Micro Enterprises and Small Enterprises	-	-
Dues to Creditors other than Micro Enterprises and Small Enterprises	26.57	0.94
	26.57	**0.94**

Ageing Schedule	Not Due	Less than 6 months	6-12 months	More than 1 year	Total
3/31/2022					
Dues to micro and small enterprises	-	-	-	-	-
Dues to other than micro and small enterprises	-	26.57	-	-	26.57
Total	**-**	**26.57**	**-**	**-**	**26.57**
3/31/2021					
Dues to micro and small enterprises	-	-	-	-	-
Dues to other than micro and small enterprises	-	0.94	-	-	0.94
Total	**-**	**0.94**	**-**	**-**	**0.94**

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

13 CURRENT PROVISIONS	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
Provisions for Employee Benefits (unfunded)		
For Gratuity-(Refer note- 17.1.(iii))	0.40	0.21
For Earned leaves-(Refer note- 17.1.(iv))	0.23	-
Total	**0.62**	**0.21**

14 OTHER CURRENT LIABILITIES	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
Salary Payable	-	1.75
Unpaid expenses	0.50	0.15
Statutory Dues	3.18	3.33
Employee Payable	0.81	-
Total	**4.49**	**5.23**

15 REVENUE FROM OPERATIONS	For the Year ended 31st March, 2022 ₹ in Lakhs	For the Year ended 31st March, 2021 ₹ in Lakhs
Rental Income*	35.70	59.16

* Rental Income received till 31st Oct, 2021.

16 OTHER INCOME	For the Year ended 31st March, 2022 ₹ in Lakhs	For the Year ended 31st March, 2021 ₹ in Lakhs
Liability no Longer Required written back	0.02	-
Interest Income	1.40	2.11
Profit on Sale of Assets	82.97	3.09
Miscellanous Income (Provision for Doubtful assets written back)	18.00	-
Income on FVTPL (Mutual Fund)	0.86	-
Other Income	0.56	-
Total	**103.82**	**5.20**

17 EMPLOYEES BENEFITS EXPENSE	For the Year ended 31st March, 2022 ₹ in Lakhs	For the Year ended 31st March, 2021 ₹ in Lakhs
Salary, Wages and Bonus	61.28	38.45
Contribution to Provident Fund	5.29	2.67
Gratuity	2.65	1.69
Leave Encashment	4.03	-
Total	**73.26**	**42.81**

17.1 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.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

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) **Acturial Valuation of Gratuity Liability :**

	For the Year ended 31st March, 2022 ₹ in Lakhs	For the Year ended 31st March, 2021 ₹ in Lakhs
a) Defined Benefit Cost		
Current Service Cost	1.93	1.03
Interest Expense on Defined Benefit Obligation (DBO)	0.73	0.66
Defined Benefit Cost included in Profit and Loss	**2.66**	**1.69**
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	-	-
Defined Benefit Cost included in Other Comprehensive Income		**--**
Total Defined Benefit Cost in Profit and Loss and OCI	**2.66**	**1.69**
b) Movement in Defined benefit liability:		
Opening Defined Benefit Obligation	11.03	9.83
Interest Expense on Defined Benefit Obligation (DBO)	0.73	0.66
Current Service Cost	1.93	1.03
Total Remeasurements included in OCI	-	-
Less: Benefits paid	-	-
Actuarial Gain	6.31	(0.49)
Closing benefit obligation	**20.00**	**11.03**
Current Liabilities of Closing benefit obligation	0.40	0.21
Non-Current Liabilities of Closing benefit obligation	19.60	10.82
	20.00	**11.04**
c) Sensitivity Analysis:		
Under Base Scenario		
Salary Escalation - Increase by 0.50%	0.31	0.20
Salary Escalation - Decrease by 0.50%	(0.29)	(0.19)
Discount Rates - Increase by 0.50%	(0.29)	(0.19)
Discount Rates - Decrease by 0.50%	0.30	0.20
d) Actuarial assumptions:		
Mortality Table	IALM 2012-2014	IALM 2012-2014
Discount Rate (per annum)	7.18%	6.60%
Rate of escalation in salary (per annum)	5.50%	5.30%
Withdrawal rate		
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

iv) Acturial Valuation of Leave Encashment :	For the Year ended 31st March, 2022 ₹ in Lakhs	For the Year ended 31st March, 2021 ₹ in Lakhs
a) Defined Benefit Cost		
Current Service Cost	1.54	-
Past Service Cost including curtailment Gain/Losses	2.08	-
Defined Benefit Cost included in Profit and Loss	**3.62**	**-**
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	-	-
Defined Benefit Cost included in Other Comprehensive Income	**-**	**-**
Total Defined Benefit Cost in Profit and Loss and OCI	**3.62**	**-**
b) Movement in Defined benefit liability:		
Opening Defined Benefit Obligation	-	-
Past Service Cost including curtailment Gain/Losses	2.08	-
Current Service Cost	1.54	-
Total Remeasurements included in OCI	-	-
Less: Benefits paid	-	-
Actuarial Gain	-	-
Closing benefit obligation	**3.62**	**-**
Current Liabilities of Closing benefit obligation	0.23	-
Non-Current Liabilities of Closing benefit obligation	3.39	-
	3.62	**-**
c) Sensitivity Analysis:		
Under Base Scenario		
Salary Escalation - Increase by 0.50%	0.17	-
Salary Escalation - Decrease by 0.50%	(0.16)	-
Discount Rates - Increase by 0.50%	(0.16)	-
Discount Rates - Decrease by 0.50%	0.17	-
d) Actuarial assumptions:		
Mortality Table	IALM 2012-2014	-
Discount Rate (per annum)	7.18%	-
Rate of escalation in salary (per annum)	5.50%	-
Withdrawal rate		
Up to 30 Years	3	-
From 31 to 44 years	2	-
Above 44 years	1	-

v) Amount incurred as expense for defined contribution to Provident Fund is ₹ 5.29 Lakhs (Previous Year ₹ 2.67 Lakhs).

18 Finance Cost	For the Year ended 31st March, 2022 ₹ in Lakhs	For the Year ended 31st March, 2021 ₹ in Lakhs
Interest on loan taken from Holding Co.	0.22	-
Total	**0.22**	**-**

19 DEPRECIATION AND AMORTISATION EXPENSE	For the Year ended 31st March, 2022 ₹ in Lakhs	For the Year ended 31st March, 2021 ₹ in Lakhs
Depreciation of Property, Plant & Equipment	10.60	10.84
Total	**10.60**	**10.84**

20 OTHER EXPENSES	For the Year ended 31st March, 2022 ₹ in Lakhs	For the Year ended 31st March, 2021 ₹ in Lakhs
Repairs to Buildings & Others	3.89	1.03
Insurance	0.14	0.19
Travelling & Conveyance	3.74	-
Rates and Taxes	4.46	0.17
Legal and Professional Expenses	9.17	2.66
Annual Listing Fees	3.00	3.00
Electricity Expenses	0.90	0.14
Directors' Sitting Fees	0.90	0.40
Auditors' Remuneration	1.23	0.65
Printing & Stationery	0.90	0.23
Security Expenses	4.92	-
Other General Expenses	16.57	3.12
Total	**49.81**	**11.59**

20.1 AUDITORS' REMUNERATION	For the Year ended 31st March, 2022 ₹ in Lakhs	For the Year ended 31st March, 2021 ₹ in Lakhs
As Auditors	0.50	0.50
For Other Services - Certifications	0.73	0.15
Total	1.23	0.65

21 EARNINGS PER SHARE	For the Year ended 31st March, 2022 ₹ in Lakhs	For the Year ended 31st March, 2021 ₹ in Lakhs
BASIC AND DILUTED EARNINGS PER SHARE ₹ :		
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)	2.65	(0.87)
BASIC AND DILUTED EARNINGS PER SHARE ₹ :	**0.06**	**(0.02)**

22 CONTINGENT LIABILITIES AND COMMITMENTS

22.1 Contingent liabilities

a. Disputed Demand ₹ Nil (Previous year ₹ Nil)

22.2 Commitments

a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹ 207.84 Lacs (Previous year ₹ Nil)

b. Uncalled liability on shares and other investments which are partly paid ₹ Nil (Previous year ₹ Nil).

c. Other commitments ₹ Nil (Previous year ₹ Nil).

23 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 techinque:

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

	As at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
Financial assets at amortised cost:		
Loans - Non-current	7.14	6.98
Trade Receivables	-	-
Cash and Cash Equivalents	1.59	1.47
Loans - Current	-	-
Total	**8.73**	**8.45**
Financial assets at fair value through profit and loss:		
Investments - Non-current - Level 1	35.42	-
	35.42	-
Total Financial Assets	**(26.70)**	**8.45**
Financial liabilities at amortised cost:		
Other Financial Liabilities - Current	4.49	5.23
Trade Payables	26.57	0.94
Total	**31.06**	**6.17**

24 The Board of Directors of the Company at their meeting held on December 13, 2021 approved to set up a greenfield project for manufacturing of 18.9 million square meter plywood and allied products at Tindivanam, Tamil Nadu. In respect of setting up of this greenfield project, consent for establishment has been obtained and the civil construction work has commenced. The project is on schedule which is expected to commence commercial production by Q4 of F.Y. 2022-23.

25 Financial Ratios

Ratios	Numerator	Denominator	31 March 2022	31 March 2021	% change	Remarks
Current ratio	Current Assets	Current Liabilities	2.32	10.21	-77.30%	Current liabilities has increased during the FY 21-22.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	NA	NA	NA	
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	1.65%	-0.55%	-400.33%	Other Income has increased in FY 2021-2022
Inventory Turnover ratio	Closing Inventory	Revenue from Operations	NA	NA	NA	
Trade Receivable Turnover Ratio	Closing Current Debtors	Revenue from Operations	NA	NA	NA	
Trade Payable Turnover Ratio	Closing 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	Net Sales = Total Sales - Sales Return	NA	NA	NA	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed =Tangible Net Worth + Total Debt	3.43%	-0.50%	-782.02%	Other Income has increased in FY 2021-2022
Return on Investment	Interest (Finance Income)	Investment	9.15%	30.01%	100.00%	Investment has increased in FY 2021-22

26 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 at 31st March, 2022 ₹ in Lakhs	As at 31st March, 2021 ₹ in Lakhs
i)	Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance)		--
ii)	Interest due on above Total of (i) & (ii)	-	-
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.	-	-

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

28 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.

29 RELATED PARTY DISCLOSURES

29.1 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. Mahesh Kumar Malpani, Independent Director
iii) Mr. Manojit Dash, Independent Director
iv) Mr. Shalabh Jalan, Independent Director
v) Ms. Mathangi Ramanujam, Non-executive Director
vi) Mr. Jayasankar Ramalingam, Chief Financial Officer
vii) Mr. Hariom Pandey, Company Secretary

b) Enterprises Owned/ Influenced by Key Managerial Personnel or their relatives

i) Greenlam Industries Limited (till 2 Dec, 2021)

c) Holding Co

i) Greenlam Industries Limited (From 3rd Dec, 2021)

d) KMP of Holding Co.

i) Mr. Saurabh Mittal, MD and CEO of Holding Company.

29.2 TRANSACTIONS DURING THE YEAR:

Particulars	Key Managerial Personnel / Director		Holding Co.		Enterprises Owned/Influenced by Key Management Personnel or their relatives	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
Rental Income						
Greenlam Industries Limited	-	-	-	-	35.70	59.16
Total	**-**	**-**	**-**	**-**	**35.70**	**59.16**
Reimbursement of Expenses						
Greenlam Industries Limited	-	-	-	-	0.49	-
	-	**-**	**-**	**-**	**0.49**	**-**

Loan Received						
Greenlam Industries Limited	-	-	35.00	-	-	-
	-	**-**	**35.00**	**-**	**-**	**-**
Interest Paid						
Greenlam Industries Limited	-	-	-	-	0.22	-
	-	**-**	**-**	**-**	**0.22**	**-**
Remuneration Paid						
Mr. Ramesh Kumar Haritwal	31.87	21.45	-	-	-	-
Mr. Jayasankar Ramalingam	9.91	8.91	-	-	-	-
Mr. Hariom Pandey	13.04	10.61	-	-	-	-
Total	**54.82**	**40.97**	**-**	**-**	**-**	**-**
Sitting Fees						
Mr.Manojit Dash#	0.65	0.15	-	-	-	-
Mr. Mahesh Kumar Malpani*	-	0.02	-	-	-	-
Mr. Shalab Jalan	0.65	0.17	-	-	-	-
Ms. Mathangi Ramanujam	0.35	0.07	-	-	-	-
Total	**1.65**	**0.40**	**-**	**-**	**-**	**-**

* Mr. Mahesh Kumar Malpani resigned from the Company with effect from close of business hours of November 14, 2020.
# Mr. Manojit Dash, appointed as Director of the Company effective from November 14, 2020.

30 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has analysed the internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects that the carrying amount of all assets will be recovered except recovery of outstanding loan given to other body corporate (including interest receivable thereon) and accordingly the Company has made necessary provisions for the same. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

31 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 : 26th May, 2022

For and on behalf of Board of Directors of
HG Industries Limited
CIN:L20100TN1987PLC015161

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 : New Delhi
Dated : 26th May, 2022

HG INDUSTRIES LIMITED

(Formerly Himalaya Granites Limited)

(CIN : L20100TN1987PLC015161)

PANCHALAM VILLAGE, MELPETTAI POST, TINDIVANAM, TAMIL NADU-604307