

**HMG INDUSTRIES LIMITED**

**ANNUAL REPORT**

**2021-2022**

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE THIRTY FOURTH ANNUAL GENERAL MEETING OF HMG INDUSTRIES LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY C-21/6, TTC INDUSTRIAL AREA, MIDC, PAWNE VILLAGE, NAVI MUMBAI-400703 ON FRIDAY, 30<sup>TH</sup> SEPTEMBER, 2022 AT 10 A.M. TO TRANSACT THE FOLLOWING BUSINESSES:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the financial year ended 31<sup>st</sup> March 2022 and the Balance Sheet as at 31<sup>st</sup> March 2022 with the Reports of the Auditors' and Directors' thereon.
2. To consider appointment of Director in place of Mr. Zaki Hajeebhoy (DIN: 00480609), who retires by rotation, and being eligible, offers himself for re-appointment.
3. Ratification of appointment of Statutory Auditors of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s N..S Gokhale & Co., Chartered Accountants, (Firm Registration No. 103270W), retiring Auditor of the Company be and hereby ratified to continue as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting of the Company till the conclusion of the next Annual General Meeting of the Company, at such remuneration in addition to service tax, reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**Registered Office:**  
C-21/6, TTC Industrial Area,  
MIDC, Pawne Village,  
Navi Mumbai-400703

**Place :** Navi Mumbai  
**Date :** 05<sup>th</sup> September, 2022

**By Order of the Board of Directors**

**Sd/-**  
**Edgar Kamath**  
**Director**  
**DIN:02465890**

**NOTES:**

1. A statement pursuant to section 102(1) of the Companies Act, 2013, setting out all material facts relating to Special Business to be transacted at the meeting is annexed herewith and the same should be taken as part of this Notice.
2. Route Map of venue of the Meeting is attached.
3. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding 50 Members and holding in the aggregate not more than 10% of the total Equity Share Capital of the Company. Any Member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member.
4. Pursuant to Section 113 of the Companies Act, 2013, Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
6. During the period beginning 24 hours before the time fixed for commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days' notice of writing is given to the Company.
7. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith and the Annual report copy to attend the meeting along with a valid identity proof such as PAN Card, Passport, AADHAR Card or Driving license to enter the AGM Hall.
8. Members are requested to inform of any change in their addresses immediately to: (i) Registrar & Transfer Agents (R & T Agents) in case of shares held in Physical Form or (ii) Depository Participants in case of shares held in Electronic Form
9. The Members are requested to send their queries, if any at least seven days before the Annual General Meeting to the Company Secretary at the registered office of the Company or at email id [hmginds@gmail.com](mailto:hmginds@gmail.com)
10. In line with the MCA General Circular dated May 5, 2020, the Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 34<sup>th</sup> AGM has been uploaded on the website of the Company at [www.hmgindustries.in](http://www.hmgindustries.in) under 'Investor Relations' section.

# **HMG INDUSTRIES LIMITED**

11. In response to the Green Environment Initiative taken by the Ministry of Corporate Affairs, we urge the members to support our commitment to environmental protection by choosing to receive any shareholding communication through email. You can do the same by updating your email addresses to the concerned Depository Participant. Members who hold shares in physical form are requested to register their email addresses with Adroit Corporate Services Pvt. Ltd., Registrar and Share Transfer Agents of the Company.

**Registered Office:**  
C-21/6, TTC Industrial Area,  
MIDC, Pawne Village,  
Navi Mumbai-400703

**Place :** Navi Mumbai  
**Date :** 05<sup>th</sup> September, 2022

**By Order of the Board of Directors**

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**Edgar Kamath**  
**Director**  
**DIN:02465890**

# HMG INDUSTRIES LIMITED

## VENUE:

C-21/6, TTC Industrial Area,  
MIDC, Pawne Village,  
Navi Mumbai-400703



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### FACTORY / REGISTERED OFFICE :

C-21/6, Pawne Village, MIDC TTC Area, Thane - Belapur Road, Vashi, Navi Mumbai - 400 703. Phone : 022-2768 1943  
Fax : 022-2761 7115 Email : hmginds@gmail.com CIN NO. : U24110MH1987PLC044801

## DIRECTOR'S REPORT

To,  
**The Members,**  
**HMG Industries Limited.**

Your Directors present their 34<sup>th</sup> **Annual Report** with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2022.

### Financial Results:

Summary of the Company's financial performance for F.Y. 2021-22 as compared to the previous financial year is given below:

Particulars	F.Y. 2021 – 2022	F.Y. 2020 – 2021
Revenue from operations	6,16,98,477	4,88,70,244.00
Revenue from Other Income	22,50,204	44,05,166
Profit on Sale of Assets	-	-
<b>Total Revenue</b>	<b>6,39,48,681</b>	<b>5,32,75,410</b>
Profit/(Loss) before Depreciation & Interest	6,43,254	1,82,478
Less: Depreciation & Amortization	61,58,993	62,58,043
Less: Interest Cost	0.00	0.00
Profit/(Loss) After Depreciation & Interest	(55,15,739)	(60,75,565)
Provision for Tax	-	-
Income Tax	-	-
TDS W/off	-	-
Profit/(Loss) After Tax	<b>(55,15,739.00)</b>	<b>(60,75,565.00)</b>
EPS	<b>(0.25)</b>	<b>(0.28)</b>

### Highlights:

During the year under review, your Company recorded a total income of Rs. 6,39,48,681/- as against 5,32,75,410/- in previous year and incurred Net Loss of Rs. 55,15,739/- as against Net Loss of Rs. 60,75,565/- in previous year.

**Dividend:**

The Board, for the year ended 31<sup>st</sup> March, 2022, regrets their inability to declare dividend in view of losses in business.

**Transfer of Unclaimed Dividend to Investor Education and Protection Fund:**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

**Reserves:**

No amount has been transferred to any reserves.

**Share Capital:**

The paid-up Equity Share Capital as on 31st March, 2022 was Rs. 6,50,15,853/-(Face value of Rs.10 per share Rs.3/- each fully paid-up). During the year under review, no shares were issued and allotted. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

**Change in the nature of business, if any:**

During the year under review, there was no change in the nature of business

**Board of Directors of company:**

DIN	Full Name	Present residential address	Designation	Date of Appointment
00480679	Mr. Zaki A. Hajeerbhoy	5, Gulmarg Bldg, Near Petit Hall, Nepeansea Road, Mumbai: 400006.	Managing Director	28-09-1987
02465890	Mr. Edgar J. Kamath	B-131, Vishnu Baug, 137 S V Road, Andheri – West, Mumbai: 400058.	Director	25-09-2008
00481805	Mrs. Veera N. Somaya	2/4, Mahalaxmi Colony, Woollen Mill Road, Mahim, Mumbai: 400016.	Director	29-12-2011

**Number of meetings of the Board of Directors:**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, Seven Board meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## Board Meetings held during the Year

Sr. No.	Dates on which the Board Meetings were held	Total Strength of the Board	No of Directors Present
1.	01 <sup>st</sup> April, 2021	3	3
2.	22 <sup>nd</sup> June, 2021	3	3
3.	28 <sup>th</sup> June, 2021	3	3
4.	03 <sup>rd</sup> September, 2021	3	3
5.	22 <sup>nd</sup> October, 2021	3	3
6.	07 <sup>th</sup> January, 2022	3	3
7.	25 <sup>th</sup> March, 2022	3	3

### **Independent Directors' Declaration**

The provisions of Section 149(4) of the Companies Act, 2013 for having independent Directors and Section 149 (7) of the Companies Act, 2013 for giving declaration of independence by such Directors that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act 2013 are not applicable to the Company.

### **Nomination And Remuneration Committee**

The Company is not covered under the provisions of Section 178 of the Companies Act, 2013 to constitute the Nomination and Remuneration Committee and accordingly, not required to formulate the policy on matters provided under Section 178 (3) of the Companies Act, 2013.

### **Key Managerial Personnel**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Zaki Hajeerbhoy, Managing Director of the Company, retires by rotation at the ensuing AGM, and being eligible, have offered himself for re-appointment.

In compliance with the requirements of section 2013 of the Companies Act, 2013, Mr. Zaki A. Hajeerbhoy, Managing Director, Mrs. Veera Somaya, Executive Director & Mr. Edgar J. Kamath, Whole-Time Director were the Key Managerial Personnel of the Company during the financial year.

During the year, Ms. Kiran Jadhav, Company Secretary of the Company resigned on 01<sup>st</sup> April, 2021.

### **Deposits:**

During the year under review your company has not accepted any deposit. Hence the provision for disclosure of the information relating to deposit is not applicable on company for the financial Year under review.



**Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:**

No material changes and commitment affecting the financial position of the Company occurred between the end of the financial year (F.Y.: 2021-22) to which the financial statement related and the date of this Board Report.

**Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

No significant and material order passed by the any regulators or courts or tribunals impacting the going concern status and company's operation in future as the company believe in high compliance standard, hence the chances of any non compliances and any mishap is very less.

**Holding, Subsidiaries, Joint Ventures or Associate Companies:**

The company has no subsidiaries, joint ventures or associate companies. During the Financial Year, no company ceased as Subsidiary, joint venture or associate of the company.

**Directors' Responsibility Statement:**

Pursuant to sub-section (5) of section 134 of the Companies Act, 2013, the Board of Directors of the company hereby state and confirm that:

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

### **Particulars of Contracts or Arrangements with Related Parties:**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and the provisions of the Companies Act, 2013, Rules made there under and Clause 49 of the Listing Agreement are not attracted. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered materially Significant.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are foreseen and are repetitive in nature. A statement of all related party transactions is placed before the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Details of transactions with Related Parties are given in the Notes to Accounts.

### **Internal Control Systems and their Adequacy**

The Company has in place an adequate system of internal controls and risk-mitigation system, which are constantly assessed and strengthened with the new/ revised standard operating procedures. These are commensurate with the size, scale and complexities of its operations. The company has adopted an Internal Financial and Risk mitigation policy under which head of department of various functions in the company are required to form a plan to find out risk areas in work & its mitigation and also to implement financial control system in their respective department so as to provide complete objectivity and independence. The Company senior management plays only advisory role in making of these sub-plan and policies and at last these need to be approved from audit committee of company and need to update the plan and policies from time to time.

The Company during the year under review, under the light of guidance note on Internal Financial Control provided by the Institute of Chartered Accountants of India have also modified the reporting structure of Internal Financial control and Risk mitigation system. The Company had also reviewed the new requirement of Internal Control over Financial Reporting ("ICOFR") and finalized the detailed analysis, and these were presented for review by the Statutory Auditors. The control mechanism and the process of testing of controls were discussed with the Statutory Auditors. The Statutory Auditors have submitted their report on the Internal Financial Controls which forms an integral part of this Report.

### **Extract of Annual Return:**

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as **Annexure "I"**

**Cost Records as Specified by The Central Government:**

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and also accounts and records are not need to be maintained.

**Particulars of Employees and Related Information:**

The information required pursuant to Section 197 of the Companies Act, 2013 ('the Act') read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

None of the employees listed in the said Annexure is related to any Director of the Company. None of the employees hold (by himself or along with his / her spouse and dependent children) more than 2% of the equity shares of the Company.

Sr. No	Name of Director/KMP	Remuneration Received (In Rs. Lakh)	% increase in Remuneration in the Financial year 2021-22	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Zaki A. Hajeerbhoy	Nil	Nil	Nil
2	Mr. Edgar J. Kamath	02.86	5	1/5
3	Mrs. Veera N. Somaya	20.80	5	1/5

- All appointments are / were non-contractual.
- There were 15 employees on the roll of Company as on March 31, 2022.
- The median remuneration of employees of the Company during the financial year was Rs. 3.00 Lakhs. There was 5% increase in remuneration of Median employee during the year.
- Remuneration as shown above comprises of Salary, Bonus, House Rent Allowance & Perquisites on Cash basis.

**Conservation of energy, technology absorption and foreign exchange earnings and outgo:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

The details of foreign exchange earnings and outgo during the year under review are as below:

As the company business is totally situated in within the national boundaries and no agreement for purchase or sale done with any foreign parties. Hence for the year under review company has no foreign exchange earnings or expenses.

**Secretarial Standards:**

The Company has complied with all the applicable secretarial standards.

**Corporate Social Responsibility:**

During the year under review company has not exceeded any of the limit prescribed in section 135, hence the company is not required to comply with provision of Corporate Social Responsibility nor required to make any provision of expenses for CSR activities given in Schedule VII of the Companies Act, 2013.

**Details of establishment of vigil mechanism for Directors and Employees:**

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit committee on reporting issues concerning the interests of co-employees and the Company.

**Particulars of loans, guarantees or investments under section 186:**

During the year under review the company has not provided any short term or long-term loan and advances, Guarantee or securities, or made investment in any body corporate or any other person as defined in section 186 of Companies Act, 2013. Hence the company is not required to maintain register as prescribed in Companies Act, 2013.

**Statutory Auditors:**

M/s. N.S. Gokhale & Co., Chartered Accountant, (FRN: 103270W), was appointed as Statutory Auditors of Company by the Members of the Company in the 32<sup>nd</sup> Annual General Meeting of the Company for a period of five consecutive years (i.e., for financial year 2022-22 to 2024-25) subject to ratification in every subsequent Annual General Meeting. The said Statutory Auditors retire at the ensuing Annual General Meeting and being eligible under section 139 to 143 of the Companies Act, 2013, offer themselves for re-appointment. Members are requested to ratify the appointment of M/s. N.S. Gokhale & Co., Chartered Accountant, (FRN: 103270W). Report of the auditors read with the notes on accounts is self-explanatory and need no elaboration.

**Reporting of Frauds by Auditors:**

During the year, there were no instances of frauds reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013.

**Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Your Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy has set guidelines on the redressal and enquiry process that is to be followed by the complainants. While dealing with issues related to sexual harassment at the workplace towards any women employee's, secrecy will be maintained and no women employee will be subjected to any kind of harassment and other mean of inconvenience for raising an issue or pointing out unethical behavior. All women employees (permanent, temporary, contractual and trainees) are covered under this policy. All employees are treated with dignity with a view to maintain an environment free of sexual harassment whether physical, verbal or psychological.

During the year under review, the Internal Complaints Committee has not received any complaint of sexual harassment.

**Risk Management policy:**

As the company business segment is small and as the paid-up share capital of the company is less than ten crores hence provision clause 49 is not applicable on the company.

**Green Initiative in Corporate Governance: Paperless Compliance:**

Ministry of Corporate Affairs ("MCA") vide its circulars dated 21st April, 2011 and 29th April, 2011 has notified a "Green Initiative in the Corporate Governance", by allowing paperless compliances by Companies. Companies are now permitted to send Annual Reports and various notices to the shareholders through electronic mode to the registered e-mail addresses of shareholders. It will also ensure prompt receipt of communication and avoid loss in postal transit.

We had therefore requested in our previous Annual Report to send the e-mail address to Share Registrar of the Company. The response for the same has been unsatisfactory. Hence, we hereby request all the members to provide/update their e-mail addresses and PAN No. with the Company's Registrar at their e-mail id [adroits@vsnl.net](mailto:adroits@vsnl.net) or Company's e-mail id [hmginds@gmail.com](mailto:hmginds@gmail.com). The members can also access the Company's Annual Report and Annexure for the year ended 31<sup>st</sup> March, 2022 & for last three years on its website [www.hmgindustries.in](http://www.hmgindustries.in).

**Personnel:**

The industrial relations continued to be cordial at all levels throughout the year. Your Director's wish to thank all the Employees and Workmen of the Company for their contribution, support and continued co-operation throughout the year.

**Acknowledgements:**

The Directors hereby acknowledge the dedication, loyalty, hard work, solidarity and commitment rendered by the employees of the Company during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, government authorities, business partners, shareholders, customers and other stakeholders without whom the overall satisfactory performance would not have been possible.

The Directors deeply regret the losses suffered due to the Covid-19 pandemic and place on record their sincere appreciation to all the front-line workers and those who have gone beyond their duties in battling against the pandemic.

**For and on behalf of the Board**  
**HMG Industries Limited,**

**Sd/-**

Edgar J. Kamath

**Director**

(DIN No.: 02465890)

**Sd/-**

Zaki A. Hajeebhoy

**Managing Director**

(DIN No.: 00480679)

Date: 5<sup>th</sup> September, 2022

Place: Navi Mumbai

# **Annexure - I**

## **Form No. MGT - 9** **EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2022**  
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

<b>I REGISTRATION &amp; OTHER DETAILS:</b>		
<b>i</b>	<b>CIN</b>	U24110MH1987PLC044801
<b>ii</b>	<b>Registration Date</b>	28-09-1987
<b>iii</b>	<b>Name of the Company</b>	HMG Industries Limited
<b>iv</b>	<b>Category/Sub-category of the Company</b>	Public Limited
<b>v</b>	<b>Address of the Registered office &amp; contact details</b>	C-21/6, TTC Industrial Area, MIDC, Pawne Village, Thane Belapur Road, Navi Mumbai – 400703.
<b>vi</b>	<b>Whether listed company</b>	BSE: Delisted NSE: Delisted
<b>vii</b>	<b>Name , Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Adroit Corporate Services Private Limited, 19, Jafferbhoy Industrial Estate, 1 <sup>st</sup> Floor, Makhwana Road, Marol Naka, Mumbai – 400059 E-mail: adroits@vsnl.net

<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
All the business activities contributing 10% or more of the total turnover of the company shall be stated			
<b>Sl. No.</b>	<b>Name &amp; Description of main products/services</b>	<b>NIC Code of the Product /service</b>	<b>% total turnover of the company</b>
1	Processing & preservation of Fish	1020	100%

<b>III PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>					
<b>Sl. No</b>	<b>Name &amp; Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding / Subsidiary / Associate</b>	<b>% of Shares Held</b>	<b>Applicable Section</b>
-	-	-	-	-	-

#### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category of Shareholders as on 31.03.2022	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				change during the year	% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters/ Promoters Group</b>										
(1) Indian										
a) Individual/HUF	-	335600	335600	01.55	-	335600	335600	01.55	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	5000000	4885006	9885006	45.61	7742261	2142745	9885006	45.61	-	-
d) Bank/ FI	-	-	-	-	-	-	-	-	-	-
e) Any other Directors/Directors Relatives	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>5000000</b>	<b>5220606</b>	<b>10220606</b>	<b>47.16</b>	<b>7742261</b>	<b>2478345</b>	<b>10220606</b>	<b>47.16</b>	-	-
(2) Foreign										
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>5000000</b>	<b>5220606</b>	<b>10220606</b>	<b>47.16</b>	<b>7742261</b>	<b>2478345</b>	<b>10220606</b>	<b>47.16</b>	<b>-</b>	<b>-</b>
<b>B. Public Shareholding</b>										
(1) Institutions										
a) Mutual Funds	-	258600	258600	01.19	-	258600	258600	01.19	-	-
b) Banks/ FI	-	168300	168300	00.78	-	168300	168300	00.78	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	1185000	1185000	05.47	-	1185000	1185000	05.47	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>-</b>	<b>1611900</b>	<b>1611900</b>	<b>07.44</b>	<b>-</b>	<b>1611900</b>	<b>1611900</b>	<b>7.44</b>	<b>-</b>	<b>-</b>
(2) Non Institutions										
a) Bodies Corporates										
i) Indian	5125	347864	352989	01.63	5125	347864	352989	1.63	-	-



ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 2 Lakhs	89032	8214120	8303152	38.31	93707	8209445	8303152	38.31	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 Lakhs	-	578588	578588	02.67	-	578588	578588	2.67	-	-
c) NRI – Individuals/ Body Corporate	-	604716	604716	02.79	-	604716	604716	2.79	-	-
d) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	<b>94157</b>	<b>9745288</b>	<b>9839445</b>	<b>45.40</b>	<b>98832</b>	<b>9740613</b>	<b>9839445</b>	<b>45.40</b>	<b>-</b>	<b>-</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>94157</b>	<b>11357188</b>	<b>11451345</b>	<b>52.84</b>	<b>98832</b>	<b>11352513</b>	<b>11451345</b>	<b>52.84</b>	<b>-</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>5094157</b>	<b>16577794</b>	<b>21671951</b>	<b>100</b>	<b>7841093</b>	<b>13830858</b>	<b>21671951</b>	<b>100</b>	<b>-</b>	<b>-</b>

<b>(ii) SHARE HOLDING OF PROMOTERS</b>								
Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Zaki A. Hajeebhoy	335600	01.55	-	335600	01.55	-	-
2.	HG Logistic Services LLP	5995536	27.66	-	-	-	-	(27.66)
3.	HMG Investments & Trading Ltd.	2399470	11.07	-	8395006	38.74	-	(27.66)
4.	HMG Engineering Ltd.	1490000	06.88	-	1490000	06.88	-	-
	<b>Total</b>	<b>10220606</b>	<b>47.16</b>	<b>-</b>	<b>10220606</b>	<b>47.16</b>	<b>-</b>	<b>-</b>

<b>(iii) Change in Promoters' Shareholding as on the financial year ended on March 31, 2022</b>				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	10220606	47.16	Not Applicable	
Date wise Increase/Decrease in Promoters shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/bonus/sweat equity, etc.)	-	-		
At the end of the year	10220606	47.16		

**(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.		-	-	-	-
	<b>Total</b>	-	-	-	-

**(IV) SHAREHOLDING PATTERN OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Sr. No.	Shareholder's Name	Shareholding		Increase/ Decrease in Shareholding	Cumulative Shareholding during the year (01-04-21 to 31-03-22) No. of Shares	% of total Shares of the Company
		No. of Shares at the beginning (01-04-21) / end of the year (31-03-22)	% of total Shares of the Company			
1	Zaki A. Hajeebhoy	335600	1.55	-		
2	Veera Somaya	3125	0.01	-		
		338725	1.56	-	338725	1.56

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	-	15.00 Lacs	-	15.00 Lacs
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>15.00 Lacs</b>	-	<b>15.00 Lacs</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	15.00 Lacs	-	15.00 Lacs
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>15.00 Lacs</b>	-	<b>15.00 Lacs</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager Mrs. Veera Somaya - Director	Total Amount (Rs. In Lacs)
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		20.80
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	-	<b>20.80</b>
	<b>Ceiling as per the Act</b>	<b>N.A</b>	<b>N.A</b>

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager Mr. Edgar Kamath - Director	Total Amount (Rs. In Lacs)
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		02.86
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	-	<b>2.86</b>
	<b>Ceiling as per the Act</b>	<b>N.A</b>	<b>N.A</b>

**B. Remuneration to Other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (Rs. In Lacs)
<b>1</b>	Independent Directors						
	(a) Fee for attending board committee meetings	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2</b>	Other Non-Executive Directors						
	(a) Fee for attending board committee meetings	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-
	(c) Others please specify.	-	-	-	-	-	-
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Managerial Remuneration</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Overall Ceiling as per the Act.</b>	N.A					

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:**

Sl. No.	Particulars of Remuneration	Name of the Company Secretary / CFO	Total Amount (Rs. In Lacs)
<b>1</b>	<b>Gross salary</b>	-	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	-	-
	<b>Ceiling as per the Act</b>	N.A	N.A

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					

On behalf of the Board of Directors

Date: 5<sup>th</sup> September, 2022  
Place: Navi Mumbai

Sd/-  
Edgar J. Kamath  
**Director**  
(DIN No.: 02465890)

Sd/-  
Zaki A. Hajeerbhoy  
**Managing Director**  
(DIN No.: 00480679)

## **ANNEXURE II - Form AOC- 2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)  
Of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto:

- 1. Details of material contracts or arrangements or transactions not at arm's length basis:** Not Applicable
- 2. Details of material contracts or arrangement or transactions at arm's length basis:** Not Applicable

**On Behalf of the Board of Directors**

Date: 5<sup>th</sup> September, 2022  
Place: Navi Mumbai

**Sd/-**  
Edgar J. Kamath  
**Director**  
(DIN No.: 02465890)

**Sd/-**  
Zaki A. Hajeerbhoy  
**Managing Director**  
(DIN No.: 00480679)



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF HMG INDUSTRIES LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**OPINION**

We have audited the accompanying Financial Statements of **HMG INDUSTRIES LIMITED (CIN: U24110MH1987PLC044801)** ("the Company"), which comprise the Balance Sheet as at March 31<sup>st</sup>, 2022, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standard) Rules, 2021 ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31<sup>st</sup>, 2022 and its loss and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the „Auditor’s Responsibilities for the Audit of the Financial Statements“ section of our report. We are independent of the Company in accordance with the „Code of Ethics“ issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and

the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

## **EMPHASIS OF MATTERS**

We draw attention to following Notes to the Financial Statements being matters pertaining to HMG Industries Limited requiring emphasis by us. Our opinion is not qualified in respect of these matters:

1. Note no. 22 (1) (VI), in respect of accounting policy of the company for provision towards retirement benefits.
2. Note no. 22 (10), company assumption for not providing for deferred tax Assets / Liability as required by accounting standard.

Our opinion is not qualified in respect of above matters.

## **KEY AUDIT MATTERS**

We have determined that there are no key audit matters to communicate in our report.

## **OTHER MATTER:**

Balances in respect of trade receivables, trade payables, deposits and loans and advances (debit or credit balances on whatever account) are subject to confirmation from respective parties. However, in the opinion of the Management all the Current Assets and Non-current Financial Assets are approximately of the value stated in books, if realized in the ordinary course of business.

Our opinion is not qualified in respect of above matter.

## **INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditors' report thereon („Other Information“). The Other Information is expected to be made available to us after the date of this Auditors' 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 when it becomes available 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 and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 „The Auditor’s responsibilities Relating to Other Information“.

## **MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Financial Statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013.

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

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

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

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 misstatement in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in:

- (i) Planning the scope of our audit work and in evaluating the results of our work:  
and
- (ii) To evaluate the effect of any identified misstatements in the Financial Statements.

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

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. 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 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

# *N.S. Gokhale & Co.*

- d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standard) Rules, 2021;
- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements - Refer Note No. 22 (2) to the Financial Statements;
  - ii. The Company did not have any long - term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("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

# *N.S. Gokhale & Co.*

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, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever 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 has 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.

v. The company has not declared or paid any dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For N. S. Gokhale & Co.**  
**Chartered Accountants**  
**(Firm Registration No. 103270W)**

**Sd/-**

**CA. Abhay Sidhaye**  
**(Partner)**  
**Membership No.: 033522**

**Place: Mumbai**  
**Date: 5<sup>th</sup> September 2022**  
**UDIN: 22033522ATQUQZ3664**

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under „Report on Other Legal & Regulatory Requirements“ section 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”)**

We have audited the internal financial controls over financial reporting of **HMG INDUSTRIES LIMITED** (“the Company”) as of 31<sup>st</sup> March 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### **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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, 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.

**For N. S. Gokhale & Co.  
Chartered Accountants  
(Firm Registration No. 103270W)**

**Place: Mumbai  
Date: 5<sup>th</sup> September 2022  
UDIN: 22033522ATQUQZ3664**

**Sd/-  
CA. Abhay Sidhaye  
(Partner)  
Membership No.: 033522**



## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under „Report on Other Legal & Regulatory Requirements“ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

	a.	A.	The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. There is no capital work-in-progress as on 31 <sup>st</sup> March 2022.
		B.	The Company is not having any intangible assets.
i.	b.	According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has a program of verification of property, plant and equipment and capital work-in-progress, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.	
		According to information and explanations given to us by the management and on the basis of our examination of the record of the Company, the title deeds of immovable properties are held in the name of the Company.	
		According to information and explanations given to us by the management and on the basis of our examination of the record of the Company, The Company has not revalued any of its property, plant and equipment during the year.	
		According to information and explanations given to us by the management and on the basis of our examination of the record of the Company, 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.	

# *N.S. Gokhale & Co.*

	a.	The Company does not hold any inventory or securities as stock in trade; hence sub-clause ii (a) of the Order is not applicable.
ii.	b.	According to information and explanations given to us by the management and on the basis of our examination of the record of the Company, the Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
iii.	The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:	
	a.	Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company 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 during the year, and hence sub-clauses iii (a), (c), (d), (e), (f) under clause (iii) of the Order are not applicable.
	b.	Based on the audit procedures carried on by us and as per the information and explanations given to us, the investments made, during the year are, prima facie, not prejudicial to the Company's interest.
iv.	According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.	
v.	The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.	
vi.	According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business	

		activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.									
vii.	a.	<p>According to the information and explanations given to us and on the basis of our examination of the 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 &amp; Service Tax and other material statutory dues have generally been regularly deposited with the appropriate authorities.</p> <p>According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods &amp; Service Tax and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.</p>									
	b.	<p>According to the records of the company and on the basis of information and explanation given to us the dues outstanding to any statutory authority on account dispute as on 31<sup>st</sup> March 2022 are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name of the statute</th> <th style="text-align: center;">Nature of the dues</th> <th style="text-align: center;">Amount</th> <th style="text-align: center;">Period to which the amount relates</th> <th style="text-align: center;">Forum where dispute is pending</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Income Tax Act, 1961</td> <td style="text-align: center;">Income Tax</td> <td style="text-align: center;">77,40,580</td> <td style="text-align: center;">AY 2014-15</td> <td style="text-align: center;">CIIT (VIII), Mumbai</td> </tr> </tbody> </table>	Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending	Income Tax Act, 1961	Income Tax	77,40,580	AY 2014-15
Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending							
Income Tax Act, 1961	Income Tax	77,40,580	AY 2014-15	CIIT (VIII), Mumbai							
viii.		According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.									
ix.	a.	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.									

# *N.S. Gokhale & Co.*

	b.	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
	c.	According to the information and explanations given to us by the management, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
	d.	According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
	e.	According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
	f.	According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
x.	a.	The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
	b.	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
xi.	a.	Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

# N.S. Gokhale & Co.

	b.	According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
	c.	We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures
xii.		According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
xiii.		In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
xiv.	a.	In our opinion and based on our examination, the Company is not required to have an internal audit system as per the provisions of section 138 of the Companies Act, 2013.
	b.	Since the Company is not required to have the internal audit system, hence clause 3(xiv)(b) of the Order is not applicable.
xv.		In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
xvi.	a.	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
	b.	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
	c.	The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

# *N.S. Gokhale & Co.*

	d.	According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
xvii.		The Company has not incurred cash losses in the current and in the immediately preceding financial year.
xviii.		There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
xix.		According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
xx.		Since the provisions of Section 135 of the Companies Act, 2013 with regard to Corporate Social Responsibility (CSR) are not applicable to the Company, hence, clause 3(xx) of the order is not applicable.

**For N. S. Gokhale & Co.**  
**Chartered Accountants**  
**(Firm Registration No. 103270W)**

**Place: Mumbai**  
**Date: 5<sup>th</sup> September 2022**  
**UDIN: 22033522ATQUQZ3664**

**Sd/-**  
**CA Abhay Sidhaye**  
**(Partner)**  
**Membership No.: 033522**

Particulars	Note No	31st March 2022	31st March 2021
		₹	₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders Funds</b>			
(a) Share Capital	1	6,90,65,853	6,90,65,853
(b) Reserves & Surplus	2	(1,24,95,023)	(69,79,284)
(c) Share Application Money pending allotment	-	-	-
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	-	-	-
(b) Deferred tax liabilities (Net)	-	-	-
(c) Other long term liabilities	-	-	-
(d) Long-term provisions	-	-	-
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	3	15,00,000	15,00,000
(b) Trade Payables	4		
(i) Dues to Micro and Small Enterprises		1,27,797	98,018
(ii) Dues to others		9,75,508	72,99,304
(c) Other current liabilities	5	1,34,79,544	1,24,12,327
(d) Short-term provisions	6	25,00,000	-
<b>Total</b>		<b>7,51,53,679</b>	<b>8,33,96,218</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Property, Plant &amp; Equipment and Intangible Assets</b>			
(i) Property, Plant & Equipments	7	5,20,74,699	5,60,51,978
(ii) Intangible assets	-	-	-
(iii) Capital work-in-progress	-	-	-
(iv) Intangible assets under development	-	-	-
(b) Non-current investments	-	-	-
(c) Deferred Tax assets (Net)	-	-	-
(d) Long-term loan and advances	8	76,18,775	32,19,771
(e) Other non-current assets	-	-	-
<b>(2) Current assets</b>			
(a) Current investments	-	-	-
(b) Inventories	-	-	-
(c) Trade receivables	9	70,63,657	1,66,08,848
(d) Cash and cash equivalents	10	15,88,187	19,32,084
(e) Short-term loans and advances	11	2,49,116	1,34,741
(f) Other current assets	12	65,59,245	54,48,796
<b>Total</b>		<b>7,51,53,679</b>	<b>8,33,96,218</b>

Notes forming part of financial statements

1 - 22

As per our report of even date

For N S Gokhale & Co.  
Chartered Accountants  
(FRN: 103270W)

For and on behalf of the Board of Directors of  
HMG INDUSTRIES LIMITED

Sd/-  
CA Abhay Sidhaye  
Partner  
Membership No: 033522  
UDIN:- 22033522ATQUQZ3664

Sd/-  
Edgar J. Kamath  
Director  
DIN No: 02465890

Sd/-  
Zaki A. Hajeebhoy  
Managing Director  
DIN No: 00480679

Place : Navi Mumbai  
Date : 05th September, 2022

**HMG Industries Limited**

[CIN: U24110MH1987PLC044801]

Statement of Profit &amp; Loss Account for the year ended 31st March, 2022

Particulars	Note No	31st March 2022	31st March 2021
		₹	₹
(I) Revenue from Operations	13	6,16,98,477	4,88,70,244
(II) Other Income	14	22,50,204	44,05,166
<b>(III) Total revenue</b>	A	<b>6,39,48,681</b>	<b>5,32,75,410</b>
<b>(IV) EXPENSES</b>			
Cost of materials consumed/Purchase of stock-in-trade	15	8,07,845	3,86,829
Increase/(Decrease) in Inventories of shares	-	-	-
Employee Benefit expenses	16	2,54,03,333	2,08,66,811
Finance expenses	17	15,573	1,651
Depreciation and amortisation expense	7.1	61,58,993	62,58,043
Other Expenses	18	3,70,78,676	3,18,37,641
<b>Total expenses</b>	B	<b>6,94,64,420</b>	<b>5,93,50,975</b>
<b>(V) Profit/(Loss) before exceptional and extraordinary items and tax</b>	<b>(A-B)</b>	<b>(55,15,739)</b>	<b>(60,75,565)</b>
(VI) Exceptional items	-	-	-
<b>(VII) Profit/(Loss) before extraordinary items and tax</b>		<b>(55,15,739)</b>	<b>(60,75,565)</b>
(VIII) Extraordinary items	-	-	-
<b>(IX) Profit/(Loss) before tax</b>		<b>(55,15,739)</b>	<b>(60,75,565)</b>
<b>(X) Tax expense</b>			
(1) Current Tax	-	-	-
(2) Deferred Tax	-	-	-
		-	-
<b>(IX) Profit/(Loss) for the year</b>		<b>(55,15,739)</b>	<b>(60,75,565)</b>
<b>Earnings per share:</b>			
<b>Basic and Diluted</b>			
Computed on the basis of total profit		(0.25)	(0.28)

Notes forming part of financial statements

1 - 22

As per our report of even date

For N S Gokhale &amp; Co.

Chartered Accountants

(FRN: 103270W)

For and on behalf of the Board of Directors of  
HMG Industries Limited

Sd/-

CA Abhay A. Sidhaye

Partner

Membership No: 033522

UDIN:- 22033522ATQUQZ3664

Sd/-

Edgar J. Kamath

Director

DIN No: 02465890

Sd/-

Zaki A. Hajeebhoy

Managing Director

DIN No: 00480679

Place : Navi Mumbai

Date : 05th September, 2022





**(d) Terms/rights attached to equity shares;**

The Company has only one class of equity shares having a face value of Rs. 3/- per share. The Company has not recommended any dividend for the year ended 31 March, 2022.

**(e) Shares held by holding Company or ultimate holding Company or by subsidiaries or associate of holding Company or the ultimate holding Company in aggregate;**

Particulars	Class of Shares	No. of Shares	%
-	-	-	-

**(f) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares/Name of shareholder	31-Mar-22		31-Mar-21	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
HMG Investments & Trading Pvt. Ltd	83,95,006	38.74%	23,99,470	11.07%
HMG Engineering Limited	14,90,000	6.88%	14,90,000	6.88%
HG Logistic Services LLP	-	0.00%	59,95,536	27.66%

**(g) Shares reserved for issue under options and contracts/commitments for the sale of shares/ disinvestments, including the terms and amounts;**

Particulars	Class of Shares	No. of Shares	Terms & Amount
For issue under Options	Nil	Nil	Nil
Contracts/commitment for sale of shares/disinvestment			

**(h) For the period of 5 years immediately preceding the date of this balance sheet;**

Aggregate number and class of shares allotted as fully paid up pursuant	Nil
Aggregate number and class of shares allotted as fully paid up by way	Nil
Aggregate number and class of shares bought back	Nil

**(i) Terms of Securities convertible into equity/preference shares**

Type of Security	Date of conversion*
-	-

\*in descending order starting from the farthest date

**(j) Calls unpaid;**

	Class of Shares	No. of Shares	Amount
by Directors & officers	NIL	Nil	Nil
by Others	NIL	Nil	Nil

**(k) Forfeited Shares;**

	Class of Shares	No. of Shares	Amount originally paid up
-	-	-	-

**(l) Shareholding of Promoters**

Shares held by promoters at the end of the year

Promoter Name	No. of Shares	% of total Shares
HMG Investments & Trading Pvt. Ltd	83,95,006	38.74%
HMG Engineering Limited	14,90,000	6.88%
HG Logistic Services LLP	200	0.00%
Zaki A. Hajeebhoy	3,35,600	1.55%
<b>Total</b>	<b>1,02,20,806</b>	<b>47.16%</b>

**(m) the amount of dividends proposed to be distributed for the year ended March 31, 2022:**

	Total amount	Per share dividend
To equity shareholders	Nil	Nil
To preference shareholders	Nil	Nil

**(n) Arrears of Fixed Cumulative dividends on Preference shares**

Year for which dividend is in arrears	Total amount
2019-20	Nil
2020-21	Nil

HMG INDUSTRIES LIMITED  
Notes forming part of financial statements

	31st March, 2022	31st March, 2021
	₹	₹
<b>Note : 2</b>		
<b>Reserves &amp; Surplus:</b>		
<b>Capital Reserve:</b>		
Profit on forfeiture of Shares	34,000	34,000
Capital subsidy on Equipments	56,190	56,190
Debenture Redemption Reserve	2,80,00,000	2,80,00,000
Share Premium	19,57,80,050	19,57,80,050
<b>Surplus/(Deficit) in statement of profit and loss</b>		
At the beginning of the Accounting period	(1,37,37,68,096)	(1,36,76,92,531)
Profit/(Loss) during the year	(55,15,739)	(60,75,565)
	<u>(1,37,92,83,835)</u>	<u>(1,37,37,68,096)</u>
Allocation & Appropriation	-	-
Transfer to/from Reserves	1,00,89,64,915	1,00,89,64,915
At the end of the Accounting period	<u>(37,03,18,920)</u>	<u>(36,48,03,181)</u>
<b>General Reserve</b>		
At the beginning of the Accounting period	1,00,89,64,915	1,00,89,64,915
Additions during the year	-	-
	<u>1,00,89,64,915</u>	<u>1,00,89,64,915</u>
<b>Less : Transfer to Profit &amp; Loss Account</b>	<u>1,00,89,64,915</u>	<u>1,00,89,64,915</u>
	<u>-</u>	<u>-</u>
<b>Reduction in Share Capital</b>	13,39,53,657	13,39,53,657
	<u>(1,24,95,023)</u>	<u>(69,79,284)</u>

**Note : 3**

**Short-term borrowings  
(Unsecured)**

Loans & Advances from Related Parties	15,00,000	15,00,000
	<u>15,00,000</u>	<u>15,00,000</u>

**Note : 4**

**Trade payables (refer ageing Schedule below)**

(i) MSME	1,27,797	98,018
(ii) Others	9,75,508	72,99,304
	<u>11,03,305</u>	<u>73,97,322</u>

**Trade payables ageing Schedule**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
<b>Undisputed</b>					
(i) MSME	1,27,797	-	-	-	1,27,797
(ii) Others	9,75,508	-	-	-	9,75,508
<b>Disputed</b>					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-

HMG INDUSTRIES LIMITED  
Notes forming part of financial statements

31st March, 2022                      31st March, 2021  
₹    ₹

The details of amounts outstanding to Micro, Small & Medium Enterprises based on information available with the Company is as

Particulars	31st March, 2022	31st March, 2021
i) Principal amount due and remaining unpaid	1,27,797	98,018
ii) Interest due on (I) above and the unpaid interest	-	-
iii) Interest paid on all delayed payments under the	-	-
iv) Interest due and payable for the period of delay other than (iii) above	-	-
v) Interest Accrued and remaining unpaid at the end of	-	-
vii) Amount of further interest remaining due and payable in succeeding year	-	-

**Note : 5**

**Other Current Liabilities**

(i) Government dues	1,06,60,429	1,01,42,252
(ii) Sundry Creditors for expenses	28,19,115	22,70,075
	<u>1,34,79,544</u>	<u>1,24,12,327</u>

**Note : 6**

**Short-term provisions**

(i) Provision for Employee Benefits	-	-
(ii) Provision for Taxation	-	-
(iii) Provision for Repair to Building	25,00,000	-
Less: Adjusted during Year	-	-
	<u>25,00,000</u>	<u>-</u>

**Note : 8**

**Long-term loan and advances**

**(Unsecured Considered Good)**

**(i) Other loans & advances**

Security deposits	76,18,775	32,19,771
	<u>76,18,775</u>	<u>32,19,771</u>

**Note : 9**

**Trade receivables**

(a) Secured Considered Good	-	-
(b) Unsecured Considered Good	70,63,657	1,66,08,848
(c) Doubtful	-	-
(d) allowance for bad & doubtful debts	-	-
	<u>70,63,657</u>	<u>1,66,08,848</u>

**Trade receivables includes**

Due by Directors	-	-
Due by Other Officers	-	-
Due by Firms/ Private Companies in which Director is a Partner Director/Member	57,10,900	58,77,123

**Trade Receivables ageing schedule**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>						
(i) Considered Good	70,63,657	-	-	-	-	70,63,657
(ii) Considered Doubtful	-	-	-	-	-	-
<b>Disputed</b>						
(i) Considered Good	-	-	-	-	-	-
(ii) Considered Doubtful	-	-	-	-	-	-

**HMG INDUSTRIES LIMITED**
**Notes forming part of financial statements**

	31st March, 2022	31st March, 2021
	₹	₹
<b>Note : 10</b>		
<b>Cash and cash equivalents</b>		
(i) Cash on Hand	47,226	86,148
(ii) Balances with Bank in Current A/c.	3,05,327	6,67,067
(iii) Bank deposits with more than 12 months maturity	12,35,634	11,78,869
	<u>15,88,187</u>	<u>19,32,084</u>
<b>Note : 11</b>		
<b>Short-term loans and advances</b>		
<b>Unsecured Considered Good</b>		
Other loans & advances		
Loan to employees	2,49,116	1,34,741
	<u>2,49,116</u>	<u>1,34,741</u>
<b>Note : 12</b>		
<b>Other Current Assets</b>		
(i) Prepaid Taxes	57,55,617	45,12,853
(ii) Prepaid Expenses	3,03,628	2,92,960
(iii) Others - Advances for Capital Goods	5,00,000	6,42,983
	<u>65,59,245</u>	<u>54,48,796</u>
<b>Note : 13</b>		
<b>Revenue from operations</b>		
(i) Sale of Products - Income from Ice	-	2,325
(ii) Sale of Services - Income from Processing Charges		
a) Processing Charges	5,05,72,154	3,76,11,934
b) Cold Storage Charges	1,10,40,000	1,10,40,000
(iii) Other operating Revenues: Reimbursement of Expenses	86,323	2,15,985
	<u>6,16,98,477</u>	<u>4,88,70,244</u>
<b>Note : 14</b>		
<b>Other Income</b>		
Interest on Fixed Deposit with Bank	63,074	67,240
Interest on Security Deposit	1,26,852	1,35,985
Misc. Income	20,60,066	41,96,132
Other non-operating income - Sundry credit balances w/off	212	5,809
	<u>22,50,204</u>	<u>44,05,166</u>
<b>Note : 15</b>		
<b>Cost of materials consumed/Purchases of stock-in-trade</b>		
Packing Material:		
Opening Stock	-	-
Add : Purchase	67,882	52,877
Total	<u>67,882</u>	<u>52,877</u>
Less : Closing Stock	-	-
	<u>67,882</u>	<u>52,877</u>
Consumable Stores:		
Opening Stock	-	-
Add : Purchase	7,39,963	3,33,952
Total	<u>7,39,963</u>	<u>3,33,952</u>
Less : Closing Stock	-	-
	<u>7,39,963</u>	<u>3,33,952</u>
	<u>8,07,845</u>	<u>3,86,829</u>

**HMG INDUSTRIES LIMITED**  
**Notes forming part of financial statements**

	31st March, 2022	31st March, 2021
	₹	₹
<b>Note : 16</b>		
<b>Employees Benefit Expenses</b>		
Salary,Wages,Bonus & Gratuity	2,27,26,260	1,91,46,401
Contribution to P.F. & Others	9,80,798	7,05,333
Staff Welfare Expenses	16,96,275	10,15,077
	<u>2,54,03,333</u>	<u>2,08,66,811</u>
<b>Note : 17</b>		
<b>Interest &amp; Finance Charges</b>		
Bank / Other Interest	14,658	-
Bank Charges	915	1,651
	<u>15,573</u>	<u>1,651</u>
<b>Note : 18</b>		
<b>Other expenses</b>		
Advertisements	-	6,120
Audit Fees	75,000	75,000
Conveyance	3,05,025	3,20,310
Donations	27,400	7,100
Effluent Treatment Charges	2,67,436	2,41,810
Festival Expenses	1,26,722	38,315
Fees & Subscription	53,490	5,19,565
Insurance	3,56,285	3,57,172
Inspection & Testing Charges	17,360	77,110
Lab Expenses	2,66,735	3,10,237
Legal & Professional Fees	19,80,235	17,19,032
Membership Fees	57,000	7,000
Office Maintenance/Expenses	52,385	47,612
Postage & Telegram	200	-
Power and Fuel	2,38,20,330	1,94,52,309
Processing charges	14,60,617	14,57,039
Printing & Stationery	55,052	57,036
Profession Tax	2,500	2,500
Rent	4,88,040	4,91,160
Repair to building	32,00,425	23,00,772
Repair to machinery	12,11,190	9,78,690
Rates and taxes	3,09,006	3,09,006
Rounded off	57	66
Share Transfer Fees	86,400	87,346
Sundry Balances w/off	71	-
Telephone Expenses	31,897	3,790
Travelling Expenses	1,33,510	-
Unloading Charges	18,38,157	23,20,227
Water Charges	8,56,151	6,51,317
	<u>3,70,78,676</u>	<u>3,18,37,641</u>

HMG Industries Limited  
Notes forming part of financial statements

Note : 7 Property, Plant & Equipments

Property, Plant & Equipments	Gross block									
	Balance as at 1 April, 2021	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments (Subsidy Received)	Balance as at 31 March, 2022
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Leasehold land	8,73,081	-	-	-	-	-	-	-	-	8,73,081
Buildings	8,81,86,923	-	-	-	-	-	-	-	-	8,81,86,923
Plant & machinery	5,53,25,367	20,79,020	-	-	-	-	-	-	-	5,74,04,387
Electrical installations	44,96,175	49,270	-	-	-	-	-	-	-	45,45,445
Furniture & fixtures	2,32,180	-	-	-	-	-	-	-	-	2,32,180
Factory/Office equipments	49,67,292	-	-	-	-	-	-	-	-	49,67,292
Lab equipments	8,74,255	-	-	-	-	-	-	-	-	8,74,255
Air conditioners	1,23,726	-	-	-	-	-	-	-	-	1,23,726
Computers	3,12,496	53,424	-	-	-	-	-	-	-	3,65,920
<b>Total</b>	<b>15,53,91,495</b>	<b>21,81,714</b>	-	-	-	-	-	-	-	<b>15,75,73,209</b>
Previous year	15,39,71,495	14,20,000	-	-	-	-	-	-	-	15,53,91,495

Note - 7.1 Property, Plant & Equipments (contd.)

Property, Plant & Equipments	Accumulated depreciation and impairment							Net block		
	Balance as at 1 April, 2021	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and	Other adjustments (Discarded)	Balance as at 31 March, 2022	Balance as at 31 March, 2022	Balance as at 31 March, 2021
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Leasehold land	5,97,648	9,621	-	-	-	-	6,07,269	2,65,812	2,75,433	
Buildings	7,02,40,847	7,93,552	-	-	-	-	7,10,34,399	1,71,52,524	1,79,46,076	
Plant & machinery	1,82,90,930	47,92,452	-	-	-	-	2,30,83,382	3,43,21,005	3,70,34,437	
Electrical installations	43,65,235	57,458	-	-	-	-	44,22,693	1,22,752	1,30,940	
Furniture & fixtures	1,47,612	23,175	-	-	-	-	1,70,787	61,393	84,568	
Factory/Office equipments	45,01,443	3,75,298	-	-	-	-	48,76,741	90,551	4,65,849	
Lab equipments	8,07,275	63,756	-	-	-	-	8,71,031	3,224	66,980	
Air conditioners	94,229	14,336	-	-	-	-	1,08,565	15,161	29,497	
Computers	2,94,297	29,345	-	-	-	-	3,23,642	42,278	18,199	
<b>Total</b>	<b>9,93,39,517</b>	<b>61,58,993</b>	-	-	-	-	<b>10,54,98,510</b>	<b>5,20,74,699</b>	<b>5,60,51,978</b>	
	<b>9,30,81,474</b>	<b>62,58,043</b>	-	-	-	-	<b>9,93,39,517</b>	<b>5,60,51,978</b>	<b>6,08,90,021</b>	

Notes : 1) The unexpired period of leasehold land in respect of land situated at : C-21/6, TTC Area, MIDC, Pawne Village, Navi Mumbai: 400703.

Sr. No.	Place	Years
(i)	Navi Mumbai	50



**HMG Industries Limited**  
**Notes forming part of financial statements**

Note : 19

**Cash flow Statement for the Financial Year 2021-22**

PARTICULARS	₹	₹
<b>Opening Balance of Cash and Cash Equivalents</b>		<b>19,32,084</b>
<b>Net Operating Profit before tax as per Statement of Profit &amp; Loss</b>	(55,15,739)	
Add: Depreciation & Ammortisation expenses	61,58,993	
Add: Provision	25,00,000	31,43,254
<b>Operating Profit before Working Capital Changes</b>		<b>50,75,338</b>
Adjusted for:		
Trade & Other Payables	(62,94,017)	
Trade & Other Receivables	95,45,191	
Movement in Long term Loans & Advances	(43,99,004)	
Other current liabilities	10,67,217	
Short Term Loans & Adv	(1,14,375)	
Other Current Assets	(11,10,449)	(13,05,437)
<b>Cash Flow From Operating Activities</b>		<b>37,69,901</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	21,81,714	
Add: Subsidy received on Plant & Machinery	-	(21,81,714)
<b>Closing Balance of Cash and Cash Equivalents</b>		<b>15,88,187</b>

For N S Gokhale & Co.  
Chartered Accountants  
(FRN: 103270W)

For and on behalf of the Board of Directors of  
HMG Industries Limited

Sd/-  
CA Abhay Sidhaye  
Partner  
Membership No: 033522  
UDIN:- 22033522ATQUQZ3664

Sd/-                      Sd/-  
Edgar J. Kamath      Zaki A. Hajeerbhoy  
Director                      Managing Director  
DIN No: 02465890      DIN No: 00480679

Place : Navi Mumbai  
Date : 05th September, 2022

**HMG Industries Limited**  
**Notes forming part of financial statements**

**Note : 20 Related party transactions**

<u>Description of relationship</u>	<u>Names of related parties</u>
Key Management Personnel (KMP)	Mr. Zaki Aziz Hajeerbhoy Mrs. Veera Somaya Mr Edgar J Kamath
Relatives of KMP	Mr. Nirmal Somaya
Company in which KMP/Relatives of KMP exercise significant influence	Entel Food Products Pvt. Ltd. (Company in which Director Mrs Veera Somaya is a Director)

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31st March, 2022 and balances outstanding as at 31st March, 2022

(₹)				
Particulars	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
<b><u>Director's Remuneration</u></b>				
Ms Veera Somaya	20,80,000	-	-	20,80,000
Mr Edgar J Kamath	2,86,000	-	-	2,86,000
<b><u>Professional Fees</u></b>				
Mr. Nirmal Somaya	-	1,20,000	-	1,20,000
<b><u>Income From Processing Charges</u></b>				
Entel Food Products Pvt. Ltd.	-	-	5,98,63,802	5,98,63,802
<b>Short-term borrowings:</b>				
Loan from Shareholders	-	-	-	15,00,000 (15,00,000)

Note: Figures in bracket relates to the previous year

For N S Gokhale & Co.  
Chartered Accountants  
(FRN: 103270W)

For and on behalf of the Board of Directors of

Sd/-  
CA Abhay Sidhaye  
Partner  
Membership No: 033522  
UDIN:- 22033522ATQUQZ3664

Sd/-  
Edgar J. Kamath  
Director  
DIN No: 02465890

Sd/-  
Zaki A. Hajeerbhoy  
Managing Director  
DIN No: 00480679

Place : Navi Mumbai  
Date : 05th September, 2022

HMG Industries Limited  
Notes forming part of financial statements

Note : 21 Ratios

Particulars	Numerator	Denominator	31-Mar-22	31-Mar-21	Variance
<b>Current Ratio</b>	Current assets	Current liabilities	0.83	1.13	-27%
<b>Debt Equity Ratio</b>	Total Debt	Shareholder's Fund	0.03	0.02	10%
<b>Debt Service Coverage Ratio</b>	Earnings available for Debt	Debt Service	Debt service coverage ratio is not calculated as short term borrowings from related parties are interest free.		
<b>Return on Equity Ratio</b>	Net Profit after Tax	Shareholders' Equity	-0.10	-0.10	0%
<b>Inventory Turnover Ratio</b>	Revenue	Average Inventory	Not Applicable as there is No Inventory		
<b>Trade Receivable Turnover Ratio</b>	Revenue	Average Trade Receivable	1.30	0.57	128%
<b>Trade Payable Turnover Ratio</b>	Purchase of Goods and Services and Other Expenses	Average Trade Payable	2.23	0.77	188%
<b>Net capital turonver ratio (in time)</b>	Revenue	Working Capital	-19.76	17.36	-214%
<b>Net profit ratio (in %)</b>	Net Profit/(Loss) After Taxes	Total Income	-0.09	-0.11	-24%
<b>Return on capital employed (in %)</b>	Earnings before Interest and Taxes	Capital Employed	-0.09	-0.10	-1%
<b>Return on Investment</b>	Income generated from Investment	Time Weighted Average Investments	Not Applicable as there is No Investment		

For N S Gokhale & Co.  
Chartered Accountants  
(FRN: 103270W)

For and on behalf of the Board of Directors of

Sd/-  
CA Abhay Sidhaye  
Partner  
Membership No: 033522  
UDIN:- 22033522ATQUQZ3664

Sd/-  
Edgar J. Kamath  
Director  
DIN No: 02465890

Sd/-  
Zaki A. Hajeebhoy  
Managing Director  
DIN No: 00480679

## ACCOUNTING YEAR: 2021-2022

### Note: 22:

#### NOTES FORMING PART OF THE ACCOUNTS.

##### 1. SIGNIFICANT ACCOUNTING POLICIES

###### (I) Basis of Accounting :

The financial statements are prepared under the historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 2013.

###### (II) Sales :

Sales turnover includes income from Processing charges.

###### (III) Income :

Dividend Income is accounted on receipt basis.

###### (IV) Expenses :

Purchases are accounted at the rate prevailing at the time of the transactions.

###### (V) Accounting of MODVAT Credit :

MODVAT credit is accounted on the basis of raw materials consumed & on Capital goods.

###### (VI) Provision for Retirement benefits :

Liabilities in respect of gratuity payable to employees are charged to profit & loss account in the year of payment. Leave encashment payments are at the discretion of the management.

###### (VII) Investments :

Investments are valued at cost and have been considered to be long-term investments.

###### (VIII) Capitalization of Finance Cost/Pre-Operative Expenditure :

In case of expansion of existing undertaking interest on borrowings and expenses incurred up to date of installation of individual plants of new industrial unit is capitalized and added pro-rata to the cost.

###### (IX) Fixed Assets & Depreciation:

(i) All fixed assets are valued at cost less depreciation accumulated.

(ii) The cost of leasehold land is being amortized over the period of the lease.

(iii) Depreciation has been calculated as per rate prescribed under Schedule II of the Companies Act, 2013.

###### (X) Inventories :

Inventories are valued on the following basis.

Packing Materials	:	At Cost
Spares, Tools & Consumables	:	At Cost

In respect of spares & tools, company does not provide for obsolescence.

(XI) **Sundry Debtors** :

Sundry Debtors are stated after writing off debts considered as bad and are net of provisions made for doubtful debts.

(XII) Deferred Revenue Expenses are being amortized over such period up to which the company expects benefits to accrue.

**2. Contingent Liabilities (to the extent not provided for):**

a. M/s. 3A Capital Services Ltd. has claimed an amount of Rs. 350,00,000/- which is disputed by the Company. The Company has filed an Arbitration case u/s 11 of the Arbitration Act before the Mumbai High Court vide Case No. 255/18. The Mumbai High Court was pleased to appoint an Arbitrator to adjudicate in the dispute. The matter is now before the Sole Arbitrator.

b. Canara Bank, Bangalore Branch who were the Trustees of Company's Debentures has raised a demand of Rs. 1.22 Crores. The Company has not accepted the same demand and has filed an Arbitration case u/s 11 of the Arbitration Act before the Mumbai High Court vide Case No. 258/18.

c. The Company signed an agreement with MSEDCL for change of tariff from Industrial to Agriculture on 21/05/2018. However, the Company received a letter from MSEDCL on 19/11/2018 reversing the tariff from Agriculture to Industrial and raised the bill for differential amount of Rs. 1,67,43,323/- including interest.

The Company filed an appeal with IGC, CGRC, OMBUDSMAN respectively, but lost the same. The Company now has filed in the Civil Court a case for Breach of Contract. The matter is pending before the Civil Court.

Meanwhile, the Company has paid all the dues amounting to Rs. 1,67,43,323/-, under protest.

d. An amount of Rs. 1,52,68,590/- was due from M/s. Olive Live Science Pvt. Ltd. to the Company. An Memorandum of Understanding dated 27<sup>th</sup> day of November, 2018 was executed between HMG Industries Ltd. and Mr. Niyaz Khan Abdul Razzak on behalf of M/s. Olive Live Science Pvt. Ltd. wherein it has been agreed an amount of Rs. 1,37,50,000/- will be the full and final settlement of all the outstanding dues payable by M/s Olive Live Science Pvt. Ltd. The payment schedule will be Rs. 500,000/- per month commencing 01.12.2018 to 28.02.2021 and balance of Rs. 250,000/- will be paid on 31.03.2021. Accordingly, the Company has received Rs, 20,00,000/- during the financial year 2018-19, Rs. 56,96,132/- during the financial year 2019-20, Rs. 41,96,132/- during the current financial year 2020-21 & Rs. 20,00,000/- and same has been accounted under the head Miscellaneous Income. As the entire outstanding dues was received by M/s. Olive Life Sciences Pvt. Ltd. as per the Memorandum of Understanding, the cases filed against M/s. Olive Life Science Pvt. Ltd. were withdrawn by the Company during the financial year.

e. The Income Tax & Wealth Tax Assessments have been completed upto Assessment Year 2020-21. For the Assessment Year 2014-15, the Income Tax Authority have raised a demand of Rs. 77,40,580/-. The Company has preferred appeal against the said demand before CIIT (VIII), Mumbai.

3. Information under Para 5 of part II to Schedule III to the Companies Act, 2013

Particulars	2021-2022	2020-2021
<b>Earning in Foreign Currency</b>		
Export of Goods on FOB basis	-	-
Royalty, know how, Professional & Consultancy fees	-	-
Interest & Dividend	-	-
Other Income (indicate nature thereof)	-	-
<b>Expenses in Foreign Currency</b>		
On account of:		
Royalty, know how, Professional & Consultancy fees	-	-
Interest	-	-
Other Matters	-	-

**VALUE OF IMPORTS (CIF)**

Particulars	2021-2022	2020-2021
Raw Materials	-	-
Components & Spare Parts	-	-
Capital Goods	-	-

**CONSUMPTION OF IMPORTED & INDIGENOUS RAW MATERIAL ETC.**

Particulars	2021-2022	2020-2021
Total value of all imported raw materials, spare parts & components	-	-
Total value of all indigenous raw materials, spare parts & components	-	-

**AMOUNT OF DIVIDEND REMITTED IN FOREIGN CURRENCY**

Particulars	2021-2022	2020-2021
Total number of Non-Resident Shareholders	-	-
Total number of shares held by non-resident shareholders	-	-
The year to which the dividend is related	-	-

4. In the opinion of the Board ant to the best of its knowledge and belief, the value on realization of the Current Assets, Loans & Advances in the ordinary course of the business will not be less than the value stated in the Balance Sheet and provision for all known liabilities are adequate and not in excess of the amount reasonably required to be provided.

5. **Earnings Per Share**

<b>Earnings Per Share</b>		<b>2021-2022</b>	<b>2020-2021</b>
Basic & Diluted EPS:			
Net Profit (Loss) after Tax for the Year (Rs)	<b>A</b>	(55,15,739)	(60,75,565)
<b>Weighted Average No. of Shares</b>	<b>B</b>	<b>2,16,71,951</b>	<b>2,16,71,951</b>
Basic & Diluted Earnings Per Share of Face Value of Rs. 3 per share (after prior period tax adjustments )	<b>C=(A/B)</b>	(0.25)	(0.28)
Prior Period Tax Adjustments	<b>D</b>	-	-
Basic & Diluted Earnings Per Share of Face Value of Rs. 3 per share (before prior period tax adjustments)	<b>E=((A+D)/B)</b>	(0.25)	(0.28)

6. **Related Party Disclosure as per Accounting Standard (AS) 18**

Disclosure in respect of Related Party Disclosure is given under **Note 21** to the Financial Statements.

7. **Dues to "Micro and Small Enterprises"**

Disclosure in respect of dues to Micro and Small Enterprises is given under **Note 4** to the Financial Statements.

8. **Debtors and creditors**

No independent confirmation of balances has been received from debtors and creditors and, therefore, the amounts reported in the Balance Sheet are those which are reflected in the books of accounts.

9. **Managerial Remuneration**

<b>Particulars</b>	<b>2022</b>	<b>2021</b>
Salary and allowances (included in Salaries, Wages and Bonus)	23,66,000	22,12,500
Consulting Fee paid to Directors	-	-

10. **Accounting for taxes on Income**

The Income Tax & Wealth Tax Assessments have been completed upto Assessment Year 2020-21. For the Assessment Year 2014-15, the Income Tax Authority have raised a demand of Rs. 77,40,580/-. The Company has preferred appeal against the said demand before CIIT (VIII), Mumbai.

The Income Tax Authorities had demanded Rs. 165.41 Lacs for Assessment completed upto 1995-96. The Company has paid the entire dues.

During the Current Year provision for Income Tax has not been made after considering all available exemptions and deductions.

**Deferred Tax:**

In view of the carried forward losses, the Company has not ascertained and provided for deferred tax Assets / Liability as required by accounting standard 22 issued by I.C.A.I.

**11. Auditor Fees**

Particulars	2022	2021
Statutory Audit (excluding GST)	65,000	65,000
Taxation Fees	10,000	10,000
Service Tax/GST	13,500	13,500
Total	88,500	88,500

**12.** Details of Loans given, Investments made, Guarantee given and Securities provided during the year covered under Section 186(4) of The Companies Act, 2013.

The Company has not given any loans, Investments, guarantee given and securities provided during the year covered under Section 186(4) of the Companies Act, 2013.

**13.** The Company has not granted loans or advances in nature of loans to promoters/directors/ KMPs and related parties either severally or jointly with any other person, that are:

- a. Repayable on Demand OR
- b. Without specifying any terms of period of repayment

**14. Note on COVID 19 Pandemic:**

The Company has considered impact that may arise from COVID - 19 pandemic on carrying amounts of receivables and investments on the balance sheet date. In determining the assumptions relating to possible uncertainties in global economic conditions, the Company as at the date of approval of these financial statements has used internal and external sources of information including credit reports, market related information and economic forecasts.

Based on market related information and economic forecasts, the management expects the carrying amount of these assets to be recovered and will not have any adverse effects on the business of the Company. Further, the extent to which COVID - 19 pandemic will impact the Company's performance / result will depend on future developments, which are uncertain, including among other things, new information concerning severity of COVID -19 pandemic and Government's response regarding the same.

**15. Corporate Social Responsibility (CSR)**

The Company does not meet the applicability threshold limit as prescribed under Section 135 of the Companies Act, 2013 and as such the Company was not required to spend any amount towards CSR

**16.** The Company has no borrowings from banks and financial institutions as at balance sheet



17. The Company has not issued any securities during the financial year.

18. **Other Statutory Information**

- The title deeds of all the immovable properties of the Company are held in the name of the Company.
- The Company has not revalued its Property Plant & Equipment
- The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company did not have any transactions with Companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company does not have borrowings from Banks or Financial institutions on the basis of security of current assets
- The Company has not traded or invested in crypto currency or virtual currency during the respective financial years/period.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - Provide any guarantee, security or like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries)
  - Provide any guarantee, security or the like on the behalf of the Ultimate Beneficiaries,
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant pro Income Tax Act, 1961).
- The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- The Company does not have any scheme of arrangements which have been approved by the Competent Authority in terms of Section 230 to 237 of the Act.

- The Company does not have any subsidiary and therefore provision regarding the number of layers prescribed under Section of Section 2 (87) of the Act read with the Companies (Restriction on number of layers) Rules, 2017 is not applicable to the Company.

19. Previous year's figures have been regrouped and rearranged wherever considered necessary.

20. The notes referred to above form an integral part of the Balance Sheet and Profit & Loss Account.

As per our Report of even date

**Signature to Note 1 to 22**

**For N.S. GOKHALE & CO.**

**CHARTERED ACCOUNTANTS**

**(FRN: 103270W)**

**FOR & ON BEHALF OF THE BOARD**

**Sd/-**

CA Abhay A. Sidhaye

**Partner.**

**Membership No. 033522**

**UDIN:- 22033522ATQUQZ3664**

**Sd/-**

Edgar J. Kamath

**Director**

**DIN No. 02465890**

**Sd/-**

Zaki A. Hajeerbhoy

**Managing Director**

**DIN No. 00480679**

**Place: Navi Mumbai,**

**Date: 05<sup>th</sup> September, 2022**

**HMG INDUSTRIES LIMIEDT.**

Registered Office: C-21/6, TTC INDUSTRIAL AREA, MIDC, PAWNE VILLAGE, NAVI MUMBAI: 400703.

**PROXY FORM**

Member Folio No : \_\_\_\_\_

No of Shares : \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_

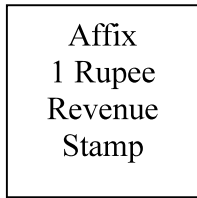
being Member/Members of **HMG INDUSTRIES LIMITED** hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or \_\_\_\_\_ failing him

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ As my / our proxy to attend and vote for me/us on my/our behalf at the 34<sup>th</sup> Annual General Meeting of the Company to held on Friday the 30<sup>th</sup> September, 2022 at 10.00 A.M. and any adjournment thereof.

Signed this \_\_\_\_\_



\_\_\_\_\_ day of \_\_\_\_\_ 2022.

Signature \_\_\_\_\_

Note: The Proxy Form must reach at the Registered Office of the Company and not less than 48 Hours before the time for holding the meeting.

**HMG INDUSTRIES LIMITED**

Registered Office: C-21/6, TTC INDUSTRIAL AREA, MIDC, PAWNE VILLAGE, NAVI MUMBAI: 400703.

**ATTENDANCE SLIP**

**34<sup>th</sup> Annual General Meeting: 30<sup>th</sup> September, 2022**

L/F No. \_\_\_\_\_

Mr./Mrs./Miss \_\_\_\_\_

[Member's Name in Block Letters]

I certify that I am registered Member/Proxy for the registered members of the Company. I hereby record my presence at the 33<sup>rd</sup> Annual General Meeting of the Company held at C-21/6, TTC Area, MIDC, Pawne Village, Navi Mumbai - 400703, at 10.00 A.M. on Friday, the 30<sup>th</sup> September, 2022.

if signed by proxy, his/her name  
should be written here in Block Letters

Member's/Proxy Signature.

Note: (1) Members/Proxy holders are requested to bring the attendance Slip with them when they come to the meeting and hand it over at the gate with their signature on it.

(2) Members who come to attend the Meeting are requested to bring their copies of the Annual Report with them.