

September 5, 2019

Department of Corporate Services (DCS)  
The BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

The National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

**Scrip Code: 526217**

**Scrip Symbol: HITEHCORP**

Dear Sir/ Madam,

**Sub : Annual Report of the Company, Notice convening 28<sup>th</sup> Annual General Meeting (“AGM”)**

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (“Listing Regulations”), please find enclosed Notice convening the ensuing AGM of the Company and the Annual Report for the financial year 2018-19 which is being dispatched/sent to the members of the Company by permitted mode(s).

The AGM of the Company will be held on Monday, 30<sup>th</sup> September, 2019 at 10.30 a.m. at Indian Merchants’ Chamber, 2nd Floor, Kilachand Conference Room, IMC Building, Churchgate, Mumbai - 400 020.

The Notice of AGM alongwith the Annual Report for the financial year 2018-19 is available on the website of the Company at:

[https://www.hitechgroup.com/hitech\\_group\\_wp\\_files/wp-content/uploads/2019/09/Hitech-Corporation-Annual-Report-2018-19.pdf](https://www.hitechgroup.com/hitech_group_wp_files/wp-content/uploads/2019/09/Hitech-Corporation-Annual-Report-2018-19.pdf)

Further to our letter dated 24<sup>th</sup> August, 2019, wherein we had intimated details relating to Book Closure, please note that the Company has fixed Monday, 23<sup>rd</sup> September, 2019 as the Record Date for determining entitlement of members to dividend for the financial year ended 31<sup>st</sup> March, 2019. Payment of dividend, subject to approval of the members at the ensuing AGM, will be made on or after Thursday 3<sup>rd</sup> October, 2019.

Thanking you,

**For HITECH CORPORATION LIMITED**



**NAMITA TIWARI**  
**COMPANY SECRETARY**



Purposeful Innovations  
to serve you better.



ANNUAL REPORT 2018 -19





1000+  
Employees



14  
Manufacturing Sites



12,840 sq.ft.  
Innovation Centre



360°  
Packaging Solutions

## MD's Letter

Dear Members,

As the country gears up to become a \$5 Trillion economy, Corporate India has a pivotal role to play in not only maintaining the growth of the top performing sectors but also providing impetus to entrepreneurial ventures. Despite entering an era of fiscal prudence, it is imperative, now more than ever, that we invest judiciously to establish the bedrock of this growth.

At Hitech, we envision a path forward that will expand our horizons, continuing a strong growth trajectory. India's young population is among the most privatized in the world. This 600 million strong demographic will likely move up the income curve and push through larger consumer numbers. With this rise in the demand of consumable goods, we pledge to be responsive and innovative, while offering quality and sustainable packaging to add value that responds to consumer needs. This is in line with our most important value of customer centricity.

We endeavour to use modern technology and are examining a road map to create a Tool Room focused on value engineering and servicing customers with precision products. We have laid the cornerstone for an automatic direct to machine centre; using software analysis, we hope to provide better quality controlled moulded parts. These will result in faster and more precise mould manufacturing. Furthermore, we are exploring replacement of traditional printing methods with laser printing. We believe that the combination of these technologies will set the stage for swift and efficient growth.

Looking back, we had a good year; we produced 3,000 more tonnes, expanded contribution by over 16% and reined in our fixed expenditures by 4%. All in, we ended the year with nearly 40% growth in EBITDA. We partnered with our customers to analyse trials and recommend changes that reduced their costs and improved their designs. Additionally, our Mysore and Vizag plants have begun commercial production in September 2018 and August 2019 respectively. They are both world class facilities; great care has been taken to make optimal use of space as well as investment. Despite a variety of roadblocks, these were built in record time and will take our installed capacity to impressive levels by the end of the first phase of production.

Two of our facilities are certified 'Green Channel' partners in addition to having the requisite ISO compliances. With this we hope to standardize our superior quality promise, which is the hallmark of our brand.

Lastly, I would like to express my gratitude to you all for your continued support and faith in our Company's endeavours.

With Regards,

Malay Dani

## Our Core Value Equation



The Hitech Group stands on the foundation of its four core values which are 'Commitment' to all internal and external stakeholders, 'Integrity' at work, 'Innovation' in thought, leading to 'Excellence' across the Group's offerings and initiatives.

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## BOARD OF DIRECTORS

**Ashwin S. Dani***Chairman***Rajnikant B. Desai***(upto 31<sup>st</sup> March, 2019)**Independent Director***Jalaj A. Dani***Director***Harish N. Motiwalla***Independent Director***Ashwin R. Nagarwadia***Director***Jayendra R. Shah***Independent Director***Bomi P. Chinoy***Independent Director***Vaishali V. Sharma***Independent Director***Aditya M. Sheth***(w.e.f. 25<sup>th</sup> June, 2019)**Additional (Independent) Director***Malav A. Dani***Managing Director***Mehernosh A. Mehta***Whole Time Director*

## MANAGEMENT TEAM

**Baskaran Nadar***Chief Operating Officer***Bipin Shah***Chief Innovation Officer***Bharat I. Gosalia***(upto 2<sup>nd</sup> July, 2019)**Chief Financial Officer***Avan R. Chaina***(w.e.f. 3<sup>rd</sup> July, 2019)**Chief Financial Officer***Namita Tiwari***Company Secretary*

## STATUTORY AUDITORS

**Kalyaniwalla & Mistry LLP***Chartered Accountants*

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## NOTICE TO MEMBERS

**NOTICE** is hereby given that the TWENTY EIGHTH ANNUAL GENERAL MEETING of HITECH CORPORATION LIMITED ('the Company') will be held on Monday, 30<sup>th</sup> day of September, 2019 at 10.30 a.m. at Indian Merchants' Chamber, 2<sup>nd</sup> Floor, Kilachand Conference Room, IMC Building, Churchgate, Mumbai - 400 020, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on:
  - (a) Non-Convertible Redeemable Cumulative Preference Shares for the Financial Year ended 31<sup>st</sup> March, 2019.
  - (b) Equity Shares for the Financial Year ended 31<sup>st</sup> March, 2019.
3. To appoint a Director in place of Mr. Mehernosh Adi Mehta (DIN: 00372340), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

4. **Approval for continuation of Directorship of Mr. Harish Narendra Motiwalla (DIN: 00029835) as a Non-Executive (Independent) Director.**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1<sup>st</sup> April, 2019) including any amendment, modification, variation or re-enactment thereof for the time being in force, and pursuant to the recommendation of the Board of Directors, approval of the members of the Company be and is hereby accorded for continuation of Directorship of Mr. Harish Narendra Motiwalla (DIN: 00029835) as a Non-Executive (Independent) Director of the Company beyond the age of 75 years till expiry of his tenure as a Non-Executive (Independent) Director of the Company.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

5. **Appointment of Mr. Aditya M. Sheth (DIN: 02289144) as an Independent Director of the Company for a period of 5 (five) years:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder, read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the appointment of Mr. Aditya M. Sheth (DIN: 02289144), who was appointed by the Board of Directors as an Additional Independent Director of the Company with effect from 25<sup>th</sup> June, 2019 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, who holds office upto the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for a period of 5 (five) consecutive years from 25<sup>th</sup> June, 2019 to 24<sup>th</sup> June, 2024.

**RESOLVED FURTHER THAT** to give effect to this Resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

### Regd. Office:

201, 2<sup>nd</sup> Floor, Welspun House,  
Kamala City, Senapati Bapat Marg,  
Lower Parel (West), Mumbai 400 013.  
Tel.: 022 4001 6500  
Fax : 022 2495 5659  
CIN: L28992MH1991PLC168235  
E-mail: investor.help@hitechgroup.com  
website: www.hitechgroup.com

**By Order of the Board  
For Hitech Corporation Limited**

**Namita Tiwari  
Company Secretary  
Membership No. A24964  
Mumbai, 24<sup>th</sup> August, 2019**

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/ HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

2. Statement setting out material facts (Explanatory Statement) pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out in the Notice is annexed hereto.
3. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during the business hours on all days except Saturdays, Sundays and Public Holidays, between 11.00 a.m. to 1.00 p.m. upto the date of ensuing Annual General Meeting and will also be available at the Meeting.
4. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company and at the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
6. Brief resume of Director(s) proposed to be appointed/re-appointed alongwith such other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Secretarial Standards on General Meetings (SS-2), are provided as an Annexure to this Notice.



7. The dividend on Equity Shares, if declared at the Meeting, will be credited/ dispatched on or after 3<sup>rd</sup> October, 2019 to those members of the Company, holding shares in physical form, whose names appear in the Register of Members of the Company on 23<sup>rd</sup> September, 2019 and to those members of the Company, holding shares in electronic form, whose names appear in the Benpos (Beneficiary Position) as on 23<sup>rd</sup> September, 2019.
8. SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018, amended Regulation 40 of Listing Regulations pursuant to which from 1<sup>st</sup> April, 2019, onwards securities can be transferred only in dematerialised form. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities will facilitate convenience and ensure safety of transactions for investors.  
Members holding shares in physical form are requested to convert their holding(s) to dematerialised form to eliminate all risks associated with physical shares.  
SEBI vide Press Release dated 27<sup>th</sup> March, 2019, has clarified that the share transfer deed(s) once lodged prior to the deadline of 31<sup>st</sup> March, 2019 and returned due to deficiency in documents submitted, may be re-lodged for transfer.
9. Members holding shares in the electronic form are advised to inform any changes in address / bank mandate / Email ID directly to their respective Depository Participants. The address / bank mandate / Email ID as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants. The Company will not act on any direct request from such members for change/ deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants immediately.
10. Members holding shares in physical form are required to submit their bank account details to RTA, if not registered, as mandated by SEBI
11. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company/ RTA of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
12. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with specimen signatures authorizing their representative(s) to attend and vote at the AGM.
13. Section 72 of the Companies Act, 2013 extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular, those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Form No. SH-13 by downloading the same from the Company's website.
14. The Company is presently using National Automated Clearing House (NACH) as an option to pay dividend through bank accounts rather than paying the same in the form of dividend warrants. Under this option, an investor's bank account is directly credited and intimation thereof is sent by the Company to the shareholder. This service not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/ damage of dividend warrants in transit and correspondence relating to revalidation/ issue of duplicate warrants.
15. Members desirous of obtaining any information concerning the Financial Statements and operations of the Company are requested to send their queries to the Chief Financial Officer or the Company Secretary of the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.
16. Members attending the Meeting are requested to bring with them the Attendance Slip sent alongwith the Annual Report duly filled in and signed and handover the same at the entrance of the hall. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
17. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
18. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with relevant share certificates to the Company's Registrar & Transfer Agents.
19. Members may please note that pursuant to the provisions of Section 123 of the Companies Act, 2013 / Section 205 A (5) of the Companies Act, 1956, dividend for the financial year 2011-12 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956, as and when the same falls due for such transfer. Members who have not encashed their dividend warrants for the financial year 2011-12 or thereafter are requested to write to the Company's Registrar and Share Transfer Agent. Details of shares so far transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <https://www.hitechgroup.com/investor/#unclaimed-unpaid-dividend>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).
20. All Unclaimed Dividend remaining unpaid/ unclaimed up to the financial year 2010-11, has been transferred to the Investor Education and Protection Fund. Further, for the financial year ended 31<sup>st</sup> March, 2012 dividend for which was declared at the Annual General Meeting of the Company held on 11<sup>th</sup> August, 2012, will be transferred on or before 9<sup>th</sup> September, 2019 to the Investor Education and Protection Fund.
21. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is part of this Annual Report.
22. To support the 'Green Initiative', members who have not registered their email addresses are requested to register their Email IDs with the RTA, M/s. Link Intime India Private Limited for receiving the Annual Report and other communications through electronic mode pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended from time to time.
23. Route Map of venue of Annual General Meeting is annexed to the Notice.

24. In accordance with the provisions of Section 101 and other applicable provisions, if any of the Companies Act, 2013, read with Rule 18 of the Companies (Management and Administration) Rules, 2014, as amended, the Notice of AGM, Attendance Slip, Proxy Form and Annual Report are being sent by email to those Members who have registered their email addresses with their DP (in case of shares held in demat form) or with the Company's Registrar and Share Transfer Agent (in case of shares held in physical form). For Members whose email ids are not registered, physical copies of the Notice of AGM, Attendance Slip, Proxy Form and Annual Report are being sent by permitted mode.

Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report 2018-19 will also be available on the Company's website [www.hitechgroup.com](http://www.hitechgroup.com)

**25. Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and the provisions of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members, facility to cast their votes on all Resolutions set forth in the Notice of the Annual General Meeting ('AGM') using electronic voting system from a place other than the venue of the AGM ('remote e-voting'), provided by National Securities Depository Limited (NSDL) and the business may be transacted through such voting.

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

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

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsd.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

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

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

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on a Resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ami.thakkarr@gmail.com](mailto:ami.thakkarr@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
26. The remote e-voting period commences on Friday, 27<sup>th</sup> September, 2019 at 9:00 a.m. and ends on Sunday, 29<sup>th</sup> September, 2019 at 5:00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2019 ('Cut off Date'), may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution has been cast by a shareholder, the same shall not be allowed to be changed subsequently or allowed to cast a vote again.
  27. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and who holds shares as on the cut-off date, may cast their votes as follows:
    - i. For remote e-voting: The Shareholders can send in their request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) to obtain the login ID and password. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
    - ii. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting.
  28. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
  29. In case of any queries/grievances pertaining to e-voting, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the downloads section of <http://www.evoting.nsdl.com> or may contact on the NSDL toll free no.: 1800-222-990 or may contact National Securities Depository Limited, Trade World, A Wing, 4<sup>th</sup> and 5<sup>th</sup> Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400 013, Maharashtra at the designated email ids: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at telephone nos. (022) 2499 6000/ (022) 2499 4738. Alternatively, Members may also write to the Company Secretary & Compliance Officer at the email id: [investor.help@hitechgroup.com](mailto:investor.help@hitechgroup.com).
  30. The voting rights of shareholders shall be in proportion to their equity shares of the paid up equity share capital of the Company as on the cut-off date i.e. 23<sup>rd</sup> September, 2019. A Person, whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or voting at the Annual General Meeting.
  31. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
  32. Ms. Ami Thakkar, of Ami Thakkar & Associates, Company Secretaries (Membership No. F-6542, COP No. 6439) has been appointed as the Scrutinizer to scrutinize the e-voting process and voting at the Annual General Meeting venue in a fair and transparent manner.
  33. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, would first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting and voting at the Annual General Meeting, in the presence of at least two (2) witnesses not in the employment of the Company and shall make and submit, not later than 2 (two) working days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  34. The Results declared shall be placed on the Company's website [www.hitechgroup.com](http://www.hitechgroup.com) and on the website of NSDL alongwith the Scrutinizer's Report immediately after the declaration of the Result by the Chairman or a person authorized by him in writing. The Results would be communicated to the BSE Limited and the National Stock Exchange of India Limited. The result of the voting, along with the Scrutinizer's Report shall also be displayed on the Notice Board of the Company at its Registered Office.



## ANNEXURE TO THE NOTICE

### Explanatory Statement

[Pursuant to Section 102(1) of the Companies Act, 2013]

The following explanatory statement sets out all material facts relating to Resolution No. 4 and 5 of the accompanying Notice of the Annual General Meeting.

#### **Item No. 4: Approval for continuation of Directorship of Mr. Harish Narendra Motiwalla as an Independent Non-Executive Director.**

The Securities and Exchange Board of India (SEBI) has mandated all listed companies vide Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 to obtain shareholders' approval vide special resolution for appointment/continuation of directorship of any Non-Executive Director who has attained the age of 75 years.

Since, Mr. Harish Narendra Motiwalla, a Non-Executive (Independent) Director of the Company have attained the age of seventy five years, consent of the Members by way of Special Resolution is sought by the Company in compliance with Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, for continuance of his Directorship as a Non-Executive (Independent) Director of the Company beyond the age of 75 years till completion of his tenure as an Independent Director.

Mr. Harish Narendra Motiwalla is a Non-Executive (Independent) Director of the Company and a Practising Chartered Accountant having rich experience in the field of accounts, finance, taxation and corporate governance. His knowledge of the business environment and vast experience in financial management & taxation has been an asset to the Company.

Except Mr. Harish Narendra Motiwalla, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the accompanying Notice convening the ensuing AGM. Mr. Harish Narendra Motiwalla is not related to any Director of the Company.

The Board recommends Special Resolution set out at Item No. 4 of the Notice for the approval of members.

#### **Item No. 5: Appointment of Mr. Aditya M. Sheth as a Non-Executive (Independent) Director:**

Upon recommendation of the Nomination & Remuneration Committee, the Board of Directors at its Meeting held on 25<sup>th</sup> June, 2019 appointed Mr. Aditya M. Sheth (DIN: 02289144) as an Additional (Independent) Director under Section 161 of the Companies Act, 2013 for a term of 5 years effective from 25<sup>th</sup> June, 2019. The requisite declarations under Section 149(7) of the Companies Act, 2013 have been furnished by Mr. Sheth confirming compliance with the provisions of Section 149(6) of the aforesaid Act.

Mr. Aditya M. Sheth (DIN: 02289144) is a double major: Chemical Engineering (Columbia) and Economics (Denison). He is a Member of Engineering Honor Society – Tau Beta Pi and has completed International Baccalaureate Diploma from the United World College of India, Pune.

Mr. Aditya M. Sheth is a Director in the Engineering Division of Galiakotwala Group managing full spectrum of activities for engineering, manufacturing and installation of equipment to major chemical companies in India and abroad.

Keeping in view his expertise and knowledge of the industry, it will be beneficial and in the interest of the Company to appoint Mr. Aditya M. Sheth (DIN: 02289144) as an Independent Director of the Company.

In the opinion of the Board, Mr. Sheth fulfils the conditions specified under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Rules framed thereunder for appointment as an Independent Director and that the said Director is independent of the management. He shall not be liable to retire by rotation.

In compliance with provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the proposed appointment of Mr. Sheth as an Independent Director of the Company to hold office for a period of five consecutive years with effect from 25<sup>th</sup> June, 2019 upto 24<sup>th</sup> June, 2024, is now being placed before the members for their approval.

The terms and conditions of appointment of Mr. Sheth, shall be open for inspection by the members at the Registered Office of the Company during business hours between 11.00 a.m. and 1.00 p.m. on any day, excluding Saturdays, Sundays & Public Holidays upto the date of the Annual General Meeting and at the meeting. The terms and conditions of appointment of Independent Director is also available on the Company's website [www.hitechgroup.com](http://www.hitechgroup.com).

Save and except Mr. Aditya M. Sheth (DIN: 02289144) none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice. Mr. Aditya M. Sheth is not related to any Director of the Company.

Brief resume of Mr. Aditya M. Sheth (DIN: 02289144) and such other information as required under Regulation 36 of SEBI (LODR) Regulations and applicable Secretarial Standards has been furnished as an Annexure to this Notice.

The Board recommends Ordinary Resolution set out at Item No. 5 of the Notice for the approval of members.

#### **Regd. Office:**

201, 2<sup>nd</sup> Floor, Welspun House,  
Kamala City, Senapati Bapat Marg,  
Lower Parel (West), Mumbai 400 013.

Tel.: 022 4001 6500

Fax : 022 2495 5659

CIN: L28992MH1991PLC168235

E-mail: [investor.help@hitechgroup.com](mailto:investor.help@hitechgroup.com)

website: [www.hitechgroup.com](http://www.hitechgroup.com)

**By Order of the Board  
For Hitech Corporation Limited**

**Namita Tiwari  
Company Secretary  
Membership No. A24964  
Mumbai, 24<sup>th</sup> August, 2019**

### Route Map



**Venue:** Indian Merchants' Chamber  
**Landmark:** Near Churchgate Railway Station

## ANNEXURE TO AGM NOTICE

The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

Name of the Director	Mr. Mehernosh A. Mehta* (DIN: 00372340)	Mr. Harish N. Motiwalla (DIN:00029835)	Mr. Aditya M. Sheth (DIN: 02289144)
<b>Date of Birth</b>	25 <sup>th</sup> November, 1967	24 <sup>th</sup> March, 1945	17 <sup>th</sup> September, 1982
<b>Qualification</b>	B.E in Electrical Engineering from Mumbai University and Masters in Electrical Engineering from Michigan Technological University.	Fellow Member of Institute of Chartered Accountants of India (ICAI)	<ul style="list-style-type: none"> <li>• Double major : Chemical Engineering (Columbia) and Economics (Denison)</li> <li>• Honors Program, Member of Engineering Honor Society – Tau Beta Pi</li> <li>• International Baccalaureate Diploma from The United World College of India, Pune.</li> </ul>
<b>Brief Resume of the Director</b>	Mr. Mehernosh Mehta has done his B.E in Electrical Engineering from Mumbai University and Masters in Electrical Engineering from Michigan Technological University. Before joining Hitech, he had worked for Sun-Up Botanics Private Limited, for 20 years.	Practising Chartered Accountant	<p>Director, Engineering Division of Galiakotwala Group managing full spectrum of activities for engineering, manufacturing and installation of equipment to major chemical companies in India and abroad.</p> <p>Worked with UBS Investment Bank as Analyst for a period of almost 2 years and has performed comparable financial analysis for companies in the chemical sector for valuation, created financial models to simulate cyclical operations through available financial information, conducted extensive business, financial due diligence and drafted confidential information. Creating presentations for clients to pitch merger and acquisition ideas, refinancing, IPO and dual track processes.</p>

Name of the Director	Mr. Mehernosh A. Mehta* (DIN: 00372340)	Mr. Harish N. Motiwalla (DIN:00029835)	Mr. Aditya M. Sheth (DIN: 02289144)
<b>Expertise in specific functional area</b>	Before joining Hitech, he had worked for Sun-Up Botanics Pvt. Ltd. for 20 years.	Vast experience in the field of accounts, finance, taxation and corporate governance.	<ul style="list-style-type: none"> <li>• Engineering, manufacturing and installation of equipment</li> <li>• Financial Analysis</li> </ul>
<b>Date of first appointment in the current designation</b>	17 <sup>th</sup> March, 2016	1 <sup>st</sup> April, 2014	25 <sup>th</sup> June, 2019
<b>Shareholding in the Company</b>	NIL	NIL	NIL
<b>Directorships in other Companies</b>	1. Hitech Insurance Broking Services Limited	1. Excel Industries Limited 2. Balkrishna Paper Mills Limited (formerly known as Nirvikara Paper Mills Limited) 3. Gujarat Organics Limited 4. Ashapura Minechem Limited 5. Multibase India Limited 6. Ashapura International Limited 7. Orient Abrasives Limited 8. LIC Mutual Fund Trustee Private Limited 9. Geetanjali Trading and Investments Private Limited 10. Ashapura Perfoclay Limited	1. Galiakotwala Engineering Co. Pvt Ltd.
<b>Memberships/ Chairmanship of Committees of other companies</b>	NIL	Member: 1. Ashapura International Limited – Audit Committee and Nomination and Remuneration Committee 2. Balkrishna Paper Mills Limited – Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee  Chairman: 1. Excel Industries Limited – Audit Committee and Nomination and Remuneration Committee 2. Ashapura Minechem Limited – Audit Committee 3. Multibase India Limited – Audit Committee and Nomination and Remuneration Committee 4. LIC Mutual Fund Trustee Private Limited – Audit Committee	NIL
<b>Inter-se relationship between Directors and other Key Managerial Personnel</b>	He is not related with any Director and Key Managerial Personnel of the Company.	He is not related with any Director and Key Managerial Personnel of the Company.	He is not related with any Director and Key Managerial Personnel of the Company.
<b>Number of Meetings of the Board attended</b>	5 out of 5 in the Financial Year 2018-19.	5 out of 5 in the Financial Year 2018-19.	Not applicable**
<b>Details of remuneration last drawn</b>	Rs. 19,62,844 during the Financial Year 2018-19	Rs. 6,20,000 during the Financial Year 2018-19	Not applicable**

\* In compliance of Section 152(6) of the Companies Act, 2013, and pursuant to the authority provided to the Board of Directors of the Company, vide Resolution passed at the 25<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2016 by the shareholders, the agreement with Mr. Mehernosh A. Mehta, Wholetime Director was amended by the Board at its meeting held on 24<sup>th</sup> August, 2019 to the extent and effect that he will be liable to retire by rotation.

\*\* Appointed with effect from 25<sup>th</sup> June, 2019



## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Eighth Annual Report together with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended 31<sup>st</sup> March, 2019 is summarized below:

(₹ in lakhs)

	2018-19	2017-18
<b>Sales Revenue</b>	<b>46,190.11</b>	<b>39,768.79</b>
Other Income	50.44	66.63
<b>Total Revenue</b>	<b>46,240.55</b>	<b>39,835.42</b>
<b>Earnings Before Insurance Claim, Interest, Depreciation &amp; Tax (EBIDT)</b>	<b>5,205.87</b>	<b>3,779.91</b>
Less : Interest and Financing Charges	1,991.66	1,392.11
Depreciation	2,142.86	1,751.87
Add: Insurance Claim received (Ref Note No.34)	1,486.35	567.32
<b>Profit Before Tax</b>	<b>2,557.70</b>	<b>1,203.25</b>
Less: Tax Expenses	917.40	426.86
<b>Net Profit After Tax</b>	<b>1,640.30</b>	<b>776.39</b>
<b>Attributable to:</b>		
Shareholders of the Company	<b>1,640.30</b>	<b>776.39</b>
Non-controlling interest	-	-
Other Comprehensive Income	(10.51)	2.43
<b>Total Comprehensive Income for the year</b>	<b>1,629.79</b>	<b>778.82</b>
<b>Attributable to:</b>		
Shareholders of the Company	<b>1,629.79</b>	<b>778.82</b>
Non-controlling interest	-	-
<b>Opening Balance in Retained Earnings</b>	<b>10,342.83</b>	<b>10,214.22</b>
<b>Amount available for Appropriation</b>	<b>11,972.62</b>	<b>10,993.04</b>
Dividend on Equity Shares	154.58	154.58
Tax on Equity Dividend	31.77	31.47
Transfer to Capital Redemption Reserve	394.54	464.16
Transfer to General Reserve	-	-
Transfer to Other Reserve	-	-
<b>Closing Balance in Retained Earnings</b>	<b>11,391.73</b>	<b>10,342.83</b>

### OVERVIEW OF FINANCIAL PERFORMANCE

During the financial year 2018-19 :

- Operating revenue increased to ₹ 46,190.11 lakhs as against ₹ 39,768.79 lakhs in the previous year.
- EBIDT increased to ₹ 5,205.87 lakhs as against ₹ 3,779.91 lakhs in the previous year.
- Profit after tax increased to ₹ 1,640.30 lakhs from ₹ 776.39 lakhs in the previous year.

### NEW PROJECTS

#### Mysuru

The Company has successfully completed setting up of a facility for manufacturing rigid plastic containers at Mysuru, Karnataka and

commenced commercial production at the said plant from end of September, 2018. The total capacity of the plant is 3000 MT and the same is set up in a phased manner.

#### Vizag

During the year the Company successfully completed construction work at Vizag for setting up of facility for manufacturing rigid plastic containers and has commenced commercial production in the month of August, 2019. The total capacity of the plant is 3000 MT and the same is being implemented in a phased manner.

### CONSOLIDATION OF MANUFACTURING FACILITIES

The Company has adopted a policy to consolidate manufacturing facilities of one unit into another wherever possible to avail better synergies.

As a part of its consolidation initiative, the manufacturing facility of the Company situated at Galonda (Dadra & Nagar Haveli) was shifted and merged with the unit situated at Naroli (Dadra & Nagar Haveli) by transfer of Plant and Machinery and other accessories with effect from October 1, 2018. Similarly, Technology Centre at Chinchwad, Pune was shifted to a separate unit situated within the plant premises at Sanaswadi. This will help the Company in reducing the fixed overheads without affecting capacities of the Company.

### UPDATES ON ROHTAK

The manufacturing operations of the plant at Rohtak (Haryana) was disrupted in February 2016 due to fire which resulted in extensive damage to properties. The Company rebuilt the factory at the same site and commenced operations in March, 2017. The final assessment of the Insurance claim was completed by the Insurance Company during the year and a sum of ₹ 1,486.35 lakhs (net) was received during the year towards the full and final settlement of the property damage claim.

### FLOODS AT BADDI

The manufacturing operations of the Company's unit situated at Baddi, Himachal Pradesh was disrupted due to floods caused by heavy rains in Himachal Pradesh and adjacent areas in the month of August, 2019. The Company is in the process of ascertaining the damage and taking necessary steps to restart the operations at the earliest. The Company has insurance cover for the same.

### PART REDEMPTION OF PREFERENCE SHARES

Your Company redeemed 39,45,381 Preference Shares of ₹ 10/- each at par aggregating to ₹ 3,94,53,810 on May 26, 2018, out of profits of the Company and an equal amount was transferred to Capital Redemption Reserve.

After the above said redemption, the Preference Share capital stands at ₹ 2,235.72 lakhs.

### DIVIDEND

The Board of Directors have recommended payment of dividend for approval of the members at the ensuing Annual General Meeting as under:

- On 9% Non-Convertible Redeemable Cumulative Preference Shares ('NCRCPs') of ₹ 10/- each, dividend @ 9% p.a. i.e. ₹ 0.90 per Preference Share of ₹ 10/- each payable for the financial year ended 31<sup>st</sup> March, 2019. The proposed dividend on NCRCPs will absorb ₹ 242.57 lakhs including Dividend Distribution Tax of

₹ 41.36 lakhs. During the year, an amount of ₹ 6.57 lakhs was paid as dividend (including Dividend Distribution Tax of ₹ 1.12 lakhs) on the redeemed NCRCPs for the period April 1, 2018 to May 26, 2018 (redemption date).

- On Equity Shares @ 9% i.e. ₹ 0.90 per equity share (Previous year ₹ 0.90 per equity share), for the financial year ended March 31, 2019. The proposed dividend on Equity Share Capital will absorb ₹ 186.35 lakhs including Dividend Distribution Tax of ₹ 31.77 lakhs.

#### TRANSFER TO RESERVES

An amount of ₹ 394.54 lakhs was transferred to the Capital Redemption Reserve on account of redemption of 39,45,381 Preference Shares of ₹ 10/- each at par aggregating to ₹ 3,94,53,810.

During the year under review, no amount has been transferred to General Reserve.

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

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year to which the Financial Statements relate and date of this report.

There were no material changes in the nature of business of the Company during the year under review.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance with the Regulation 34 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a separate section on the Management Discussion and Analysis Report giving details of overall industry structure, developments, performance and state of affairs of Company's business forms an integral part of this Report.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### (a) APPOINTMENTS / RE-APPOINTMENTS OF DIRECTORS

In compliance with the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board of Directors at its meeting held on November 12, 2018 on recommendations of the Nomination & Remuneration Committee, *inter alia*, approved the following matters relating to continuation of directorship of Directors who had attained the age of Seventy Five (75) years, subject to approval of shareholders of the Company. The shareholders have since approved their appointments/re-appointments with requisite majority by way of postal ballot. The results of the postal ballot were declared on December 24, 2018.

- Continuation of Mr. Ashwin Dani (76 years) as a Non – Executive Director (liable to retire by rotation) of the Company after March 31, 2019.

Mr. Ashwin S. Dani has been associated with the Company since 1992. He was the Managing Director of Asian Paints Limited from December 1998 to March 2009. Presently Mr. Dani is the Non-Executive Chairman of Asian Paints Limited. His rich knowledge of the business and his vast experience in general management has been an asset to the Company.

- Continuation of Mr. Ashwin Nagarwadia (81 years) as a Non – Executive Director (liable to retire by rotation) of the Company after March 31, 2019.

Mr. Ashwin Nagarwadia, a Mechanical Engineer has held various senior positions in reputed organizations and was Chairman and Managing Director of Ingersoll Rand (India) Ltd. before his retirement. He has a rich and wide managerial experience.

- Continuation of Mr. Bomi Chinoy (77 years) as a Non – Executive Independent Director of the Company after March 31, 2019.

Mr. Bomi P. Chinoy is a Chartered Accountant and has served in reputed Companies of India. He has worked in Tata group for a period of 35 years in various capacities. His expertise in Corporate Finance, Company Law, Income Tax Law, Secretarial and Administrative etc is quite beneficial to the Company. After his retirement from Tata Chemicals Ltd., he served as CEO of Tatachem Golden Jubilee Foundation (Charitable Trust) for a period of 10 years.

- Continuation of Mr. Jayendra R. Shah (85 years) as a Non – Executive Independent Director of the Company after March 31, 2019.

Mr. Jayendra R. Shah is a Technocrat Entrepreneur and has vast experience in the field of Plastics, Polymers and Speciality Chemicals. He is the Founder-Director of Jayvee Organics and Polymers Pvt. Ltd.

Regulation 17(1A) of the Listing Regulations provides that listed entities shall not appoint any person or continue the directorship of any person, who has attained the age of 75 years, unless approval of the shareholders have been obtained by way of Special Resolution. Accordingly, approval of the shareholders was obtained for continuation of the above Directors.

Pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board recommends the continuation of directorship of Mr. Harish Motiwala, Non-Executive Independent Director who has attained the age of seventy five years during the year 2019-20. For continuation of his directorship, approval of the members is sought by way of Special Resolution at the ensuing Annual General Meeting.

Mr. Rajnikant Desai, resigned from the office of Independent Director with effect from the close of business hours of March 31, 2019, due to old age and difficulties in travelling.

Mr. Rajnikant Desai joined the Board in the year 1994 and since then had been an integral part of the Board. He had contributed immensely to the functioning of the Board and the management was also benefitted from his advice and directions. The Board places on record gratitude for his advice and guidance during his tenure.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on June 25, 2019 appointed Mr. Aditya M. Sheth as an Additional (Independent) Director for a period of five years commencing from June 25, 2019, subject to the approval of the Members at the ensuing Annual General Meeting.

In compliance of Section 152(6) of the Companies Act, 2013, and pursuant to the authority provided to the Board of Directors of the Company, vide Resolution passed at the 25<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2016 by the shareholders, the agreement with Mr. Mehernosh A. Mehta, Wholetime Director was amended by the Board at its meeting held on 24<sup>th</sup> August, 2019 to the extent and effect that he will be liable to retire by rotation.

In view of the above provisions and Article 108 of Articles of Association of the Company, Mr. Mehernosh A. Mehta (DIN: 00372340), Wholetime Director (liable to retire by rotation), retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment to the Board.

Profile and other information of the aforesaid Directors, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 forms part of the notice convening the ensuing Annual General Meeting.

The above proposal for appointment or re-appointment forms part of the Notice of the 28<sup>th</sup> Annual General Meeting and the relevant Resolutions are recommended for your approval therein.

#### (b) KEY MANAGERIAL PERSONNEL

Mr. Bharat Gosalia, Chief Financial Officer retired after completion of his tenure with effect from July 2, 2019 and Mrs. Avan R. Chaina was designated as Chief Financial Officer with effect from July 3, 2019.

Presently Mr. Malav A. Dani (DIN: 01184336), Managing Director, Mr. Mehernosh A. Mehta (DIN: 00372340), Wholetime Director, Mrs. Avan R. Chaina, Chief Financial Officer and Mrs. Namita Tiwari, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51), Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time.

#### (c) DECLARATION OF INDEPENDENCE

In terms of Regulation 25(8) of SEBI (LODR) Regulations, 2015, all Independent Directors have given necessary declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with schedules and rules issued thereunder as well as clause (b) of sub regulation 1 of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

#### (d) PERFORMANCE EVALUATION OF BOARD

The Nomination & Remuneration Committee of the Company has formulated process and parameters for the evaluation of the Directors individually, Committees of the Board and Board as a whole. The parameters for performance evaluation inter alia includes performance of the Board on deciding long term strategies, composition of the Board, discharging governance duties and handling critical issues and other price sensitive matters.

Pursuant to the provisions of the Companies Act, 2013 read with Rules issued thereunder and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors based on the criteria/parameters

formulated by the Nomination & Remuneration Committee, has evaluated the effectiveness of the Board as a whole, the various Committees, Directors individually (excluding Director being evaluated) and the Chairman. The evaluation was carried out based on the ratings of the Directors in the questionnaires circulated to them.

The statement including the manner in which the evaluation exercise was conducted is included in the Corporate Governance Report, which forms part of this Annual Report.

#### COMMITTEES OF BOARD

The Board of Directors has constituted the following Committees and the details pertaining to such Committees are included in the Corporate Governance Report, which forms part of this Annual Report.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Allotment Committee
- Risk Management Committee

#### NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

There were 5 meetings of the Board held during the year. The details of the Meetings of the Board and the Committees thereof, convened during the financial year 2018-19 are given in the Corporate Governance Report which forms part of this Annual Report.

#### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 are set out herewith as 'Annexure A' and is also available on the website of the Company at <https://www.hitechgroup.com/investor/#financial-results>

#### CORPORATE GOVERNANCE

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance, forms an integral part of the annual report.

#### LISTING OF SHARES

The Company's equity shares are actively traded on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSEIL). Further, the applicable listing fees for the financial year 2018-19 have been paid to the respective Stock Exchange(s).

#### AUDITORS AND THEIR REPORT

##### a. Statutory Auditors

The Members of the Company at its 26<sup>th</sup> Annual General Meeting held on Wednesday, August 2, 2017 appointed M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Reg. No: 104607W/W100166) as Statutory Auditors of the Company for a term of five (5) years. i.e. till the conclusion of 31<sup>st</sup> Annual General Meeting.

M/s. Kalyaniwalla & Mistry LLP have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The Statutory Auditors have issued an unmodified opinion on the financial statements for the financial year ended March 31, 2019.



**b. Cost Auditors**

As the Companies (Cost Records and Audit) Rules are not applicable to your Company therefore cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not required, accordingly such accounts and records are not made and maintained by the Company.

Accordingly, the Company has not appointed any Cost Auditor for the financial year 2018-19.

**c. Internal Auditors**

M/s. Shashank Patki and Associates, Chartered Accountants, Pune, M/s. J. V. Ramanujam & Co., Chartered Accountants, Chennai and M/s. Jasuja Kapoor & Associates, Chartered Accountants, Noida have been re-appointed as the Internal Auditors of the Company for the financial year 2019-20.

The Audit Committee of the Board and the Statutory Auditors are periodically apprised of the Internal Audit findings and corrective actions are taken.

**d. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the Company has appointed M/s. Nilesh Shah & Associates, Company Secretary in Practise, to undertake the "Secretarial Audit" and "Annual Secretarial Compliance Audit" of the Company for the financial year ended March 31, 2020. The Company has received consent from M/s Nilesh Shah & Associates to act as the Secretarial Auditors of the Company for the financial year ending March 31, 2020.

The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed to this report as **Annexure (B-1)**.

The Secretarial Compliance Audit Report for the financial year ended March 31, 2019, in relation to compliance of all applicable SEBI regulations / circulars / guidelines issued thereunder, pursuant to requirement of regulation 24A of Listing Regulations is set out in **Annexure (B-2)** to this report.

The Secretarial Audit Report and Annual Secretarial Compliance Audit Report does not contain any qualification, reservation or adverse remark.

**DETAILS OF FRAUDS REPORTED BY AUDITORS**

There were no frauds reported by the Statutory Auditors under provisions of Section 143(12) of the Companies Act, 2013 and Rules made thereunder.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Act. The salient features of the Policy are set out in the Corporate Governance Report which forms part of this Annual Report. The Policy is also available on Company's website under the web link: <http://www.hitechgroup.com/investor/#policies>

**POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has complied with the applicable provisions of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. It has formulated and adopted a Policy on Prevention of Sexual Harassment of Women at Workplace pursuant to the provisions of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaints under the said policy during the year. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The Company has complied with the provisions relating to Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act of 2013.

Sexual Harassment Policy of the Company is displayed on the Company's website under the weblink: <http://www.hitechgroup.com/investor/#policies>

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted a 'Whistle Blower Policy' with an objective to conduct its affairs in a fair and transparent manner and by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Company has established mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, violation of Code of Conduct and Ethics.

The Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website through the following link: <http://www.hitechgroup.com/investor/#policies>

**CORPORATE SOCIAL RESPONSIBILITY ('CSR') :**

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended, the Board of Directors has constituted a Corporate Social Responsibility Committee. The details of membership of the Committee and the meetings held are detailed in the Corporate Governance Report forming part of the Annual Report.

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the Corporate Social Responsibility Committee is available on the website of the Company and can be accessed through the web link: <http://www.hitechgroup.com/investor/#policies>

During the financial year 2018-19, the Company has spent ₹ 51.58 lakhs towards Corporate Social Responsibility (CSR).

The Annual Report on CSR activities undertaken by the Company during the financial year 2018-19, is annexed as '**Annexure C**' and forms part of this Report.

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

Information required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is appended hereto as '**Annexure D**' and forms part of this Report.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956/ Section 124 and 125 of the Companies Act, 2013, dividend pertaining to the financial year 2010-11 amounting to ₹ 2,51,533 which remained unpaid or unclaimed for a period of 7 years was transferred by the Company to the Investor Education and Protection Fund.

Further, dividends which remained unpaid or unclaimed for a period of 7 years, pertaining to the financial year 2011-12 which was declared at the Annual General Meeting of the Company held on August 11, 2012, will be transferred to the Investor Education and Protection Fund by September 9, 2019. Members who have not encashed their dividend warrants for the year 2011-12 or thereafter are requested to write to the Company's Registrar and Share Transfer Agents. Details of unpaid/ unclaimed dividend are provided on Company's website under the web link - <http://www.hitechgroup.com/investor/#unclaimed-unpaid-dividend>

The details of equity shares transferred to IEPF during 2018-19 are provided in the Corporate Governance Report.

**PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Act and the Rules made thereunder, in respect of employees of the Company has been disclosed in 'Annexure E'.

**DEPOSITS**

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

The outstanding deposits accepted earlier including interest were repaid during the year and there were no deposit outstanding as on March 31, 2019.

**Particulars of Deposits covered Under Chapter V of the Act are as follows:**

Particulars	Amount (₹ in Lakhs)
Opening Balance	254.40
Accepted during the year	--
Repaid / Settled during the year	254.40
As at the close of the year	Nil
Whether there has been any default in repayment of deposits or interest thereon; and if so the number of times and the total amount involved-	
a. At the beginning of the year	Nil
b. Maximum during the year	Nil
c. At the end of the year	Nil
Deposits which are not in compliance with requirements of Chapter V of Companies Act, 2013	Nil

**RELATED PARTY TRANSACTIONS**

All Related Party Transactions which were entered during the financial year 2018-19 were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions entered into by the Company with related party(s) as defined under Section 2(76) of the Companies Act, 2013 which may have a potential conflict with the interest of the Company at large.

Your Company's sales transactions with Asian Paints Limited qualify as material Related Party Transactions ("RPT") under Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Accordingly, Company has obtained shareholders approval for the said material related party transactions at the 27<sup>th</sup> Annual General Meeting which was held on July 16, 2018.

During the year the Board of Directors of the Company has revised the Policy on dealing with RPTs and a Policy on materiality of Related Party Transactions in accordance with the amendments to the applicable provisions of the Listing Regulations. The said policy can be accessed through the following link: <http://www.hitechgroup.com/investor/#policies>

The details of the related party transactions of the Company as required under Indian Accounting Standard-24 are set out in Note 43 to the financial statements forming part of this Annual Report.

The Form AOC - 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as 'Annexure F' to this Report.

**INTERNAL FINANCIAL CONTROLS**

Your Company has in place adequate internal financial control system commensurate to the size and nature of its business. The Company periodically reviews the internal finance control system. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation of the same were observed.

**RISK MANAGEMENT**

Pursuant to Section 134 of the Companies Act, 2013, the Company has a risk management policy in place for identification of key risks to its business objectives, impact assessment, risk analysis, risk evaluation, risk reporting disclosures, risk mitigation, monitoring and integration with strategy and business planning.

The Company has also constituted a Risk Management Committee on voluntary basis.

Details of the Risk Management policy and the committee as stated above have been disclosed in the Corporate Governance Report which forms a part of the Annual Report.

**OTHER DISCLOSURES**

Your Company during the financial year ended March 31, 2019:

- a) has complied with Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Meetings of the Board of Directors and General Meetings;
- b) has not issued Shares having differential rights as to dividend, voting or otherwise;
- c) does not have any ESOP Scheme for its employees/Directors;
- d) has not issued Sweat Equity Shares;
- e) during the year under review, the Company has not provided any loan or given any guarantee or made any investment;
- f) There were no significant/material orders passed by any of the Regulators or Courts or Tribunals impacting the going concern status of your Company or its operations in future; and
- g) The Company does not have any subsidiary company, Joint Venture or Associate Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors state that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed and there are no material departures from the same;
- b. accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2019 and of the profit and loss of the Company for the financial year ended March 31, 2019;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;

- e. proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENTS

Your Directors wish to express their appreciation and gratitude to all the employees at all levels for their hard work, dedication and co-operation during the year.

Your Directors wish to express their sincere gratitude for the excellent support and co-operation extended by the Company's shareholders, customers, bankers, suppliers, regulatory and government authorities and all other stakeholders.

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

**Ashwin S. Dani**  
**Chairman**  
(DIN: 00009126)

Place: Mumbai  
Date: 24<sup>th</sup> August, 2019



## ANNEXURE A TO DIRECTORS' REPORT

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

for the financial year ended 31<sup>st</sup> March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

CIN	L28992MH1991PLC168235
Registration Date	October 16, 1991
Name of the Company	Hitech Corporation Limited
Category of the Company	Public Company
Sub-Category of the Company	Company Having Share Capital
Address of the Registered office and contact details	Unit No. 201, 2 <sup>nd</sup> Floor, Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013. Tel. No: 022 4001 6500 Fax No : 022 2495 5659 Email: investor.help@hitechgroup.com Website: www.hitechgroup.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 1 <sup>st</sup> Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel. No: 022 4918 6000 Fax No: 022 4918 6060 Email: mt.helpdesk@linkintime.co.in

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main Products / Services	ITC/NIC Code of the Product/ Service	% to total turnover of the Company
1	Manufacturing of Packaging Products of Plastics	3132 (ITC)	100.00

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Geetanjali Trading & Investments Private Limited Address: 3A, Barodawala Mansion, 81 Dr. Annie Besant Road, Worli, Mumbai - 400 018.	U65990MH1979PTC021049	Holding	69.11%	2(46)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	477185	--	477185	2.78	477185	--	477185	2.78	--
b) Central Govt. / State Governments	--	--	--	--	--	--	--	--	--
c) Financial Institutions / Banks	--	--	--	--	--	--	--	--	--
d) Any other									
Bodies Corporate	12307295	--	12307295	71.65	12307295	--	12307295	71.65	--
<b>Sub-total (A)(1)</b>	<b>12784480</b>	<b>--</b>	<b>12784480</b>	<b>74.43</b>	<b>12784480</b>	<b>--</b>	<b>12784480</b>	<b>74.43</b>	<b>--</b>

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	--	--	--	--	--	--	--	--	--
b) Government	--	--	--	--	--	--	--	--	--
c) Institutions	--	--	--	--	--	--	--	--	--
d) Foreign Portfolio Investor	--	--	--	--	--	--	--	--	--
e) Any Other (Specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (A)(2)</b>	--	--	--	--	--	--	--	--	--
<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>12784480</b>	--	<b>12784480</b>	<b>74.43</b>	<b>12784480</b>	--	<b>12784480</b>	<b>74.43</b>	--
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Venture Capital Funds	--	--	--	--	--	--	--	--	--
c) Alternate Investment Funds	--	--	--	--	--	--	--	--	--
d) Foreign Venture Capital Investors	--	--	--	--	--	--	--	--	--
e) Foreign Portfolio Investor	--	--	--	--	--	--	--	--	--
f) Financial Institutions/Banks	4725	--	4725	0.03	--	--	--	--	(0.03)
g) Insurance Companies	--	--	--	--	--	--	--	--	--
h) Provident Funds / Pension Funds	--	--	--	--	--	--	--	--	--
i) Any Other (Specify)									
UTI	--	1100	1100	0.01	--	1100	1100	0.01	--
<b>Sub-total (B)(1)</b>	<b>4725</b>	<b>1100</b>	<b>5825</b>	<b>0.04</b>	--	<b>1100</b>	<b>1100</b>	<b>0.01</b>	<b>(0.03)</b>
<b>2. Central Government/ State Government(s)/ President of India</b>									
<b>Central Government/ State Government(s)</b>	--	3000	3000	0.02	--	3000	3000	0.02	--
<b>Sub Total (B)(2)</b>	--	<b>3000</b>	<b>3000</b>	<b>0.02</b>	--	<b>3000</b>	<b>3000</b>	<b>0.02</b>	--
<b>3. Non-Institutions</b>									
(a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1494385	258966	1753351	10.20	1561290	232671	1793961	10.45	0.25
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1313102	-	1313102	7.65	1493957	--	1493957	8.70	1.05
b) NBFC registered with RBI	--	--	--	--	445	--	445	--	--
c) Employee Trusts	--	--	--	--	--	--	--	--	--
d) Overseas Depositories (holding DRs) (balancing figure)	--	--	--	--	--	--	--	--	--
e) Any Other (Specify)									
Foreign Nationals	--	--	--	--	--	--	--	--	--
Hindu Undivided Family	269111	--	269111	1.57	297734	--	297734	1.73	0.16

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non Resident Indians (Non Repat)	56015	--	56015	0.33	30411	--	30411	0.18	(0.15)
Directors / Relatives of Directors	7500	--	7500	0.04	7500	--	7500	0.04	--
Non Resident Indians (Repat)	92452	209900	302352	1.76	135829	119900	255729	1.49	(0.27)
Clearing Member	33620	--	33620	0.19	22217	--	22217	0.13	(0.06)
Bodies Corporate	561381	1000	562381	3.27	393103	400	393503	2.29	(0.98)
IEPF Authority	84963	--	84963	0.50	91663	--	91663	0.53	0.03
<b>Sub Total (B)(3)</b>	<b>3912529</b>	<b>469866</b>	<b>4382395</b>	<b>25.51</b>	<b>2524263</b>	<b>352971</b>	<b>4387120</b>	<b>25.54</b>	<b>0.03</b>
<b>Total Public Shareholding (B)=B(1)+B(2)+B(3)</b>	<b>3917254</b>	<b>473966</b>	<b>4391220</b>	<b>25.57</b>	<b>4034149</b>	<b>357071</b>	<b>4391220</b>	<b>25.57</b>	<b>--</b>
<b>Total (A)+(B)</b>	<b>16701734</b>	<b>473966</b>	<b>17175700</b>	<b>100.00</b>	<b>16818629</b>	<b>357071</b>	<b>17175700</b>	<b>100.00</b>	<b>--</b>
(C) Shares held by Custodian / DR Holder	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>16701734</b>	<b>473966</b>	<b>17175700</b>	<b>100.00</b>	<b>16818629</b>	<b>357071</b>	<b>17175700</b>	<b>100.00</b>	<b>--</b>

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change as a % of total shares of the Company
		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	Geetanjali Trading & Investments Pvt. Ltd.	11869295	69.11	--	11869295	69.11	--	--
2	Gujarat Organics Ltd.	177000	1.03	--	177000	1.03	--	--
3	Hiren Holdings Pvt. Ltd.	261000	1.52	--	261000	1.52	--	--
4	Ashwin S. Dani	230095	1.34	--	230095	1.34	--	--
5	Ina A. Dani	61200	0.36	--	61200	0.36	--	--
6	Hasit A. Dani	30000	0.17	--	30000	0.17	--	--
7	Malav A. Dani	54000	0.31	--	54000	0.31	--	--
8	Jalaj A. Dani	41100	0.24	--	41100	0.24	--	--
9	Vita J. Dani	32700	0.19	--	32700	0.19	--	--
10	Ashwin R. Gandhi	15500	0.09	--	15500	0.09	--	--
11	Hiren A. Gandhi	7590	0.04	--	7590	0.04	--	--
12	Satyen A. Gandhi	5000	0.03	--	5000	0.03	--	--
	<b>Total</b>	<b>12784480</b>	<b>74.43</b>	<b>--</b>	<b>12784480</b>	<b>74.43</b>	<b>--</b>	<b>--</b>

**(iii) Change in Promoters' Shareholding**

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18)/end of the year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Geetanjali Trading & Investments Pvt. Ltd.	11869295	69.11	01.04.2018	--	No change during the year	11869295	69.11
		11869295	69.11	31.03.2019			11869295	69.11
2.	Ashwin S. Dani	230095	1.34	01.04.2018	--	No change during the year	230095	1.34
		230095	1.34	31.03.2019			230095	1.34
3.	Ina A. Dani	61200	0.36	01.04.2018	--	No change during the year	61200	0.36
		61200	0.36	31.03.2019			61200	0.36
4.	Jalaj A. Dani	41100	0.24	01.04.2018	--	No change during the year	41100	0.24
		41100	0.24	31.03.2019			41100	0.24
5.	Vita J. Dani	32700	0.19	01.04.2018	--	No change during the year	32700	0.19
		32700	0.19	31.03.2019			32700	0.19
6.	Malav A. Dani	54000	0.31	01.04.2018	--	No change during the year	54000	0.31
		54000	0.31	31.03.2019			54000	0.31
7.	Gujarat Organics Ltd.	177000	1.03	01.04.2018	--	No change during the year	177000	1.03
		177000	1.03	31.03.2019			177000	1.03
8.	Hiren Holdings Pvt. Ltd.	261000	1.52	01.04.2018	--	No change during the year	261000	1.52
		261000	1.52	31.03.2019			261000	1.52
9.	Hasit A. Dani	30000	0.17	01.04.2018	--	No change during the year	30000	0.17
		30000	0.17	31.03.2019			30000	0.17
10.	Ashwin R. Gandhi	15500	0.09	01.04.2018	--	No change during the year	15500	0.09
		15500	0.09	31.03.2019			15500	0.09
11.	Hiren A. Gandhi	7590	0.04	01.04.2018	--	No change during the year	7590	0.04
		7590	0.04	31.03.2019			7590	0.04
12.	Satyen A. Gandhi	5000	0.03	01.04.2018	--	No change during the year	5000	0.03
		5000	0.03	31.03.2019			5000	0.03

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31<sup>st</sup> March, 2019:**

Sr. No.	Shareholder's name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Urmila D Shah</b>				
	At the beginning of the year	250000	1.45	250000	1.45
	Bought during the year	0	0.00	250000	1.45
	Sold during the year	0	0.00	250000	1.45
	At the end of the year	250000	1.45	250000	1.45
2.	<b>Hardik Dhanesh Shah</b>				
	At the beginning of the year	150000	0.87	150000	0.87
	Bought during the year	0	0.00	150000	0.87
	Sold during the year	0	0.00	150000	0.87
	At the end of the year	150000	0.87	150000	0.87
3.	<b>Sahil Nimesh Shah</b>				
	At the beginning of the year	150000	0.87	150000	0.87
	Bought during the year	0	0.00	150000	0.87
	Sold during the year	0	0.00	150000	0.87
	At the end of the year	150000	0.87	150000	0.87



Sr. No.	Shareholder's name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	<b>Shah Nimesh Sumatilal</b>				
	At the beginning of the year	100000	0.58	100000	0.58
	Bought during the year	50000	0.29	150000	0.87
	Sold during the year	0	0.00	150000	0.87
	At the end of the year	150000	0.87	150000	0.87
5	<b>Dhanesh Sumatilal Shah</b>				
	At the beginning of the year	100000	0.58	100000	0.58
	Bought during the year	25000	0.15	125000	0.73
	Sold during the year	0	0.00	125000	0.73
	At the end of the year	125000	0.73	125000	0.73
6.	<b>Jatin Ramesh Shah</b>				
	At the beginning of the year	79740	0.46	79740	0.46
	Bought during the year	5100	0.03	84840	0.49
	Sold during the year	0	0.00	84840	0.49
	At the end of the year	84840	0.49	84840	0.49
7.	<b>Neha Jaswani</b>				
	At the beginning of the year	50000	0.29	50000	0.29
	Bought during the year	12640	0.07	62640	0.36
	Sold during the year	0	0.00	62640	0.36
	At the end of the year	62640	0.36	62640	0.36
8.	<b>Nimesh Virchand Munver</b>				
	At the beginning of the year	60000	0.35	60000	0.35
	Bought during the year	0	0.00	60000	0.35
	Sold during the year	0	0.00	60000	0.35
	At the end of the year	60000	0.35	60000	0.35
9	<b>Saroj B. Dave</b>				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	60000	0.35	60000	0.35
	Sold during the year	0	0.00	60000	0.35
	At the end of the year	60000	0.35	60000	0.35
10.	<b>Nehal Trading &amp; Invt's Pvt. Ltd.</b>				
	At the beginning of the year	55000	0.32	55000	0.32
	Bought during the year	0	0.00	55000	0.32
	Sold during the year	0	0.00	55000	0.32
	At the end of the year	55000	0.32	55000	0.32
11	<b>Rajan Indulal Sheth</b>				
	At the beginning of the year	50000	0.29	50000	0.29
	Bought during the year	0	0.00	50000	0.29
	Sold during the year	0	0.00	50000	0.29
	At the end of the year	50000	0.29	50000	0.29
12	<b>Balance Equity Broking India Pvt. Ltd.</b>				
	At the beginning of the year	50200	0.29	50200	0.29
	Bought during the year	7431	0.04	57631	0.33
	Sold during the year	57631	0.33	0	0.00
	At the end of the year	0	0	0	0.00

Note: Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to your Company.

**(v) Shareholding of Directors and Key Managerial Personnel as on 31<sup>st</sup> March, 2019:**

Sr. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Ashwin S. Dani	230095	1.34	01.04.2018	--	No change during the year	230095	1.34
		230095	1.34	31.03.2019			230095	1.34
2.	Rajnikant B. Desai*	--	--	01.04.2018	--	No change during the year	--	--
		--	--	31.03.2019			--	--
3.	Harish N. Motiwala	--	--	01.04.2018	--	No change during the year	--	--
		--	--	31.03.2019			--	--
4.	Jalaj A. Dani	41100	0.24	01.04.2018	--	No change during the year	41100	0.24
		41100	0.24	31.03.2019			41100	0.24
5.	Malav A. Dani	54000	0.31	01.04.2018	--	No change during the year	54000	0.31
		54000	0.31	31.03.2019			54000	0.31
6.	Ashwin R. Nagarwadia	5000	0.03	01.04.2018	--	No change during the year	5000	0.03
		5000	0.03	31.03.2019			5000	0.03
7.	Jayendra R. Shah	1800	0.01	01.04.2018	--	No change during the year	1800	0.01
		1800	0.01	31.03.2019			1800	0.01
8.	Mehernosh A. Mehta	--	--	01.04.2018	--	No change during the year	--	--
		--	--	31.03.2019			--	--
9.	Bomi P. Chinoy	--	--	01.04.2018	--	No change during the year	--	--
		--	--	31.03.2019			--	--
10.	Vaishali V. Sharma	200	0.00	01.04.2018	--	No change during the year	200	0.00
		200	0.00	31.03.2019			200	0.00
11.	Bharat I. Gosalia	--	--	01.04.2018	--	No change during the year	--	--
		--	--	31.03.2019			--	--
12.	Namita Tiwari	--	--	01.04.2018	--	No change during the year	--	--
		--	--	31.03.2019			--	--

\*Mr. Rajnikant Desai, Independent Director has resigned from the office of Independent Director, with effect from March 31, 2019.

**VI. INDEBTEDNESS**

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

(₹ In lakhs)

	Secured Loans excluding deposits	Unsecured Loans excluding deposits	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	10,574.42	5,438.29	254.40	16,267.11
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	37.52	14.29*	51.81
iv) Preference dividend accrued but not due	--	285.05	--	285.05
<b>Total (i+ii+iii+iv)</b>	<b>10,574.42</b>	<b>5,760.86</b>	<b>268.69</b>	<b>16,603.97</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	29,538.72	11,069.66	--	40,608.38
• Reduction	25,250.00	13,186.53	268.69	38,705.22
<b>Net Change</b>	<b>4,288.72</b>	<b>(2,116.87)</b>	<b>(268.69)</b>	<b>1,903.16</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	14,860.98	3,373.09	--	18,234.07
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	2.16	28.33	--	30.49
iv) Preference dividend accrued but not due	--	242.57	--	242.57
<b>Total (i+ii+iii+iv)</b>	<b>14,863.14</b>	<b>3,643.99</b>	<b>--</b>	<b>18,507.13</b>

\* Relates to interest accrued on cumulative deposits.

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Mr. Malav A. Dani	Mr. Mehernosh A. Mehta
		Managing Director	Wholetime Director
1.	Gross salary		
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	38,73,400	17,41,440
	b. Value of perquisites under Section 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		
	a) As % of profit	-	-
	b) Others, please specify	-	-
5.	Others, please specify		
	a) Performance Bonus	10,00,000.00	1,51,288.00
	b) PF Contribution	2,88,000	70,116
	<b>Total</b>	<b>51,61,400</b>	<b>19,62,844</b>
	<b>Ceiling as per Act* (including All)</b>	<b>2,66,57,000</b>	

\* Remuneration paid to the Managing Director and Whole Time Director is within the ceiling provided under the Companies Act, 2013.

**B. Remuneration to other Directors:**

(Amount in ₹)

Name of Director	Board/ Committee Meetings Fees	Commission	Others	Total
<b>1. Independent Directors</b>				
Harish N. Motiwalla	2,90,000	3,30,000	--	6,20,000
Rajnikant B. Desai*	35,000	--	--	35,000
Jayendra R. Shah	3,10,000	1,50,000	--	4,60,000
Bomi P. Chinoy	2,80,000	1,50,000	--	4,30,000
Vaishali V. Sharma	1,00,000	1,50,000	--	2,50,000
<b>Total (1)</b>	<b>10,15,000</b>	<b>7,80,000</b>	<b>--</b>	<b>17,95,000</b>
Ashwin S. Dani	1,55,000	55,000	4,90,118#	7,00,118
Jalaj A. Dani	75,000	55,000	--	1,30,000
Ashwin R. Nagarwadia	2,50,000	1,50,000	--	4,00,000
<b>Total (2)</b>	<b>4,80,000</b>	<b>2,60,000</b>	<b>4,90,118</b>	<b>12,30,118</b>
<b>Total (1+2)</b>	<b>14,95,000</b>	<b>10,40,000</b>	<b>4,90,118</b>	<b>30,25,118</b>
<b>Ceiling as per the Act</b>		<b>26,65,700</b>		

Note:

# Represents reimbursement of expenses and perquisites as approved by shareholders.

\* Mr. Rajnikant Desai, Independent Director has resigned from the office of Independent Director, with effect from March 31, 2019.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Company Secretary	CFO*	Total
		Mrs. Namita Tiwari	Mr. Bharat Gosalia	
1.	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	14,62,332	39,79,572	54,41,904
	b. Value of perquisites under Section 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, please specify	-	-	-
5.	Others, please specify Provident Fund Performance Bonus	64,080 -	1,51,176 -	2,15,256 -
	<b>Total</b>	<b>15,26,412</b>	<b>41,30,748</b>	<b>56,57,160</b>

\* Retired after completion of tenure w.e.f. July 2, 2019.

**VIII. 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	Nil	Nil	Nil	NA	NA
Punishment	Nil	Nil	Nil	NA	NA
Compounding	Nil	Nil	Nil	NA	NA
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	NA	NA
Punishment	Nil	Nil	Nil	NA	NA
Compounding	Nil	Nil	Nil	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	NA	NA
Punishment	Nil	Nil	Nil	NA	NA
Compounding	Nil	Nil	Nil	NA	NA

For and on Behalf of the Board of Directors

**Ashwin S. Dani**  
 Chairman  
 (DIN: 00009126)

Place: Mumbai  
 Date: 24<sup>th</sup> August, 2019



**ANNEXURE B-1**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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

To

The Members,

**Hitech Corporation Limited**

(formerly Hitech Plast Limited)

Unit No. 201, 2<sup>nd</sup> Floor, Welspun House,

Kamala City, Senapati Bapat Marg,

Lower Parel, Mumbai 400013

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by **Hitech Corporation Limited** (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (to the extent applicable) / Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
  - (f) The Securities and Exchange Board of India (Depository and Participant) Regulations, 1996 / Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Considering activities of the Company, there is no specific regulator / law subject to whose approval company can carry on / continue business operation and hence no comment is invited in respect of the same. We have also in-principally verified systems and mechanism which is in place and followed by the Company to ensure Compliance of other applicable Laws like Labour Laws, Environmental Law, etc. (in addition to the above mentioned Laws (i to v) and applicable to the Company) and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

We have also examined compliance with the applicable clauses of:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (b) The Listing Agreements entered into by the Company with Stock Exchange(s).

We further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations / Guidelines:

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s

including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have no material observation of instances of non Compliance in respect of the same.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. It may be noted that consequent upon resignation of Mr. Rajnikant Desai as Independent Director w.e.f. 31.03.2019, the Company is required to appoint an Independent Director within a period of three months or the immediate next Board Meeting whichever is later. The Company is in the process for the same. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

We also report that adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of urgency with the consent of Directors at short notice and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officer, we herewith report that majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, there were no specific event / action that can have a major bearing on the Company's affairs.

Note: This Report is to be read along with attached Letter provided as "Annexure - A".

**For Nilesh Shah & Associates**  
Company Secretaries

**Nilesh Shah**  
(Partner)

FCS : 4554 C.P.: 2631

Date: 13<sup>th</sup> May, 2019  
Place: Mumbai

'ANNEXURE A'

To  
The Members,  
**Hitech Corporation Limited**  
(formerly Hitech Plast Limited)  
Unit No. 201, 2<sup>nd</sup> Floor, Welspun House,  
Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai 400013

Dear Sir / Madam,

**Sub : Our Report of even date is to be read along with this letter.**

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

**For Nilesh Shah & Associates**  
Company Secretaries

**Nilesh Shah**  
(Partner)

FCS : 4554 C.P.: 2631

Date: 13<sup>th</sup> May, 2019  
Place: Mumbai

**ANNEXURE B-2****ANNUAL SECRETARIAL COMPLIANCE REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Board of Directors,

**Hitech Corporation Limited**

(formerly Hitech Plast Limited)

Unit No. 201, 2nd Floor, Welspun House,

Kamala City, Senapati Bapat Marg,

Lower Parel, Mumbai 400013

Dear Sir / Madam,

We, Nilesh Shah &amp; Associates, Company Secretaries in Practice have examined:

- (a) all the documents and records made available to us and explanation provided by **Hitech Corporation Limited** (hereinafter called "**the Company**");
- (b) the filings/ submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity; and
- (d) other document/ filing, as may be relevant, which has been relied upon to make this certification;

for the financial year ended **31<sup>st</sup> March, 2019** in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (to the extent applicable) / Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- (f) The Securities and Exchange Board of India (Depository and Participant) Regulations, 1996 / Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

and based on the above examination, we hereby report that, during the financial year ended **31<sup>st</sup> March, 2019**:

- (a) The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder;
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records;
- (c) No actions were taken against the Company/ its promoters/ directors/ material subsidiaries, if any either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder;
- (d) The Company was not required to take corrective action as there were no adverse observations made in previous reports:

**For Nilesh Shah & Associates**  
Company Secretaries**Nilesh Shah**  
**(Partner)**

FCS : 4554 C.P.: 2631

Place: Mumbai  
Date: 13<sup>th</sup> May, 2019

## ANNEXURE C TO DIRECTORS' REPORT

### CORPORATE SOCIAL RESPONSIBILITY

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

It has been Hitech's resolute mission to promote life skills and value education. The Company's focus areas are Education and Skill Development, Health and Wellness, Environmental Sustainability and restoration of heritage sites. While doing meaningful contribution to the society through its active participation, the Company undertakes its CSR activities either through employee volunteering or through its CSR wing - Sab Ka Mangal Ho Foundation (a registered public charitable trust) or in partnership with other NGOs having similar objectives. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013.

In order to further accelerate its CSR activities, the Company is widening its umbrella, over and above the tree plantation drive and mid-day meal activities for under-privileged children that the Company is currently engaged in, by undertaking CSR activities in field of yoga training.

The Company has initiated a project to bring yoga education to children at orphanages. Yoga being a non-invasive and safe intervention to bring tranquility and equanimity to the body, mind and intellect so as to enable them to deal with the daily distractions, aggression, stress, peer pressures, mood swings and violence. The Company has partnered with SOSVA (Society for Service to Voluntary Agencies) and has successfully initiated this project in 18 orphanages in Pune, 5 orphanages in Mumbai and 1 in Goa. The Company will continue with the program of imparting yoga education to children in the orphanages across India during the year 2019-20.

The Company continued to organize mid-day meal programmes for the under-privileged children of the orphanages in Mumbai. As a part of this endeavour, mid-day meals are organized by the Company to provide nutritional support to under-privileged children, with wholehearted participation of Hitech volunteers followed by engaging them in creative in-door and outdoor activities. However, this project had been discontinued during the year and replaced with Yoga teaching project at orphanages.

Two eye camps were organized, one in Naroli, Silvassa and other in Mumbai by a prominent ophthalmologist under the umbrella of Sab Ka Mangal Ho Foundation.

Donation to Ramakrishna Math a worldwide organization engaged in social activities for under privileged sections of the society. The amount would be used for land and building towards providing space for education purpose.

Donation to Rural Community Development Centre at Talasari – a City and Municipal Council at Palghar District of Maharashtra for construction of school building. This centre has been promoting Women Empowerment by imparting education classes for library maintenance, sewing and embroidery workshop and have been consistently progressing in the field of Women and Children Welfare.

The Company has a well-defined CSR policy and the same is available on the website of the Company under the web-link - <http://www.hitechgroup.com/investor/#policies>.

**2. Composition of the CSR Committee:**

Name	Designation	Chairman/ Member
Mr. Malav A. Dani	Managing Director	Chairman
Mr. Ashwin R. Nagarwadia	Non-Executive Director	Member
Mr. Jayendra R. Shah	Independent Director	Member
Mr. Bomi P. Chinoy	Independent Director	Member

**3. Average net profit of the Company for last three financial years: ₹ 1611.76 lakhs.**

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 32.24 Lakhs.**

The Company was required to spend ₹ 51.04 lakhs (including previous year unspent amount) towards CSR.

**5. Details of CSR spent for the financial year:**

- Total amount spent in the Financial Year 2018-19: ₹ 51.58 lakhs.
- Amount unspent, if any: Nil



c. Manner in which the amount spent during the financial year is detailed below:

₹ In lakhs

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Eradicating Hunger and providing nutritional support to under privileged children	Mid-day meals at Orphanages	Chembur (Mumbai)	6.00	5.38	13.04	Through Sab Ka Mangal Ho Foundation
2	Promoting health care including preventive health care and sanitation	Eye-checkup camp at Chinchwad, Pune, Mumbai, Naroli and renovation of kitchen at Chembur Children home	Pune, Chembur (Mumbai) & Naroli, Silvassa	7.00	6.22	19.26	Through Sab Ka Mangal Ho Foundation
3	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yoga Teaching	Mumbai, Pune and Goa	30.00	28.42	47.68	Through Sab Ka Mangal Ho Foundation
4	Women Empowerment	Vocational training Women – Rural Community Development Center	Talasari - (Palghar, Maharashtra)	2.00	1.00	48.68	Through Sab Ka Mangal Ho Foundation
5	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance	Restoration and renovation of buildings of historical importance	Mumbai	8.00	7.66	7.66	Through Sab Ka Mangal Ho Foundation
6	Transferred to Sab Ka Mangal Ho Foundation for Hitech's ongoing CSR project	-	-	-	2.90	51.58	Through Sab Ka Mangal Ho Foundation
	<b>TOTAL</b>			<b>52.00</b>	<b>51.58</b>	<b>51.58</b>	

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company, is reproduced below:

We hereby affirm that the CSR Policy, as recommended by CSR Committee and approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR projects and activities in compliance with CSR objectives.

Place: Mumbai  
Date: 24<sup>th</sup> August, 2019

**Malav Dani**  
(DIN : 01184336)  
Managing Director & Chairman - CSR Committee

## ANNEXURE D TO DIRECTORS' REPORT

**Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:**

### A) Conservation of Energy:

The steps taken for conservation of energy:

Energy conservation is the top priority in the Company. In our new manufacturing facilities emphasis is placed on improving the efficiency of all services including energy conservation. We have examined the machinery requirement with respect to articles to be produced and optimized selections for least energy options with precision outputs. Our proximity to customer locations reduced the energy footprint in for transportation.

Factory buildings are designed considering maximum use of day light, cool air ventilation without electric devices and painted, keeping in view the reflection of sun rays from building roof and walls. Also, LED lights are installed in our factories which saves considerable amount of energy.

We are beginning to phase out hydraulic and phase in servo controlled and all electric machines that consume approximately 30-50% less electricity than conventional older machines. These selections will add economical productivity. Also, some older machines have been modified to use servo-controlled technology. In order to obtain consistent quality, new technology in machine and moulds has been implemented. New printing technology and machines being smaller in size, needs less energy. Increased automation at plant level will reduce human intervention, resulting into fixing the energy leakage.

Our mould designs are also being designed to increase productivity with reduced cycle time. We are experimenting with newer materials of construction to increase life of the mould and reducing its replacement and maintenance costs. This will cascade into better profitability in the long term.

#### Specific Energy Conservation measures are:

- a. Monitoring and analysis of energy consumption on daily basis;
- b. Replacement of old conventional moulding machines with new ones, which are always either servo controlled or fully electric;
- c. Modification of old conventional machines to make them better electrically controlled with solid state drives;
- d. Pre-fabricated housing are being used, saving production time;
- e. Purchase of better precision molding machines and design and fabricate high precision moulds that can improve quality;
- f. Traditional electrical installations have been replaced by LED versions;
- g. Training of all employees to increase productivity;
- h. Constant monitoring of machines to optimize productivity;
- i. Exploring the installation of solar panels to service our electricity needs;
- j. Share and implement best energy saving practices across manufacturing units.

### B) The steps taken by the Company for utilizing alternate sources of energy:

Your Company has invested in wind energy and is also considering use of solar power in suitable areas of operations.

#### Windmill

Your Company has installed Windmills in some of its plants as an alternative source of energy. Further, there are proposals for more investments into this area to facilitate the reduction in conventional energy usage and environmental benefits.

#### Solar energy

Your Company is evaluating the proposals for using alternative sources such as Solar Energy to supplement requirements of power at new manufacturing facilities being constructed at Mysuru and Vizag and other existing plants.

The abovementioned measures have resulted/ likely to result into reduction in energy usage, reduction in energy cost and environmental benefits in the vicinity.

### C) The Capital Investment on Energy Conservation equipment: NIL

## TECHNOLOGY ABSORPTION

### A) The efforts made by the Company towards technology absorption

Your Company has made concerted efforts to establish a strong performance in the field of R&D vis-à-vis product and process development. It has a dedicated Technology Centre at Pune / Sanaswadi that carries out design, product and process innovations and improvements. It has also received accreditation from the Department of Science and Technology, Government of India. The Centre in close co-operation with customers has been providing solutions for unique packaging designs which have enhanced the quality of the containers and have also helped in reducing the costs. The initiatives of the Centre include efficient usage of polymers in the product and reduction in production cycle time leading to savings in operating costs. Automated material handling systems are being installed. Aiming for zero defect dispatch will help facilitate customer satisfaction. This has helped the Company in sustaining and strengthening the competitive position it holds in rigid packaging business.

#### Specific areas in which R & D was carried out by the Company includes:

- a. Technical up-gradation in mould design; multi-cavity mould and insert moulding technology.
- b. Product and process development; container-lid design for interchangeability, processing and material recipe for better performance and to sustain climate and temperature changes.
- c. Raw material development, incorporation of different additives and fillers to raw material which overcame performance degradation due to change in weather over the span of 12 months.

**B) The Benefits derived like product improvement, cost reduction, product development or import substitution:**

- a. New specifications of material are being explored which will improve strength of containers and reduce cost;
- b. Reduction and better variance control in the weight of the containers;
- c. Enhancing life of the mould;
- d. Better utilization of manpower;
- e. Lower production cycle time which improved productivity; and
- f. Less molding rejections.

**C) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

Not applicable, as all developments were done indigenously in the last three years.

**D) Expenditure on R & D during the year is as follows:**

Particulars	₹ in Lakhs
(a) Capital	--
(b) Revenue	419.04
<b>Total</b>	<b>419.04</b>

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earned in terms of actual inflows during the year 2018-19 was ₹ 84.85 lakhs (equivalent value of various currencies).

Foreign exchange outgo in terms of actual outflows during the year 2018-19 was ₹ 327.75 lakhs (equivalent value of various currencies).

## ANNEXURE E TO DIRECTORS' REPORT

### DISCLOSURES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Required disclosures under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year-**

Sr. No.	Name	Designation	Total Remuneration (₹)	Ratio of remuneration of director to the Median remuneration
1	Mr. Ashwin S. Dani	Chairman	7,00,118	3.37
2	Mr. Jalaj A. Dani	Director	1,30,000	0.63
3	Mr. Malav A. Dani	Managing Director	51,61,400	24.85
4	Mr. Harish N. Motiwalla	Director	6,20,000	2.99
5	Mr. Ashwin R. Nagarwadia	Director	4,00,000	1.93
6	Mr. Rajnikant B. Desai	Director	35,000	0.17
7	Mr. Jayendra R. Shah	Director	4,60,000	2.21
8	Mr. Mehernosh A. Mehta	Whole Time Director	19,62,844	9.45
9	Mr. Bomi P. Chinoy	Director	4,30,000	2.07
10	Ms. Vaishali V. Sharma	Director	2,50,000	1.20

Notes:

- Mr. Rajnikant Desai, Independent Director has resigned from the office of Independent Director, with effect from 31<sup>st</sup> March 2019.
  - The aforesaid details are calculated on the basis of remuneration for the financial year 2018-19.
  - The remuneration to Directors includes sitting fees paid to them for the financial year 2018-19.
  - Median remuneration of all its employees is ₹ 2,07,673/- for the financial year 2018-19.
2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

(Amount in ₹)

Sr. No.	Name	Designation	2018-19	2017-18	Increase %
1	Mr. Ashwin S. Dani	Chairman	7,00,118	7,71,111	(9.21)
2	Mr. Jalaj A. Dani	Director	1,30,000	55,000	136.36
3	Mr. Malav A. Dani	Managing Director	51,61,400	51,61,400	--
4	Mr. Harish N. Motiwalla	Director	6,20,000	6,80,000	(8.82)
5	Mr. Ashwin R. Nagarwadia	Director	4,00,000	3,10,000	29.03
6	Mr. Rajnikant B. Desai	Director	35,000	60,000	(41.67)
7	Mr. Jayendra R. Shah	Director	4,60,000	4,80,000	(4.17)
8	Mr. Mehernosh A. Mehta	Whole Time Director	19,62,844	20,59,844	(4.71)
9	Mr. Bomi P. Chinoy	Director	4,30,000	4,55,000	(5.49)
10	Ms. Vaishali V. Sharma	Director	2,50,000	1,45,000	72.41
11	Mr. Bharat Gosalia*	Chief Financial Officer	41,30,748	41,30,748	--
12	Mrs. Namita Tiwari	Company Secretary	15,26,412	12,76,980	19.53

\* Retired after completion of tenure w.e.f. 2<sup>nd</sup> July, 2019.

- The percentage increase/(decrease) in the median remuneration of employees in the financial year: (3.85)%**
- The number of permanent employees on the rolls of Company:**

Executive & Staff	379
Workers	330
<b>Total</b>	<b>709</b>



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

(Amount in ₹)

	2018-19	2017-18	Increase (%)
Average salary of all employees (Other than Key Managerial Personnel)	3,72,644	3,41,498	9.12
Key Managerial Personnel			
- Salary of Managing Director	51,61,400	51,61,400	--
- Salary of Whole Time Director	19,62,844	20,59,844	(4.71)
- Salary of Chief Financial Officer	41,30,748	41,30,748	--
- Salary of Company Secretary	15,26,412	12,76,980	19.53

The increase in remuneration of employees other than the Key Managerial Personnel is considerably in line with the increase in remuneration of Key Managerial Personnel.

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
7. Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, vide notification dated 30<sup>th</sup> June, 2016:

List of top ten employees of the Company in terms of remuneration drawn and employed throughout the financial year 2018-19.

Sr. No.	Name(s)	Designation(s)	Remuneration (Amount in ₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last Employment
1.	Malav A. Dani	Managing Director	51,61,400	B.S. in Business Management with concentration in Information Systems from Purdue University and MBA from Columbia University, USA	16	05-08-2016	44	Asian Paints Ltd.
2.	Bipin Shah	Chief Innovation Officer	46,45,881	Master of Chemical Engineering	51	01-01-2017	75	Asian Electronics Ltd.
3.	Bharat I. Gosalia*	Chief Financial Officer	41,30,748	FCA, B. Com.	38	03-07-2014	63	Aegis Logistics Ltd.
4.	Avan R. Chaina**	General Manager – Accounts Finance & Taxation	29,32,308	CA, CS, LLB	33	02-06-2014	57	Blue Star Ltd.
5.	Thevar Joseph Selvaraj	General Manager - Sales	28,72,514	MBA - Marketing	13	16-09-2016	37	Packaging India Pvt. Ltd.
6.	Rajan R. Takhtkar	General Manager	25,82,812	Diploma in Mechanical Engineering	36	06-07-2017	57	Precitek Component, Pune
7.	A N V Rayappa	General Manager	24,47,225	Diploma in Tool & Die Making	23	20-03-2018	46	Micro Plastics Pvt. Ltd.
8.	Mehernosh A. Mehta	Wholetime Director	19,62,844	Masters of Science, Degree in Electrical Engineering from Michigan Technological University U.S.A., B.E. in Electronics, Mumbai	26	02-01-2013	51	Sun-up Botanics Pvt. Ltd.
9.	Baskaran Panchavarnam Nadar	Chief Operating Officer	19,09,157	ACCET, B.E. (Hons.) Electronics	46	01-06-2016	68	ITOCHU International Inc.
10.	Kunal Shambharkar	Sr. Manager - Business Development	18,96,876	B.Tech, Post Graduation (Tool, Die & Mould Design)	11	18-12-2015	36	BM Refrigeration – Europe

\* Retired after completion of tenure w.e.f. 2<sup>nd</sup> July, 2019.

\*\*Designated as CFO w.e.f. 3<sup>rd</sup> July, 2019.

**Notes:**

- No employee is a relative of any Director or Manager of the Company.
  - All appointments are contractual and terminable by notice on either side.
  - Remuneration includes salary, bonus, commission, various allowances, contribution to provident fund and superannuation fund and taxable value of perquisites excluding provision for gratuity and leave encashment.
  - Company has not paid remuneration to any of the employee exceeding ₹ 1.2 Crore.
8. There is no employee in the Company, who has drawn remuneration exceeding more than One Crore and two lakhs per annum for the financial year 2018-19; and

There is no employee in the Company, who has drawn the remuneration exceeding Eight lakhs and Fifty thousand per month during the financial year 2018-19

**ANNEXURE F TO DIRECTORS' REPORT**
**Form AOC – 2**

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the requisite resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013.	

**2. Details of material contracts or arrangements or transactions at arm's length:**

(a)	Name(s) of the related party and nature of relationship	Asian Paints Ltd., (some Common Directors)
(b)	Nature of contracts/arrangements/transactions	Sale of packaging material
(c)	Duration of the contracts/arrangements/transactions	3 years starting from 1 <sup>st</sup> April, 2018 upto 31 <sup>st</sup> March, 2021.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of goods at prevailing prices
(e)	Date(s) of approval by the Board, if any	14 <sup>th</sup> May, 2018
(f)	Amount paid as advances, if any	Nil

**For and on Behalf of the Board of Directors**

Place: Mumbai  
Date: 24<sup>th</sup> August, 2019

**Ashwin S. Dani**  
Chairman  
(DIN: 00009126)

## MANAGEMENT DISCUSSION AND ANALYSIS

### PACKAGING SOLUTIONS FOR MULTIPLE SECTORS:

Hitech Corporation is a leading manufacturer of rigid plastic packaging solutions for a variety of customer segments across multiple geographies. These include customers from industries such as paints and coatings, personal care and healthcare, agriculture and lubricants. While it operates in a highly competitive space, its emphasis on quality and innovation remains paramount.

### OVERVIEW OF INDIAN ECONOMY:

Business operations remained difficult as India had a mixed year in terms of economic growth in 2018-19. It started the fiscal year with an optimistic 8.2% in the first quarter and then eased to 7.3% in the second quarter, owing largely to increased volatility, both geopolitical and financial. External factors such as changing monetary policy in advanced economies and trade disputes and sanctions in various proportions were likely the cause of the slowdown. Domestically, higher financing costs and reduced availability of credit lowered the growth forecast for the fiscal year 2018-19 to 7.2%. Additionally, a decline in growth of private consumption, minimal increase in fixed investment and dull export forecast may have contributed to the slowdown. Significantly higher crude prices adversely affected India's fiscal deficit and directly impacted the rupee, that started the year at a near minimum of 68.34 but ended the year at 71.19.

The short-term outlook however appears better, with forecasts at 7.3% for 2019-20. The direct cash transfer programme for farmers and the middle-class tax relief measures announced at the budget as well as government thrust on spending are expected to contribute a stimulus to the GDP growth. Structural reforms including land and labour laws will help accelerate infrastructure development, thereby easing bottlenecks. Elevated levels of regulation in public sector banks, supported by strengthening goods and services tax compliance and reducing subsidies, are likely to curtail public debt. New policies on resolving concerns over non-performing assets under a simplified insolvency and bankruptcy code may help strengthen the financial sector to provide impetus for investment and public consumption. Reforms to labour regulations will likely incentivize job creation, indirectly support the rural economy and continue to support domestic activity. Optimism around global economic growth will likely fuel Hitech's upward trajectory as well. The lesser focus on customer centricity, innovation and quality will bode well as it advances into serving newer customer segments with newer products in newer geographies.

### BUSINESS SEGMENTS:

Hitech is developing business models to serve expanded sectors and customers all across India.

### PAINT INDUSTRY:

Indian paints and coatings are an INR 50,000 Cr industry that is expected to grow to INR 70,000 Cr by 2022. Incentives from the government providing stimulus to both rural and urban housing as well as growing disposable income in younger Indians is likely to aid the decorative paints demand. Greater emphasis on innovation like odour free and dust & water-resistant paints will require specialized packing solutions. Hitech's newest plants in Mysore and Vizag will not only establish its firm presence in the south but also to equip it to emulate the growth of the paint industry's packaging demands.

### FMCG:

The Indian FMCG industry is expected to grow at approximately 28% by 2020. Modern trade is expected to grow at 20-25% and that is likely to boost FMCG revenues. The government's approval of 100% foreign direct investment in cash & carry and single brand retail and 51% in multi brand retail will also help. It will be complemented by the

Consumer Protection Bill that lays great emphasis on simple, speedy, accessible, affordable and timely delivery of justice to consumers. While FMCG's urban segment has provided steady revenue for several years, the government's initiatives are likely to help the rural segment contribute upwards of 15% to total revenue going forward. As FMCG companies focus on increasing awareness about quality products and invest in better distribution channels, Hitech, as a trusted packaging partner to many FMCG companies will be at the forefront of this growth.

### PERSONAL AND HEALTH CARE INDUSTRY:

The demand in personal and health care will likely exhibit an optimistic pace of growth and be broad based, that is, it will come from across various categories and across the diverse markets. Household and personal care accounts for approximately half of FMCG revenue owing mainly due to growing awareness, easier access and changing lifestyles of consumers. The share of the unorganized market will likely fall as brand consciousness and premiumization of certain categories among the newer consumers increases. This may lead to the introduction of different combinations of products at different prices, to cover as many market segments as possible. Lowered GST from 24% to 18% on high volume products is also expected to increase consumer spend. Hitech is therefore looking to leverage its strength in research and development to keep pace with the packaging demands.

### HOME CARE:

Home care is another growing sector in India. Cost competitiveness for in-home health services has been a major driver of the demand. The introduction of Ayushman Bharat, growing hospitalisation costs and a need for personalised medical attention have fuelled a rapid increase in India's home healthcare services sector. It is set to grow manifold in the coming years and thus translates into greater requirement of packaging solutions. Manufacturers prefer to offer their products by opting for packaging that not only specify useful information but also keep the products safe. The packaging market for this segment will continue to remain in high. Hitech's strategy is to expand its business partnerships to offer new products.

### AGRO CHEMICAL:

The Indian agrochemical industry is finally exhibiting signs of recovery, riding on the success of global chemical manufacturers, rising exports and greater concerns over pest infestation due to global warming. Indian companies are steadily expanding capacities after two consecutive weak monsoons and consistent increase in raw material prices. The abundance of cheap labour and low processing cost will help bring strong product lines quickly to market. The use of agrochemicals in India is 0.65 kg per hectare compared to 4.58 kg / hectare in developed economies. The surge in demand to fulfil the dietary demands of a growing population will likely provide the impetus to increase farm productivity using agro-chemicals. The industry is expected to double to INR 50,000 Cr by 2025. Hitech's proximity to the agricultural chemical manufacturing belt will enable it to better understand the needs of these customers and expand its packaging market share.

### CAPITAL EXPENDITURE & EXPANSION PLANS:

Hitech has grown organically and through acquisition in the last several years. Driven by its promise of customer centricity, its plants are located close to customers' locations to understand their needs. The Mysore unit started production in September 2018 and Vizag plant came online in August 2019. Southern India shows great opportunity in the majority of Hitech's core customer segments and the new plants, along with the expanded Sriperumbudur facility, will help solidify Hitech's position in this geography.

## OPPORTUNITIES, RISKS AND THREATS:

Hitech's simple three-fold strategy to expand current products in new customer segments, develop new products for existing customer segments and create new products for new customer segments has served it well. Having 14 manufacturing facilities across the country has allowed it to take direct advantage of opportunities in varied customer segments and geographies.

General economic deceleration, that impacts Hitech's customer segments, and fluctuating polymer prices pose the most direct risks to Hitech. In order to mitigate risks from economic slowdown, Hitech continuously works to minimize its costs. It has consolidated its facilities within two major regions to increase synergies and combine efficiencies. It also works with its customers to contractually pass on the effects of polymer prices in order to minimize adverse effects on operating profits.

Structural changes in monetary policy and industrial regulation have an indirect impact on Hitech as customers pursue short- and long-term changes to their strategies to cope with the same. Increased crude oil prices have direct effects on profitability. Hitech works closely with its customers to stay ahead of the effects of such changes. It also restricts imports and covers foreign exchange rates to minimize any adverse financial implications it may have.

## HUMAN RESOURCES & INDUSTRIAL RELATIONS:

Hitech continues to attract and retain necessary talent at all its facilities. Its commitment to the holistic development of its employees extends not only to engaging and developing them on a professional level but also encouraging personal development. These are through meditation, interactive workshops, multi faith prayers every morning and great emphasis on preventive healthcare through yoga.

## ENVIRONMENT, HEALTH AND SAFETY ("EHS"):

Hitech's EHS policy requires compliance to statutory EHS requirements as the minimum performance standard. It is committed to adopt stricter standards, wherever possible. Health and safety of employees is always given priority. Hitech arranges employee training programs that enable workers to perform as per prescribed procedures designed to meet all EHS requirements.

## INFORMATION TECHNOLOGY:

The Company is increasing its focus on digitisation and automation. During the year, Hitech has worked on creating a dashboard for simplifying the operational controls and management at all its plants. This facilitates transparency of data and results in higher operating efficiencies.

## RESEARCH & DEVELOPMENT:

Hitech's Research and Development Centre, accredited by the Department of Scientific and Industrial Research (DSIR) of the Government of India, was moved to Sanaswadi in the last quarter. The new facility is large enough to support the firms' ambitions to invest in better machining technology as well as proximate enough to facilitate faster trial and testing time. Mould design and development remains at the forefront of Hitech's technological enterprise, but other innovations, ranging from low cost automation to process improvement complement its holistic approach towards providing customer delight.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Hitech has an adequate internal control mechanism based on an integrated cloud-based ERP system and has aligned its current system of internal financial control with the requirement of The Companies Act, 2013. This system is commensurate with the nature of Hitech's business in addition to the size and complexity of its operations. The management assessed the effectiveness of the Company's internal control over financial reporting and the Statutory Auditors of the

Company have issued an attestation report on the internal control over financial reporting as required under section 143 of the Companies Act, 2013. The Audit Committee appoints internal auditors to audit and submit a summary of the internal audit report periodically. The Committee then discusses and reviews the findings with the internal auditors, statutory auditors as well as with senior management, including functional heads. Significant findings, along with management response and status of action plans, are also periodically shared with and reviewed by the Audit Committee. Evaluation of risk management system and process reviews are being further improved to increase profitability, efficiency and operational excellence.

## FINANCIAL PERFORMANCE:

Our financial results and performance for the year are elaborated in the Directors' Report.

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, key changes in financial indicators alongwith Key Financial Ratios are given below:

During the financial year 2018-19 :

- Operating revenue increased to ₹ 46,190.11 lakhs as against ₹ 39,768.79 lakhs in the previous year resulting to a growth of 16.15%.
- EBIDT increased to ₹ 5,205.87 lakhs as against ₹ 3,779.91 lakhs in the previous year resulting to increase of 37.72%.
- Profit after tax increased to ₹ 1,640.30 lakhs from ₹ 776.39 lakhs in the previous year resulting to a growth of 111.27%.

Ratios	FY 2018-19	FY 2017-18
Debtors Turnover Ratio*	7.04	4.90
Inventory Turnover Ratio(on Cost of Goods Sold)	7.38	6.76
Interest Coverage Ratio	2.61	1.86
Current Ratio	0.90	1.04
Debt Equity ratio <sup>§</sup>	0.86	0.77
Operating Margin Ratio**	9.85%	6.53%
Net Profit Margin**	3.53%	1.96%
Return on Net Worth (RONW)**	9.91%	5.19%

§ Equity includes Reserves and Preference Shares

\* Debtors Turnover Ratio increased due to improvement in debtors collection.

\*\*Operating Performance Ratios have improved due to increase in operating profit and Insurance claim recovery

## FORWARD LOOKING STATEMENTS:

This report contains forward looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about Hitech's strategy for growth, product development, market position, expenditures and financial results are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. Hitech cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. It assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on any subsequent developments, information or events.

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The philosophy of the Company in relation to corporate governance is to ensure transparency in all its operations, make disclosures, and enhance shareholder value without compromising in any way on compliance with the extant laws and regulations. Your Company continuously endeavors to review, strengthen and upgrade its systems and processes so as to provide timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance and firmly believes that business is built on ethical values and principles of transparency.

The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") are duly complied by the Company.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

### GOVERNANCE STRUCTURE

The Company's Governance structure comprises of Board of Directors and the various Committees of the Board at the apex level and the Management structure at the operational level. This structure brings about a judicious blend in governance as the Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these corporate objectives within a given framework. This brings a conducive environment for value creation through sustainable profitable growth.

The details of the Directors on the Board, their attendance at Board Meetings and AGM held during the year including number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on 31<sup>st</sup> March, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairmanship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Nature of Directorship	Relationship with each other	Date of joining the Board	Attendance		As on 31 <sup>st</sup> March, 2019			
				At the Board Meetings	At the last AGM	Directorships in other public companies	Membership and Chairmanship of the Committees of the Board of other public companies		No. of shares held in the Company along with % to the paid up share capital of the Company <sup>##</sup>
							Committee Member	Committee Chairman	
Mr. Ashwin S. Dani (DIN:00009126)	Non-Executive Chairman/Promoter	Father of Mr. Jalaj Dani and Mr. Malav Dani	13.01.1992	5	Yes	3	1	-	2,30,095 (1.34%)
Mr. Rajnikant B. Desai ** (DIN: 01824504)	Non-Executive/Independent/Non Resident	*	31.03.1994	1	No	-	-	-	Nil
Mr. Harish N. Motiwalla (DIN: 00029835)	Non-Executive/Independent	*	10.12.2004	5	Yes	8	2	4	Nil
Mr. Jalaj A. Dani (DIN: 00019080)	Non-Executive/Promoter	Son of Mr. Ashwin Dani, Brother of Mr. Malav Dani	12.09.1994	3#	Yes	6	2	1	41,100 (0.24%)
Mr. Malav A. Dani (DIN:01184336)	Managing Director/Promoter	Son of Mr. Ashwin Dani, Brother of Mr. Jalaj Dani	01.02.2008	5	Yes	2	-	-	54,000 (0.34%)

### BOARD OF DIRECTORS

#### Composition:

The composition of the Board is in conformity with the Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 ("the Act"). The Company has a Non-Executive Chairman (Promoter) and an optimum representation of Independent Directors on the Board.

None of the Directors on the Board hold directorships in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven listed entities. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2019 have been made by the Directors.

The composition of the Board of Directors of the Company as on 31<sup>st</sup> March, 2019 is as follows:

Category	No. of Directors
Non-Executive/Independent Directors	5*
Non-Executive/Promoter Directors	2
Non-Executive/Non Independent/ Non-Promoter Director	1
Executive/Promoter Director (MD)	1
Executive Director (WTD)	1
<b>Total</b>	<b>10</b>

\*One of the Independent Director resigned with effect from the close of business hours of 31<sup>st</sup> March, 2019.



Name of the Director	Nature of Directorship	Relationship with each other	Date of joining the Board	Attendance		As on 31 <sup>st</sup> March, 2019			
				At the Board Meetings	At the last AGM	Directorships in other public companies	Membership and Chairmanship of the Committees of the Board of other public companies		No. of shares held in the Company along with % to the paid up share capital of the Company <sup>##</sup>
							Committee Member	Committee Chairman	
Mr. Ashwin R. Nagarwadia (DIN:00466681)	Non-Executive/ Non Independent	*	31.01.2009	4#	No	3	-	1	5,000 (0.03%)
Mr. Jayendra R. Shah (DIN:00132613)	Non-Executive /Independent	*	14.11.2013	5	Yes	-	-	-	1,800 (0.01%)
Mr. Mehernosh A. Mehta (DIN:00372340)	Whole Time Director	*	17.03.2016	5	Yes	1	-	-	Nil
Mr. Bomi P. Chinoy (DIN:07519315)	Non-Executive /Independent	*	23.05.2016	5	Yes	-	-	-	Nil
Ms. Vaishali V. Sharma (DIN:07531200)	Non-Executive /Independent	*	10.06.2016	4	No	-	-	-	200 (0%)

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

\*\* Mr. Rajnikant B. Desai, ceased to be a Director with effect from the close of business hours of 31<sup>st</sup> March, 2019.

# One meeting held in December 2018 was attended through video conferencing.

## As per the declarations made to the Company by the Directors as to the shares held in their own name or held jointly as the first holder or held on beneficial basis as the first holder as at 31<sup>st</sup> March, 2019.

The Board, on request of the Director(s) had granted Leave of Absence to the Director(s) being unable to attend the respective Board Meeting(s) and Committee Meeting(s).

Pursuant to the Listing Regulations, as amended, given below are the details of the other listed entities where the Directors hold directorship, along with the category of Directorship held:

Name of the Director	Name of the Listed Company	Category of Directorship
Mr. Ashwin S. Dani (DIN:00009126)	Asian Paints Limited	Non-Executive Non-Independent Chairman
Mr. Harish N. Motiwala (DIN: 00029835)	Excel Industries Limited	Independent Director
	Balkrishna Paper Mills Limited	Independent Director
	Ashapura Minechem Limited	Independent Director
	Multibase India Limited	Non-Executive Independent Chairman
	Siyaram Silk Mills Limited*	Independent Director
Mr. Jalaj A. Dani (DIN: 00019080)	Orient Abrasives Limited	Independent Director
	Havells India Limited	Independent Director
Mr. Malav A. Dani (DIN:01184336)	HDFC Limited	Independent Director
	Asian Paints Limited	Non-Executive Non- Independent Director
Mr. Ashwin R. Nagarwadia (DIN:00466681)	Chembond Chemicals Limited	Non-Executive Non- Independent Director

\* Ceased to be a Director w.e.f. 1<sup>st</sup> August, 2019.

#### Board Diversity:

The Company believes that a diverse Board will enhance the quality of the decisions made by utilizing the different skills, qualification, professional experience, gender and professional knowledge of the Board, necessary for achieving sustainable and balanced development.

The Company has formulated a policy on Board Diversity and the Nomination and Remuneration Committee takes reference for the appointment of persons to the office of Director on the Board and deciding its composition. The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors including atleast one women Director. The Company also abides by the requirements of statutory/regulatory provisions regarding appointment of Independent Directors on the Board of the Company.

#### Board Meetings:

During the financial year ended 31<sup>st</sup> March, 2019, Five (5) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed one hundred and twenty (120) days. The dates on which the Board Meetings were held are as follows:

Date(s) on which the meeting(s) were held:	
14 <sup>th</sup> May, 2018	7 <sup>th</sup> December, 2018
8 <sup>th</sup> August, 2018	5 <sup>th</sup> February, 2019
12 <sup>th</sup> November, 2018	

#### Board Procedures:

The Board meets atleast once in a quarter to review the quarterly financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the business. The tentative annual calendar of Board Meetings for the ensuing year is decided well in advance by the Board and is published as part of the Annual Report. The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board Members may bring up any matter for consideration of the Board, in

consultation with the Chairman. The members of Senior Management of the Company make presentations to the Board of Directors giving details of the business strategy, performance, progress and other important developments within the organization on a periodical basis. The Minutes of the proceedings of the Board of Directors are noted and the draft minutes are circulated to the Members of the Board for their perusal. The important decisions taken at the Board/Committee Meetings are communicated to the concerned departments/divisions promptly.

The Board has complete access to any information within the Company including the information as specified in Part A of Schedule II read with Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Particulars of Directors seeking appointment and re-appointment:**

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director(s) seeking appointment and re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice convening the said AGM.

#### **Familiarisation Programme:**

Your Company has put in place a structured induction and familiarisation programme for all its Directors including the Independent Directors. The Company through such programme familiarizes not only the Independent Directors but any new appointee on the Board, with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. They are also informed about the important legislative changes and policies adopted by the Company including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading by Insiders, etc. The Managing Director, Chief Financial Officer, Business Heads and other Senior Officials of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, strategy, risks, new initiatives, etc.

The familiarisation programme for Independent Directors and the details of programme attended by them, in terms of provisions of Regulation 25 & 46 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 is also available on the website of the Company and can be accessed through the following web-: <https://www.hitechgroup.com/investor/#familiarization-programme>

#### **List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board :**

The Company's Board comprises of qualified members who bring in required skills, competence and expertise which allow them to make effective contribution to the Board and its Committees. The Board members are committed to ensure that the Company is in compliance with the standards of corporate governance.

The below summarizes the list of core skills/ expertise/ competencies identified by the Board of Directors for effectively conducting the business of the Company and are available with the Board.

- Industry knowledge
- Professional approach
- Financial Expertise
- Leadership acumen

#### **Independent Director:**

Independent Directors play an important role in the Governance Processes of the Board. They bring their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflicts of interest in the decision making process.

The appointment of the Independent Directors is carried out in a structured manner. The Nomination & Remuneration Committee identifies potential candidates based on certain laid down criteria.

The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. The Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 read with the Rules issued thereunder.

The definition of 'Independence' of Directors is derived from Regulation 16 of the Listing Regulations and Section 149(6) of the Companies Act, 2013. Based on confirmation / disclosures received from Directors and on evaluation of relationships disclosed, Mr. Rajnikant Desai, Mr. Harish Motiwala, Mr. Jayendra Shah, Mr. Bomi Chinoy, Ms. Vaishali Sharma and Mr. Aditya M. Sheth, Directors are Independent of the management in terms of the Provisions of Regulation 16 of the Listing Regulations and Section 149(6) of the Companies Act, 2013.

Mr. Rajnikant B. Desai, who was an Independent Director in the Company resigned with effect from the close of business hours on 31<sup>st</sup> March, 2019, due to old age and difficulties in travelling. He confirmed that there are no other material reasons other than those provided in his letter. All the necessary compliances consequent to his resignation has been duly completed by the Company.

#### **Meeting of Independent Directors:**

During the year under review, in accordance with the provisions of Schedule IV (Code of Independent Director) of the Companies Act, 2013 and Regulation 25 (3) and (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Independent Directors met on 5<sup>th</sup> February, 2019, without the attendance of Non-Independent Directors and members of the management, to discuss the following:

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

All Independent Directors of the Company were present at the said Meeting except Ms. Vaishali Sharma, who was granted leave of absence by the Independent Directors present at the meeting. They expressed satisfaction at the evaluation process, the Board's freedom to express views on the business transacted at the meetings and the openness with which the Management discussed various subject matters on the agenda of meetings.

### Evaluation of Board Effectiveness:

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Regulation 19(4) and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, based on the parameters/criteria formulated by the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees were carried out for the financial year ended 31st March, 2019. The evaluation of the Directors were based on various aspects and inter-alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

### COMMITTEES OF THE BOARD

The Board of Directors of your Company has constituted seven (7) Committees namely: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee (CSR), Allotment Committee, Committee of Directors and Risk Management Committee. The terms of reference of these Committee(s) detailing their scope of work are determined by the Board from time to time. The minutes of the meetings of the said Committees are placed before the Board of Directors for their information. The details as to the composition, terms of reference, number of meetings and related attendance etc., of these Committees are provided hereunder:

#### 1. AUDIT COMMITTEE:

The Board has constituted a well qualified Audit Committee. Majority Members of the Committee are Independent Directors including its Chairman. The Audit Committee has played an important role in ensuring the financial integrity of the Company.

The composition and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rules made there under and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Mr. Harish N. Motiwalla and Mr. Bomi P. Chinoy have accounting and related financial management expertise / exposure and other two Members Mr. Ashwin R. Nagarwadia and Mr. Jayendra R. Shah, as the Members are financially literate.

The Company Secretary of the Company acts as the Secretary to the Committee.

The Audit Committee invites the Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors to attend the Audit Committee Meeting(s). The Company Secretary of the Company acts as Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed at the next meeting of the Board.

The details as to the date(s) on which the meetings were held during the financial year ended 31<sup>st</sup> March, 2019 are as follows:

Date(s) on which the meeting(s) were held:	
14 <sup>th</sup> May, 2018	7 <sup>th</sup> December, 2018
8 <sup>th</sup> August, 2018	5 <sup>th</sup> February, 2019
12 <sup>th</sup> November, 2018	

Mr. Harish N. Motiwalla, the Chairman of the Committee, was present at the last Annual General Meeting held on 16<sup>th</sup> July, 2018 to answer the shareholders queries.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31<sup>st</sup> March, 2019 are detailed below:

Name	Category	Chairman/ Member	Meeting Details	
			Held	Attended
Mr. Harish N. Motiwalla	Non-Executive/ Independent	Chairman	5	5
Mr. Ashwin R. Nagarwadia	Non-Executive/ Non-Independent	Member	5	4
Mr. Jayendra R. Shah	Non-Executive/ Independent	Member	5	5
Mr. Bomi P. Chinoy	Non-Executive/ Independent	Member	5	5

The role of the Audit Committee, inter-alia includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the quarterly, half-yearly, nine monthly and annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Modified opinion(s) in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of the Company's internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company;
13. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern relating to the Company;
14. Looking into the reasons for substantial defaults (if any), in payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there on;
17. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
19. To review the functioning of the Whistle Blower mechanism;
20. Reviewing the Management Discussion and Analysis for the financial condition and results of operation;
21. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
22. Review compliance with provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and verify that, systems for internal control are adequate and operating effectively; and
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall also mandatorily review the following information:

- 1) Management discussion and analysis of financial condition and results of operations;
- 2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) Management letters / letters of internal control weaknesses issued by the statutory auditors;

- 4) Internal audit reports relating to internal control weaknesses;
- 5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

## 2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee determines the composition of the Board according to the needs and requirements of the Company and applicable Act and/or regulations from time to time and determines the overall compensation for Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

The composition of the Nomination and Remuneration Committee and its terms of reference are in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

### The terms of reference of the Committee includes:

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel, members of senior management and other employees;
2. Devising a policy on Board diversity;
3. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
4. Specify methodology for effective evaluation of performance of Board/Committees/Directors either by Board, NRC or an independent external agency and to review implementation of evaluation system;
5. Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/ Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
6. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company;
7. Recommend to the Board all remuneration, in whatever form, payable to senior management; and
8. Any other matter as the Board may decide from time to time.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31<sup>st</sup> March, 2019 is detailed below:



Date(s) on which the meeting(s) were held :	
14 <sup>th</sup> May, 2018	5 <sup>th</sup> February, 2019
12 <sup>th</sup> November, 2018	

Name	Category	Chairman/ Member	Meeting Details	
			Held	Attended
Mr. Harish N. Motiwalla	Non-Executive/ Independent	Chairman	3	3
Mr. Ashwin R. Nagarwadia	Non-Executive/ Non-Independent	Member	3	3
Mr. Ashwin S. Dani	Non-Executive/ Promoter	Member	3	3
Mr. Jayendra R. Shah	Non-Executive / Independent	Member	3	3

The Company Secretary of the Company acts as the Secretary to the Committee.

The Chairman of Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on 16<sup>th</sup> July, 2018.

#### Performance Evaluation:

The criteria for evaluation of the performance of Directors has been devised on parameters like competency of Directors, their experience, their level of participation, understanding of the roles and responsibilities of Directors, etc.

The performance of the Independent Directors was also evaluated taking into account the qualifications and experience of Independent Directors, their knowledge, fulfilment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and independent views and judgement.

#### Nomination and Remuneration Policy:

The Company's remuneration policy aims to attract and retain talent and is in accordance with the industry practices. The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance earmarked objectives.

Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance pay. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by them, their individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and the individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.

The Policy is available on the website of the Company and can be accessed through the following web-link: <https://www.hitechgroup.com/investor/#policies>

**Details of the remuneration paid/payable to the Directors of the Company are as follows:**

#### Managing Director / Whole Time Director:

On the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Shareholders of the Company at the 25<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2016 approved the re-appointment of Mr. Malav A. Dani as the Managing Director of the Company and appointment of Mr. Mehernosh A. Mehta as Whole Time Director for a period of five (5) years commencing from 5<sup>th</sup> August, 2016 and 17<sup>th</sup> March, 2016 respectively.

The terms and conditions of their appointment including remuneration payable is in accordance with the provisions of Sections 197, 198 and Schedule V and other provisions of the Companies Act, 2013. The details of the remuneration paid to the Managing Director and Whole Time Director are given in the table following this page containing details of remuneration paid to Directors.

#### Advisor:

Mr. Ashwin S. Dani, Chairman was appointed as an advisor to the Company at the Annual General Meeting held on 26<sup>th</sup> September, 2009 and is entitled to the following benefits:

- (i) A chauffeur driven car for office as well as for personal purposes;
- (ii) Telephone facilities at home and office;
- (iii) Reimbursement of travelling expenses on Company's work in India and foreign countries;
- (iv) Reimbursement of such other expenses incurred on behalf of the Company.

The amount of expenses reimbursed and value of perquisites for the financial year 2018-19 was ₹ 4.90 lakhs.

#### Non-Executive Directors:

The Non-Executive/Independent Directors of the Company play a crucial role for ensuring the quality of corporate governance in the Company. They constitute a necessary component of a balanced Board structure where the in-depth knowledge of the executive directors is blended with the wider experience, unbiased opinions and knowledge of the Independent Directors. The contribution of the Non-Executive Directors is rewarded by paying commission on the basis of their performance and their commitment towards attending the meetings of the Board and Committees.

The commission paid to the Non-Executive Directors of the Company is within the limits set under Section 197 of the Companies Act, 2013 and the limits approved by the Shareholders via Postal ballot on 22<sup>nd</sup> December, 2018. The commission payable to Non-Executive Directors is distributed broadly on the basis of their attendance and contributions at the Board/Committee Meetings and Chairmanships of the Board.

Apart from commission, the Non-Executive Directors are also paid sitting fees for attending the Meetings of the Board/ Committees. The Company has not granted any Stock Options to any of its Directors.

Details of Remuneration paid to the Directors of the Company for the financial year ended 31<sup>st</sup> March, 2019 are as follows:

(Figures in ₹)

Name of the Director	Salary	Perquisites @	Sitting Fees	Performance Linked Bonus	Commission	Total
Ashwin S. Dani	-	4,90,118	1,55,000	-	55,000	7,00,118
Rajnikant B. Desai	-	-	35,000	-	-	35,000
Harish N. Motiwalla	-	-	2,90,000	-	3,30,000	6,20,000
Jalaj A. Dani	-	-	75,000	-	55,000	1,30,000
Malav A. Dani*	41,61,400	-	-	10,00,000	-	51,61,400
Ashwin R. Nagarwadia	-	-	2,50,000	-	1,50,000	4,00,000
Jayendra R. Shah	-	-	3,10,000	-	1,50,000	4,60,000



Name of the Director	Salary	Perquisites @	Sitting Fees	Performance Linked Bonus	Commission	Total
Mehemosh A. Mehta*	18,11,556	-	-	1,51,288	-	19,62,844
Bomi P. Chinoy	-	-	2,80,000	-	1,50,000	4,30,000
Vaishali V. Sharma	-	-	1,00,000	-	1,50,000	2,50,000

@ Perquisites include medical and leave travel allowance etc. as well as monetary value of perquisites as per Income Tax Rules.

\* As per contract with the Company.

\$ Agreements have been entered with the Managing Director and Whole Time Director. As per the agreement three months notice period is required and there is no severance fees payable.

The details of the remuneration paid to the Key Managerial Personnel appointed by the Company in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 read with relevant rules made thereunder, is set out in the Board's Report forming part of this Annual Report.

#### Directors with materially significant, pecuniary or business relationship with the Company:

There is no pecuniary or business relationship between the Non-Executive Directors and the Company, except for the sitting fees commission payable to them annually in accordance with the applicable laws and with the approval of the shareholders.

### 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of three (3) Members, viz, Mr. Ashwin S. Dani, as Chairman, Mr. Malav A. Dani and Mr. Ashwin R. Nagarwadia as Members.

During the year Ms. Vaishali V. Sharma, Independent Director was appointed as an additional member of the Committee. As on 31<sup>st</sup> March, 2019, the Committee consists of Mr. Ashwin S. Dani, Mr. Malav A. Dani, Mr. Ashwin R. Nagarwadia and Ms. Vaishali V. Sharma as Members.

The constitution of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31<sup>st</sup> March, 2019 is detailed below:

Date(s) on which the Meeting(s) were held :	
11 <sup>th</sup> April, 2018	20 <sup>th</sup> August, 2018
14 <sup>th</sup> May, 2018	29 <sup>th</sup> August, 2018
22 <sup>nd</sup> May, 2018	16 <sup>th</sup> October, 2018
8 <sup>th</sup> June, 2018	21 <sup>st</sup> January, 2019
27 <sup>th</sup> July, 2018	28 <sup>th</sup> January, 2019
8 <sup>th</sup> August, 2018	8 <sup>th</sup> March, 2019

Name	Category	Chairman/Member	Meeting Details	
			Held	Attended
Mr. Ashwin S. Dani	Non-Executive/Promoter	Chairman	12	12
Mr. Malav A. Dani	Executive/Promoter	Member	12	10
Mr. Ashwin R. Nagarwadia	Non-Executive/Non-Independent	Member	12	6
Ms. Vaishali V. Sharma*	Non-Executive/Independent	Member	12	3

\* Ms. Vaishali Sharma was appointed as a Committee Member with effect from 12<sup>th</sup> November, 2018.

Mrs. Namita Tiwari, Company Secretary, acts as Secretary and Compliance Officer of the Company in terms of the requirements under the Listing Regulations issued by SEBI.

The terms of reference of the Stakeholders Relationship Committee includes:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Approval for share transfer, transmission, transposition, sub-division, split-up, consolidation, issue of duplicate share certificates and to do all such related matters as may be necessary in accordance with the Company's Articles of Association;
- Power to delegate approval of share transfer, transmission, transposition, sub-division, split-up and consolidation to an officer or a committee or to the registrar and share transfer agents to expedite the process;
- Power to affix the Common Seal of the Company on Share Certificates;
- To approve the register of members as on the record date(s) and/or book closure dates for receiving dividends and other corporate benefits;
- To review correspondence with the shareholders and take appropriate decisions in that regard;
- To recommend measures for overall improvement in the quality of services to investors;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- Any other matter as may be delegated by the Board from time to time.

Details pertaining to the number of complaints received and resolved and the status thereof during the financial year ended 31<sup>st</sup> March, 2019 are as follows:

Nature of Complaints	Received during the year	Resolved during the year	Pending at the end of the year
Non receipt of dividend warrants	3	3	-
Non receipt of duplicate share certificate	2	2	-
Non receipt of annual report	1	1	-
Total	6	6	-

#### 4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the Corporate Social Responsibility (CSR) Committee is in line with provisions of Section 135 of the Companies Act, 2013 and rules made thereunder. The Committee met twice during the financial year ended 31<sup>st</sup> March, 2019, i.e. on 14<sup>th</sup> May, 2018 and 5<sup>th</sup> February, 2019. The constitution of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31<sup>st</sup> March, 2019 is detailed below:

Name	Category	Chairman/ Member	Meeting Details	
			Held	Attended
Mr. Malav A. Dani	Managing Director / Promoter	Chairman	2	2
Mr. Ashwin R. Nagarwadia	Non-Executive/ Non- Independent	Member	2	2
Mr. Jayendra R. Shah	Non-Executive/ Independent	Member	2	2
Mr. Bomi P. Chinoy	Non-Executive/ Independent	Member	2	2

Mrs. Namita Tiwari, Company Secretary, acts as Secretary to the Committee.

The CSR Committee is empowered pursuant to its terms of reference, inter-alia:

1. To formulate and recommend to the Board, a CSR policy indicating activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013 and rules made thereunder;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
3. To monitor the implementation of the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The details of the CSR initiatives of the Company form part as Annexure to Board's Report. The CSR Policy has been placed on the website of the Company and can be accessed through the following link: <http://www.hitechgroup.com/investor/#policies>.

#### 5. ALLOTMENT COMMITTEE

The Allotment Committee consists of the following Members viz. Mr. Ashwin S. Dani, Mr. Harish N. Motiwalla and Mr. Ashwin R. Nagarwadia.

The Committee is empowered pursuant to its terms of reference, inter-alia:

1. To issue and allot Securities of the Company as and when considered for allotment, subject to the applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company;
2. To affix the Common Seal of the Company on such documents which are required for the Allotment of shares in the presence of any one member who shall sign the same in token thereof and Chief Financial Officer or Company Secretary of the Company who shall countersign the same in token thereof;

3. To invite any other officers of the Company to attend the meetings of the Allotment Committee as invitee, as and when required;
4. To finalise, approve and authorise the execution of all agreements, deeds, documents such as the listing agreement, including any changes, supplements, corrigenda, amendments, modifications, addendums thereto, in connection with the issue, allotment and listing of the new shares and warrants;
5. To seek the listing of the Shares / Securities of the Company on the stock exchange(s) where the equity shares of the Company are listed, to submit the necessary applications to such stock exchange(s) and take all actions that may be necessary in connection with obtaining such listing;
6. To approve and authorise filing applications for approvals or registration required from statutory and/or regulatory authorities and to appropriately adopt, enforce or execute any conditions that may be imposed by such statutory and/or regulatory authorities in connection with the issue, allotment and/or listing of the New Shares and Warrants;
7. To take decisions on and resolving all such questions, difficulties on all matters in relation to the allotment, issuing explanations and clarifications to relevant statutory and/or regulatory authorities, the stock exchanges, etc. in connection with any matter relating to the allotment; and
8. To exercise all such powers as it may deem necessary in relation to issue, allotment and listing of the New Shares and Warrants.

During the year, no meeting of the Allotment Committee was held.

#### 6. COMMITTEE OF DIRECTORS

The Board of Directors of the Company had constituted Committee of Directors consisting of Mr. Ashwin S. Dani as the Chairman, Mr. Jalaj A. Dani and Mr. Malav A. Dani as the members for matters relating to day to day operations of the Company.

During the year, no meeting of the Committee of Directors was held.

The Committee of Directors was dissolved by the Board on 13<sup>th</sup> May, 2019.

#### 7. RISK MANAGEMENT COMMITTEE

Although the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the constitution of Risk Management Committee is not applicable to the Company, the Board of Directors of the Company has constituted Risk Management Committee voluntarily to safeguard the interest of the Company. The Committee consists of Mr. Ashwin R. Nagarwadia, Non-Executive Director; Mr. Mehernosh Mehta, Executive Director; Mr. Baskaran Nadar, Chief Operating Officer; Mr. Bipin Shah, Chief Innovation Officer and Mr. Bharat I. Gosalia, Chief Financial Officer as the members.

Mrs. Namita Tiwari, Company Secretary, acts as Secretary to the Committee.

The terms of reference of the said committee is as per the Risk Management Policy of the Company as framed and approved by the Board which are as listed below.

**The terms of reference of the Committee include the following:**

1. Putting in place Risk Management Frameworks and Processes;
2. Entering into foreign exchange transactions such as interest rate swaps, currency swaps, forward contracts and other derivative

transactions with the banks in respect of Company's present and future exposure to foreign exchange and/or interest rate fluctuations;

3. To maintain adequate Internal Financial Control Systems over financial reporting and to formulate criteria on the internal controls over financial reporting;
4. Identifying risks and promoting a pro-active approach to treating such risks;
5. Allocating adequate resources to mitigate and manage risks and minimise their adverse impact on outcomes;
6. Optimising risk situations to manage adverse exposure on deliverables and bring them in line with acceptable Risk Appetite of the company;
7. Striving towards strengthening the Risk Management System through continuous learning and improvement;
8. Providing clear and strong basis for informed decision making at all levels of the organisation on an ongoing basis, having duly evaluated like risks and their mitigation plan being controllable and within risk appetite;
9. Delineating Business Continuity Processes and Disaster Management Plans, for unforeseen exigencies and keeping the organisation constituents, prepared to appropriately and adequately deal with such circumstances, under eventuality of such happenings;
10. Complying with all relevant laws and regulations across its areas of operation; and
11. Communicating this policy to the required stakeholders through suitable means and periodically reviewing its relevance in a continuously changing business environment.

#### Related Party Transactions:

Your Company has entered into various transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are in ordinary course of business and on arms' length basis. All the Related Party Transactions (RPTs) are undertaken in compliance with the provisions of Section 188 and Section 177 of Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs, Policy on materiality of Related Party Transactions, and Policy determining material subsidiary which is uploaded on the website of the Company and can be accessed through the following web-link: <http://www.hitechgroup.com/investor/#policies>

The Company has a robust process for RPTs and the transactions with Related Parties are referred to the Audit Committee for its approval at the scheduled quarterly meetings or as may be called upon from time to time along with all relevant and stipulated information of such transaction(s). During the financial year ended 31<sup>st</sup> March, 2019, the Company has entered into RPTs in the ordinary course of business and on arms' length basis; and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Policy of the Company on dealing with RPTs.

The details of the RPTs are set out in the Notes to Financial Statements forming part of this Annual Report. There were no material pecuniary relationships with any of the Director of the Company. The details of material RPTs have been provided in Form AOC-2 annexed to the Directors' Report.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

#### GENERAL BODY MEETINGS

The Venue and the time of the last three Annual General Meetings of the Company are as follows:

Year	Location	Meeting Date	Time	No. of Special Resolutions set out at the AGM	Subject Matter of Resolution
2017-18	Indian Merchants' Chamber, 4 <sup>th</sup> Floor, Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020	16 <sup>th</sup> July, 2018	11.30 a.m.	3	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Rajnikant B. Desai as an Independent Non-Executive Director.</li> <li>2. Re-appointment of Mr. Jayendra R. Shah as an Independent Non-Executive Director.</li> <li>3. Re-appointment of Mr. Harish N. Motiwala as an Independent Non-Executive Director.</li> </ol>
2016-17	Indian Merchants' Chamber, 4 <sup>th</sup> Floor, Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020	2 <sup>nd</sup> August, 2017	11.30 a.m.	2	<ol style="list-style-type: none"> <li>1. Adoption of new set of Articles of Association of the Company.</li> <li>2. Approval for keeping of registers and index of members, returns, etc. at the new office of Registrar and Share Transfer Agent.</li> </ol>
2015-16	Indian Merchants' Chamber, 2 <sup>nd</sup> Floor, Kilachand Conference Room, IMC Building, Churchgate, Mumbai – 400 020	23 <sup>rd</sup> September, 2016	11.30 a.m.	Nil	NA

All the Special Resolutions set out in the notices for the AGM were passed by the shareholders with requisite majority.

#### POSTAL BALLOT

**Resolutions put through Postal Ballot during the period and details of voting pattern:**

During the financial year under review, Special Resolutions were passed on 22<sup>nd</sup> December, 2018 through postal ballot for the following matters:

1. Approval for continuation of Directorship of Mr. Ashwin Dani, Mr. Ashwin Nagarwadia, Mr. Bomi Chinoy and Mr. Jayendra Shah, Non-Executive Directors, who have attained the age of seventy five years.
2. Approval for payment of remuneration to the Non-Executive Directors.

Ms. Ami Thakkar of M/s. Ami Thakkar & Associates, Company Secretaries in whole-time practice was appointed as the Scrutinizer by the Board to conduct the Postal Ballot process. The following result of the postal ballot (physical as well as e-voting) was declared. The following Resolutions were passed with the requisite majority.

Particulars (Postal Ballot including e-voting)	1. Special Resolution for approval for continuation of Directorship of Mr. Ashwin Dani as Non-Executive Director.		
	No. of members voting	No. of shares	Percent
Total Received	58	1,28,97,070	100.00
Less: Invalid	--	--	--
Valid			
- Assent	54	1,26,66,973	98.22
- Dissent	2	2	--
- Abstained	2	2,30,095	1.78

Particulars (Postal Ballot including e-voting)	2. Special Resolution for approval for continuation of Directorship of Mr. Ashwin Nagarwadia as Non-Executive Director.		
	No. of members voting	No. of shares	Percent
Total Received	58	1,28,97,070	100.00
Less: Invalid	--	--	--
Valid			
- Assent	55	1,28,92,068	99.96
- Dissent	2	2	--
- Abstained	1	5,000	0.04

Particulars (Postal Ballot including e-voting)	3. Special Resolution for approval for continuation of Directorship of Mr. Bomi Chinoy as Non-Executive Director.		
	No. of members voting	No. of shares	Percent
Total Received	58	1,28,97,070	100.00
Less: Invalid	--	--	--
Valid			
- Assent	56	1,28,97,068	100.00
- Dissent	2	2	--
- Abstained	--	--	--

Particulars (Postal Ballot including e-voting)	4. Special Resolution for approval for continuation of Directorship of Mr. Jayendra Shah as Non-Executive Director.		
	No. of members voting	No. of shares	Percent
Total Received	58	1,28,97,070	100.00
Less: Invalid	--	--	--
Valid			
- Assent	55	1,28,95,268	99.99
- Dissent	2	2	--
- Abstained	1	1,800	0.01

Particulars (Postal Ballot including e-voting)	5. Special Resolution for approval for payment of remuneration to the Non-Executive Directors.		
	No. of members voting	No. of shares	Percent
Total Received	58	1,28,97,070	100.00
Less: Invalid	--	--	--
Valid			
- Assent	50	1,26,19,003	97.84
- Dissent	3	72	--
- Abstained	5	2,77,995	2.16

### Procedure for Postal Ballot

In compliance with Section 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related rules and Listing Agreements, the Company provided electronic voting (e-voting) facility to its members. The Company engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing e-voting facility to its members. The members had the option to vote either by physical ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelope to its members whose names appeared on the register of members/ list of beneficiaries as on the cut-off date decided by the Board. The postal ballot notice was sent to members in electronic form to the e-mail addresses registered with the depository participants (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agent (in case of physical shareholding). The Company had also published a notice in the newspapers declaring the details of completion of dispatch and such other requirements as mandated under the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before the close of the business hours on the last date of the e-voting.

The scrutinizer submitted his report to the Chairman, after the completion of the scrutiny, and the consolidated results of the voting by postal ballot, were then announced by the Chairman/authorized officer. The results were displayed on the Company's website [www.hitechgroup.com](http://www.hitechgroup.com) and were also put on the notice board of the Company besides being communicated to the stock exchanges, depository and Registrar and Share Transfer Agent. The last date for the receipt of duly completed Postal Ballot forms or e-voting was the date on which the resolution was considered as passed.

There is no immediate proposal for passing any resolution through Postal Ballot.

### VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

Your Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers and shareholders in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee. In accordance with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company has adopted a Whistle Blower Policy with an objective to provide its employees and directors a mechanism whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication. The establishment of such mechanism is also disclosed in accordance with the Regulation 46(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the website of the Company.



In accordance with the Policy all Protected Disclosures may be addressed to the Vigilance and Ethics Officer i.e. the Chief Financial Officer of the Company. Protected Disclosures against the Vigilance Officer can be addressed to the Chairman of the Company and Protected Disclosure against the Chairman/CEO/Managing Director of the Company can be addressed to the Chairman of the Audit Committee.

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

No personnel were denied access to the Audit Committee of the Company.

## DISCLOSURES

### 1. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.

### 2. Details of non-compliance(s) by the Company:

The Company has complied with all the requirements of the Stock Exchange(s) and the Securities Exchange Board of India (SEBI) on matters related to Capital Markets or any other matter, as may be applicable to the Company from time to time. There were no penalties imposed or strictures passed against the Company by the Stock Exchange(s) or SEBI or any statutory authority in this regard during last 3 years.

### 3. Disclosure of Accounting Treatment:

The Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) is applicable to the Company with effect from 1<sup>st</sup> April 2017. The Company follows Indian Accounting Standards as applicable to the Company under the relevant provisions of the Companies Act, 2013 and Rules made thereunder. In preparation of financial statements, the Company has not adopted a treatment different from what is prescribed in Ind AS.

### 4. Details of compliance with mandatory and non-mandatory requirements as per Part C Regulation 10 (d) of Schedule V read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

#### Mandatory Requirements

Your Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Non-Mandatory Requirements

- The Non-Executive Chairman of the Company has been provided a Chairman's Office at the Registered Office of the Company.
- During the year under review, there is no audit qualification on the Company's financial statements. The Company ensures regime of unmodified audit opinion.

- The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.
- The Internal Auditors have direct access to the Audit Committee and they participate in the meetings of the Audit Committee of the Board and present their Internal Audit observations/reports to the Audit Committee.
- The Company has constituted a Risk Management Committee, the details of which has been provided elsewhere in the Report.

### 5. Subsidiary Companies:

The Company does not have any subsidiary.

### 6. Policy for prevention of Sexual Harassment of Women:

The Company values dignity of individuals and strives to provide a safe and respectable work environment for all its employees. The Company is committed to providing an environment which is free of discrimination, intimidation and abuse. Pursuant to requirements of 'Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013' and rules made thereunder, the Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace.

The details of complaints are stated hereunder:

- Number of complaints filed during the financial year : Nil
  - Number of complaints disposed of during the financial year : Nil
  - Number of complaints pending as on end of the financial year : Nil
- During the year there were no funds raised through preferential allotment or qualified institutions placement.
  - There were no such instances during the financial year 2018-2019 where Board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.
  - Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is ₹ 25.29 lakhs.
  - Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Nilesh Shah (CP No.2631), Partner of M/s Nilesh Shah & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 13<sup>th</sup> May, 2019.
  - In accordance with the provisions of Regulation 26(6) of the Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regards to compensation or profit sharing in connection with dealings in the securities of the Company.



## MEANS OF COMMUNICATION

### 1. Publication of Quarterly Financial Results:

Quarterly, Half-yearly, Nine-monthly and Annual Audited Financial Results of the Company are published in leading English and vernacular Marathi language newspaper viz., The Financial Express (all India editions) and Mumbai Lakshdeep (Mumbai edition).

### 2. Website:

The Company maintains a separate dedicated section viz. "Investors" for the information of shareholders and other stakeholders of the Company on the Company's website www.hitechgroup.com. Quarterly/ Half-yearly/ Nine-monthly/ Annual Financial Results, Annual Reports, status of unclaimed dividend, various applicable policies of the Company and other required details are available on the Company's website.

### 3. Stock Exchange:

Your Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Agreement(s) and other rules and regulations issued by SEBI.

### 4. NEAPS (NSE Electronic Application Processing System):

NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings, inter-alia, Shareholding Pattern, Corporate Governance Report, Corporate Announcements, amongst others are filed electronically through NEAPS.

### 5. BSE Corporate Compliance & Listing Centre:

BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter-alia, Shareholding Pattern, Corporate Governance Report, Corporate announcements, amongst others are filed electronically on the Listing Centre.

### 6. SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system.

### 7. Reminders to Investors:

Reminders to shareholders for claiming returned undelivered share certificates, unclaimed dividend and transfer of shares thereto, email registration, are regularly communicated and dispatched.

### 8. Institutional Investors:

There were no presentations made to institutional investors or to the analysts during the year under review.

### 9. Green Initiative:

Your Company encourages its shareholders to participate in the cause of Green Initiative by opting to receive communications from the Company in electronic form, by registering their e-mail addresses:

- in case the shares are held in electronic form (demat) with the Depository Participant.

- in case the shares are held in physical form with the Company or its Registrar & Transfer Agent, Link Intime India Pvt. Ltd.

Hitech Corporation Limited  
(Formerly Hitech Plast Limited)  
Regd. Add.: 201 Welspun House,  
Kamala City, Senapati Bapat Marg,  
Lower Parel (W),  
Mumbai - 400 013  
Tel. : 022 - 4001 6500  
Fax : 022 - 2495 5659  
Email: investor.help@hitechgroup.com

Link Intime India Private Limited  
Unit: Hitech Corporation Limited  
C-101, 247 Park,  
LBS Road, Vikhroli (West),  
Mumbai - 400 083  
Tel.: 022 - 4918 6000  
Fax: 022 - 4918 6060  
Email: rnt.helpdesk@linkintime.co.in

Shareholders, who still continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialised form. For any clarification, assistance or information, please contact the Company's Registrar and Transfer Agent, M/s. Link Intime India Private Limited at the above address. The Shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited ("NSDL") or Central Depository Services (India) Limited ("CDSL").

## GENERAL SHAREHOLDER INFORMATION

### 28<sup>th</sup> Annual General Meeting of the Company:

Day and Date	Monday, 30 <sup>th</sup> September, 2019
Venue	Indian Merchants' Chamber, 2 <sup>nd</sup> Floor, Kilachand Conference Room, IMC Building, Churchgate, Mumbai - 400 020
Time	10:30 a.m.

### Financial Calendar:

Financial year : 1<sup>st</sup> April to 31<sup>st</sup> March

For the year ended 31<sup>st</sup> March, 2019, quarterly financial results were announced on:

8 <sup>th</sup> August, 2018	First Quarter
12 <sup>th</sup> November, 2018	Second Quarter and Half Yearly
5 <sup>th</sup> February, 2019	Third Quarter and Nine Months
13 <sup>th</sup> May, 2019	Fourth Quarter and Annual

For the financial year ending on 31<sup>st</sup> March, 2020, quarterly financial results will be announced as per the tentative schedule mentioned below:

On or before 14 <sup>th</sup> August, 2019	First Quarter
On or before 15 <sup>th</sup> November, 2019	Second Quarter and Half Yearly
On or before 14 <sup>th</sup> February, 2020	Third Quarter and Nine Months
On or before 30 <sup>th</sup> May, 2020	Fourth Quarter and Annual

### Book Closure Date:

The dates of book closure are from Tuesday, 24<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019, both days inclusive.

### Dividend Payment Date:

A dividend of ₹ 0.90 (9%) per equity share was recommended by the Board of Directors at its Meeting held on 13<sup>th</sup> May, 2019 for the approval of the shareholders at the ensuing Annual General Meeting. If approved by the shareholders, the same will be credited/ dispatched on or after 3<sup>rd</sup> October, 2019.

- to those members whose names appear on the Company's Register of Members, after giving effect to all valid share transfers in physical form lodged on or before 23<sup>rd</sup> September, 2019.

- in respect of shares held in electronic form, to those members whose names appear in the statement of beneficial ownership furnished by NSDL and CDSL as at the closing hours of 23<sup>rd</sup> September, 2019.

The details of dividends declared and paid by the Company for the last five years are as belows:

Year	Equity Shares			Preference Shares		
	Percentage (%)	In ₹ per share (Face value of ₹ 10/- each)	Dividend Amount (₹ in lakhs)	Percentage (%)	In ₹ per share (Face value of ₹ 10/- each)	Dividend Amount (₹ in lakhs)
2013-2014	9	0.90	118.57	--	--	--
2014-2015	9	0.90	136.58	--	--	--
2015-2016	9	0.90	154.58	9	0.90	64.68
2016-2017	9	0.90	154.58	9	0.90	278.49
2017-2018	9	0.90	154.58	9	0.90	244.73

#### Listing on Stock Exchanges:

The Company's equity shares are listed on:

- BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai 400 001.

**Stock Code: 526217**

- The National Stock Exchange of India Limited (NSE)  
Exchange Plaza, 5th Floor, Plot No. C/1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.

**Stock Code: HITECHCORP**

**Corporate Identification Number (CIN): L28992MH1991PLC168235**

The Company has paid the listing fees to BSE and NSE and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 31<sup>st</sup> March, 2019.

The International Securities Identification Number (ISIN) allocated to the Company is INE120D01012.

#### Market Price Data:

The monthly high and low prices and volumes of your Company's shares at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31<sup>st</sup> March, 2019 are given as follows:

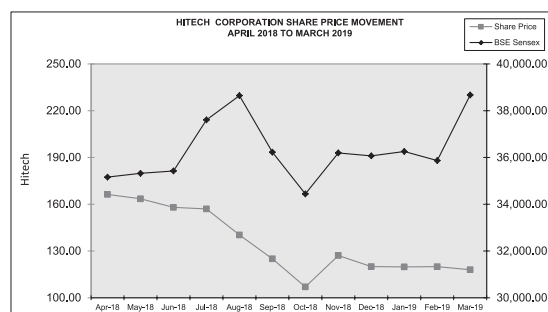
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
<b>2018</b>						
April	166.30	146.00	15376	167.85	144.10	93315
May	163.50	142.60	6628	159.70	142.20	99614
June	158.00	137.75	9191	160.05	140.05	111922
July	157.00	135.05	25785	156.00	136.10	52474
August	140.30	123.05	44741	141.00	122.05	92735
September	125.00	98.40	17795	125.95	99.50	82925
October	107.00	67.15	33264	101.95	67.50	207186
November	127.10	82.05	34826	127.00	80.15	256086
December	120.00	102.00	5567	115.75	101.40	34150
<b>2019</b>						
January	119.80	107.00	1644	121.60	104.25	30253
February	119.95	83.00	17613	119.75	86.00	169894
March	118.00	98.00	12051	112.50	94.05	55446

Source: BSE and NSE Website

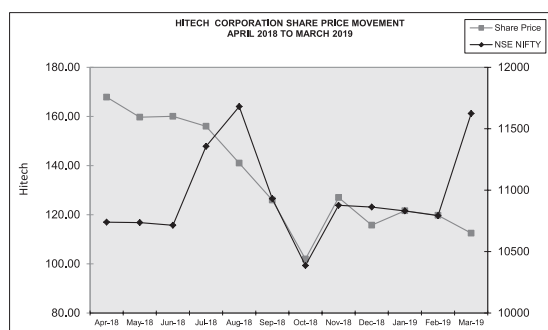
Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's Shares on BSE & NSE.

#### Performance in comparison to broad-based Indices

The chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2018-19 (based on month end closing).



The chart below shows the comparison of your Company's share price movement on NSE vis-à-vis the movement of NSE Nifty for the year 2018-19 (based on month end closing).



#### Share Transfer System:

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018, amended Regulation 40 of Listing Regulations pursuant to which from 1<sup>st</sup> April, 2019, onwards securities can be transferred only in dematerialised form. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities will facilitate convenience and ensure safety of transactions for investors.

Members holding shares in physical form are requested to convert their holding(s) to dematerialised form to eliminate all risks associated with physical shares.

SEBI vide Press Release dated 27<sup>th</sup> March, 2019, has clarified that the share transfer deed(s) once lodged prior to the deadline of 31<sup>st</sup> March, 2019 and returned due to deficiency in documents submitted, may be re-lodged for transfer.

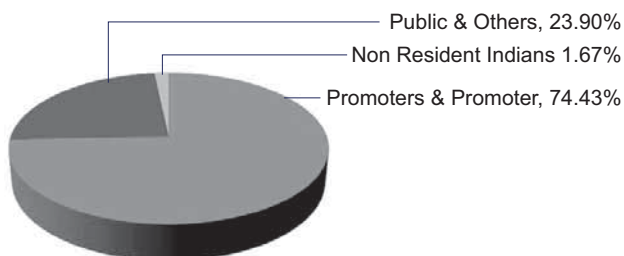
The Board of Directors of the Company have delegated the authority to approve the work of transfer of shares, transmission of shares or requests for deletion of name of the shareholders etc., as mentioned in Regulation 40(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Registrar and Share Transfer Agent of the Company. The same are noted and taken on record in the Meeting of Stakeholders Relationship Committee. The transactions in respect of issue of duplicate share certificates, re-materialisation and issue of new share certificates are approved by the Stakeholders Relationship Committee of the Company.

A summary of all the transfers, transmissions, deletion requests, etc., approved by the Stakeholders Relationship Committee is placed before the Board of Directors from time to time for their review. The Committee ordinarily meets as and when required. The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchanges in accordance with the Regulation 40(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Shareholding Pattern as on 31<sup>st</sup> March, 2019:

	Category of Shareholder(s)	Total No. of Equity Shares	Percentage of total no. of Equity shares
(A)	<b>Shareholding of Promoter and Promoter Group</b>		
(a)	Individuals/Hindu Undivided Family	4,77,185	2.78
(b)	Bodies Corporate	1,23,07,295	71.65
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>1,27,84,480</b>	<b>74.43</b>
(B)	<b>Public Shareholding</b>		
1)	<b>Institutions</b>		
(a)	Mutual Funds/UTI	1,100	0.01
(b)	Central Government / State Government(s)	94,663	0.55
(c)	Financial Institution / Banks	-	-
	<b>Sub-Total (B) (1)</b>	<b>95,763</b>	<b>0.56</b>
2)	<b>Non-Institutions</b>		
(a)	Bodies Corporate	4,16,165	2.42
(b)	Hindu Undivided Family	2,97,734	1.73
(c)	Individuals		
(i)	Individual shareholders holding nominal share capital up to ₹ 2 Lakhs	20,68,598	12.04
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	12,26,820	7.14
(d)	Individual (Non-Resident Individuals)	2,86,140	1.67
	<b>Sub-Total (B) (2)</b>	<b>42,95,457</b>	<b>25.01</b>
	<b>Total Public shareholding (B)=(B)(1)+(B)(2)</b>	<b>43,91,220</b>	<b>25.57</b>
	<b>Total (A) + (B)</b>	<b>1,71,75,700</b>	<b>100.00</b>

#### Category Wise Holding



#### Distribution of equity shareholding of the Company as on 31<sup>st</sup> March, 2019 is as follows:

No. of Equity Shares	Shareholders		Shareholding	
	Number	% to Total	Number	% to Total
Upto 500	5939	88.00	7,20,811	4.20
501 - 1000	345	5.11	2,77,952	1.62
1001 - 2000	168	2.49	2,61,034	1.52
2001 - 3000	70	1.04	1,80,637	1.05
3001 - 4000	43	0.64	1,53,945	0.90
4001 - 5000	53	0.78	2,53,663	1.48
5001 - 10000	56	0.83	4,09,983	2.39
10001 and above	75	1.11	1,49,17,675	86.84
<b>Total</b>	<b>6,749</b>	<b>100.00</b>	<b>1,71,75,700</b>	<b>100.00</b>

#### Distribution of preference shareholding of the Company as on 31<sup>st</sup> March, 2019 is as follows:

No. of Preference Shares	Shareholders		Shareholding	
	Number	% to Total	Number	% to Total
Upto 500	-	-	-	-
501 - 1000	-	-	-	-
1001 - 2000	-	-	-	-
2001 - 3000	-	-	-	-
3001 - 4000	-	-	-	-
4001 - 5000	-	-	-	-
5001 - 10000	-	-	-	-
10001 and above	2	100.00	2,23,57,159	100.00
<b>Total</b>	<b>2</b>	<b>100.00</b>	<b>2,23,57,159</b>	<b>100.00</b>

#### Details of the Company's dematerialised shares as on 31<sup>st</sup> March, 2019:

Type of shares	Number of shares	% to total shares	Number of shareholders	% to total shareholders
Equity Shares	1,68,18,629	97.92	5032	74.56
Preference Shares	2,23,57,159	100.00	2	100.00

#### Break up of equity shares in physical and demat form as on 31<sup>st</sup> March, 2019:

	No of shares	% of shares
Physical Segment	3,57,071	2.08
Demat Segment		
NSDL	1,55,78,089	90.70
CDSL	12,40,540	7.22
<b>Total</b>	<b>1,71,75,700</b>	<b>100.00</b>

#### Outstanding GDRs/ ADRs/Warrants/Convertible instruments and their impact on equity:

The Company is not having any outstanding GDRs/ ADRs/Warrants/ Convertible instruments as on 31<sup>st</sup> March, 2019.

#### Details of public funding obtained in the last three years:

Your Company has not obtained any public funding in the last three years.

**Other Information:****Dividends:**

The Company provides the facility of payment of dividend to the shareholders by directly crediting the dividend amount to the shareholder's Bank Account. Members are therefore urged to avail this facility to ensure safe and speedy credit of dividend(s) into their Bank account(s) through the Banks' Automated Clearing House ("ACH") and/or any other permitted mode for credit of dividend.

Members holding shares in physical form are requested to register and/or update their core banking details with the Company and those holding shares in electronic form shall register/update such details with their Depository Participants (DPs) to enable credit of the dividend to their bank accounts electronically through ACH and/or any other permitted mode for credit of dividend. Further, to prevent fraudulent encashment of dividend warrants, shareholders are requested to provide their bank account details (if not provided earlier) to the Company/its RTA (if shares held in physical form) or to DPs (if shares held in electronic form), as the case may be, for printing of the same on the dividend warrants.

Shareholders are requested to ensure that they claim the dividend(s) before transfer of the said amounts to the IEPF. Dividend warrants in respect of the dividend declared, have been dispatched to the shareholders at the addresses registered with the Company. Those shareholders who have not yet received the dividend warrants may please write to the Company's RTA for further information in this regard. Shareholders who have not encashed the warrants are requested to do so by getting them revalidated from the Registered Office of the Company or its RTA.

**DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the Depository Systems, viz. NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). Nearly 97.92% of total equity shares of the Company are held in dematerialised form with NSDL & CDSL.

**Reconciliation of Share Capital Audit:**

As stipulated by the Securities and Exchange Board of India (SEBI) a qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter-alia confirms that the total listed and paid up equity share capital of the Company is in agreement with the aggregate of the total number of equity shares in dematerialized form (held with NSDL and CDSL) and the total number of equity shares in physical form.

**Nomination facility:**

Pursuant to the provision of Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members holding shares in physical form and desirous of making a nomination are requested to send their requests to the Registrar and Transfer Agents of the Company. Members holding shares in electronic form are requested to give the nomination request to their respective Depository Participant directly. Nomination Form

as prescribed under the Companies Act, 2013 is available on the Company's website and can be downloaded from the following web-link <http://www.hitechgroup.com/investor/#quick-download>

**Disclosure of Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

The Company does not have any significant exposure to commodities price risk and foreign exchange risk directly.

**Transfer to the Investor Education and Protection Fund:**

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('the IEPF Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government after completion of seven years from the date of transfer to Unclaimed Dividend Account of the Company. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining transfer of the shares.

During the year under review, the Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more.

Accordingly, the Company has transferred the following unpaid or unclaimed dividends and corresponding shares thereto to IEPF during the financial year 2018-19:

Particulars	Amount of Dividend (in ₹)	No. of Equity Shares
Final Dividend for the Financial Year 2010-11	2,51,533	6700

Shareholders/ claimants whose shares, unclaimed dividend have been transferred to IEPF Demat Account of the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) from time to time. The Shareholders/ claimant can file only one consolidated claim in a financial year as per the Rules.

During the financial year 2019-20, the Company would be transferring unclaimed final dividend for the financial year ended 31<sup>st</sup> March, 2012 to IEPF on or before 9<sup>th</sup> September, 2019.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website, at link <http://www.hitechgroup.com/investor/#unclaimed-unpaid-dividend>

The shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed.

The contact details of Nodal Officer are provided on the website of the Company under the following web-link <http://www.hitechgroup.com/investor/#unclaimed-unpaid-dividend>

**Unclaimed dividend:**

In terms of Sections 205C of the Companies Act, 1956 and Section 125 of the Companies Act, 2013, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven



years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund ("IEPF"). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the IEPF.

Financial Year	Type	Unclaimed dividend amount as on 31.03.2019 (in ₹)	Due Date for transfer to IEPF
2011-2012	Final	2,84,536.00	09.09.2019
2012-2013	Final	3,29,068.00	13.10.2020
2013-2014	Final	1,81,944.90	12.10.2021
2014-2015	Final	2,00,053.10	28.01.2023
2015-2016	Final	3,73,856.40	22.10.2023
2016-2017	Final	3,93,903.00	01.09.2024
2017-2018	Final	2,84,713.20	14.08.2025

#### Unclaimed Shares:

As required under Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Registrar & Transfer Agent of the Company has sent reminders to the shareholders whose share certificates are lying unclaimed.

#### Disclosure in respect of unclaimed equity shares of the Company:-

Particulars	Number of Shareholders	Number of Equity Shares
<b>Opening Balance:</b> Aggregate number of shareholders and the unclaimed shares lying as on 1 <sup>st</sup> April, 2018.	1	100
<b>Less:</b> Number of shareholders who approached the Company for transfer of shares.	-	-
<b>Less:</b> Number of shareholders and aggregate number of shares transferred to the IEPF during the year.	-	-
<b>Closing Balance:</b> Aggregate number of shareholders and Unclaimed shares lying as on 31 <sup>st</sup> March, 2019.	1	100

#### History of IPO/Allotment of shares of the Company:

##### Build up of the Company's Equity share capital:

Type of Issue	Year of Issue	No of shares	Total Cumulative shares (No.)
Initial Public Offer (IPO)	1993	49,00,000	49,00,000
Preferential Allotment to Promoters	1994	5,00,000	54,00,000
Preferential Allotment to Promoters for Redemption of Preference Capital	2000	36,00,000	90,00,000
Issue of Shares pursuant to merger with Plastic Precision & Machine fabrik Limited	2004	28,96,995	1,18,96,995
Private allotment of Equity issue	2006	12,78,705	1,31,75,700
Preferential Allotment to Promoters	2014	20,00,000	1,51,75,700
Conversion of Convertible Warrants in to Equity shares, issued to some of the Promoters	2016	20,00,000	1,71,75,700
Total paid-up equity shares as on 31 <sup>st</sup> March, 2019			1,71,75,700

#### Registrar and Transfer Agents:

Link Intime India Private Limited is the Registrar & Transfer Agent of the Company.

Shareholders, beneficial owners and depository participants (DPs) are requested to send/deliver the documents/correspondences relating to the Company's securities and any grievances thereon. to Link Intime India Private Limited, the Registrar and Transfer Agent of the Company at the following address:

#### Link Intime India Private Limited

##### Unit: Hitech Corporation Limited

C-101, 247 Park,  
LBS Road, Vikhroli (West),  
Mumbai - 400 083  
Tel.: 022 4918 6000 Fax: 022 4918 6060  
E-mail: rnt.helpdesk@linkintime.co.in

Members are requested to quote their folio no., DP ID, Client ID, e-mail address, telephone number and full address for prompt reply to their communication.

#### Manufacturing Plant locations:

##### Sanaswadi :

Manufacturing and Technology Centre

Gut Nos. 939 & 940, Village : Sanaswadi Tal. Shirur, Dist. Pune, Maharashtra - 412 208.

##### Sri Perumbudur:

F-16/ SIPCOT Industrial Park, Kancheepuram, Sri Perumbudur, Tamil Nadu - 602 106.

##### Rohtak:

Plot No.2, Sector 30B, Industrial Model Township (IMT), Rohtak, Haryana - 124 001.

##### Khandala:

Gat No.272/7, Village: Dhawadwadi, Taluka: Khandala, Dist. Satara, Maharashtra - 412 802.

##### Naroli Unit I & II:

709/3/1/1, Vadfalia, Bhilad Naroli Road, Naroli, Silvassa - 396 235.

##### Sarigam:

4923 Plastic Zone Road No. 46A, Manda Village, GIDC Sarigam, Gujarat - 396 155.

##### PPMF:

4615/16 Plastic Zone Road, Manda Village, GIDC Sarigam, Gujarat - 396 155.

##### Baddi Unit I & II:

Khasra No. 544/151, Village Dhana, Tehsil Nalagrah, Dist. Solan, HP - 174 101.

##### Umbergaon:

A-1/912-913, G.I.D.C., Umbergaon, Dist. Valsad, Gujarat - 396 171.

##### Sitarganj:

Plot No. D-63, Phase -2, Eldeco Sidcul Industrial Park, Sitarganj, Uttarakhnad - 262 405.

##### Mysuru:

SY NO .478,485,486,487,488,489 & 508, Immavu Village, Chikkiahana Chatra, Nanjangud Taluk, Mysuru : 571302.

##### Vizag:

Plot No.5, IC Pudi, Rambili Mandal, Atchutapuram, Post, Visakhapatnam – 531011



**Address for correspondence:****Registered Office:**

HITECH CORPORATION LIMITED  
Unit No. 201, 2nd Floor, Welspun House,  
Kamala City, Senapati Bapat Marg,  
Lower Parel (W),  
Mumbai - 400 013  
E-mail : investor.help@hitechgroup.com

**CODE OF CONDUCT**

Your Company has adopted a Code of Conduct for all its employees including its Board Members and Senior Management Personnel of the Company in accordance with the requirements of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Conduct has been posted on the website of the Company in accordance with the requirement under Regulation 46 (2)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the requirement under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all the Board Members and the Senior Management Personnel have given affirmation of compliance with the said Code of Conduct for the financial year ended 31<sup>st</sup> March, 2019. The declaration to this effect signed by Mr. Malav A. Dani, Managing Director of the Company forms part of this report.

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS:**

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations). SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from 1<sup>st</sup> April, 2019.

In accordance with the said amendments to the SEBI Insider Trading Regulations, it was, inter-alia, required to amend/formulate the following:

- (a) Code of Conduct to Regulate, Monitor and Report trading by Designated Persons;
- (b) Formulate a Policy for determination of 'legitimate purposes' as a part of 'Code of Fair Disclosure and Conduct;

- (c) Policy for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI).

The Directors vide Circular Resolution approved the above amended policies on 30<sup>th</sup> March, 2019 and the same was ratified in the Board Meeting held on 13<sup>th</sup> May, 2019.

The declarations and disclosures from the designated persons are received at the registered office of the Company.

The Audit Committee reviews cases of non compliances, if any, and makes necessary recommendations w.r.t. action taken against such defaulters. The said non-compliances are promptly intimated to SEBI.

The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons, Code of Fair Disclosure & Conduct have been uploaded on website of the Company and can be accessed through the following link: <https://www.hitechgroup.com/investor/#policies>

**CEO/CFO Certification:**

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO Certificate for the financial year ended 31<sup>st</sup> March, 2019 signed by Mr. Malav A. Dani, Managing Director and Mr. Bharat I. Gosalia, Chief Financial Officer, was placed before the Board of Directors at their meeting held on 13<sup>th</sup> May, 2019 and the same is annexed and forms part of this Report.

**Auditor's Certificate on Corporate Governance**

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor's Certificate on Corporate Governance forms part of the Annual Report.

**Annexure to Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2019****DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT**

I hereby confirm that:

The Company has obtained from all the Members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31<sup>st</sup> March, 2019.

Place : Mumbai  
Date : 13<sup>th</sup> May, 2019

**Malav A. Dani**  
Managing Director

**CEO / CFO Certificate under Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Board of Directors

Hitech Corporation Limited

We, Malav A. Dani, Managing Director and Bharat I. Gosalia, Chief Financial officer, to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief, certify that:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai

Date : 13<sup>th</sup> May, 2019

**Malav A. Dani**

Managing Director  
(DIN:01184336)

**Bharat I. Gosalia**

Chief Financial Officer

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## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF HITECH CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by HITECH CORPORATION LIMITED ('the Company'), for the year ended on March 31, 2019, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

#### Management's Responsibility

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

#### Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above-mentioned Listing Regulations as applicable during the year ended March 31, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

#### For Kalyaniwalla & Mistry LLP

Chartered Accountants

Registration No: 104607W / W100166

#### Roshni R. Marfatia

Membership No: 106548

UDIN: 19106548AAAACO1118

Place: Mumbai

Date: 24<sup>th</sup> August, 2019

## FIVE YEAR REVIEW

₹ in lakhs

Results for the Accounting Year	F.Y. 2018-19 <sup>^</sup>	F.Y. 2017-18 <sup>^</sup>	F.Y. 2016-17 <sup>^</sup>	F.Y. 2015-16	F.Y. 2014-15
<b>REVENUE ACCOUNT</b>					
Gross Revenue from Sale of Goods and Services **	45,890.18	39,471.54	40,136.55	43,074.01	50,989.45
Net Revenue from Sale of Goods and Services **	45,890.18	38,548.22	36,505.75	39,070.25	46,226.94
Growth Rate (%)	19.05	5.59	(6.56)	(15.48)	71.40
Materials Cost	28,543.07	23,760.53	22,914.06	24,641.20	31,545.02
% to Net Revenue	62.20	61.64	62.77	63.07	68.24
Overheads	12,491.61	11,371.66	10,289.61	10,066.11	10,911.59
% to Net Revenue	27.22	29.50	28.19	25.76	23.60
Operating Profit (EBITDA)	6,692.22	4,347.23	3,589.46	4,634.71	4,112.97
Finance Costs	1,991.66	1,392.11	927.57	1,050.46	1,579.48
Depreciation	2,142.86	1,751.87	1,299.47	1,559.28	1,623.65
Profit Before Tax	2,557.70	1,203.25	1,362.42	2,024.97	909.84
% to Net Revenue	5.57	3.12	3.73	5.18	1.97
Profit After Tax	1,640.30	776.39	935.67	1,411.80	678.59
<b>CAPITAL ACCOUNT</b>					
Equity Share Capital	1,717.57	1,717.57	1,717.57	1,717.57	1,517.57
Reserves and Surplus	14,725.43	13,281.99	12,689.22	11,837.38	9,749.48
Deferred Tax Liability/Asset (Net)	563.03	250.08	201.02	162.56	356.40
Borrowings	18,234.07	16,281.40	10,760.38	3,688.60	6,854.39
Property, Plant and Equipment and Other Intangible Assets	27,375.32	19,974.67	14,706.21	9,912.36	12,289.18
Investments	-	-	-	-	-
Debt - Equity Ratio	1.11	1.09	0.75	0.27	0.61
Market Capitalisation	18,541.17	24,758.77	29,275.98	28,236.85	15,130.17
<b>PER SHARE DATA</b>					
Earning Per Share (₹)	9.55	4.52	5.45	8.60	4.69
Dividend	0.90 (#)	0.90	0.90	0.90	0.90
Book Value (₹)	95.59	87.25	83.80	78.77	74.24

(#) Recommended by the Board, subject to approval of the Shareholders.

\*\*The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017. Gross Revenue from Sale of Goods for the period upto June 30, 2017 are inclusive of Excise Duty and for the subsequent periods are net of GST. The Net Revenue from Sale of Goods is after adjustment of Excise Duty to enable comparability.

<sup>^</sup> Figures for these years are as per new accounting standards (Ind AS) and Schedule III of the Companies Act, 2013.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HITECH CORPORATION LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of Hitech Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

##### Basis of Opinion

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

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1.	<p><b>Inventory Valuation</b></p> <p>As at March 31, 2019 the Company held Inventory amounting to Rs. 3,991.63 lakhs. Inventories were considered as a key audit matter due to the amounts involved and because inventory valuation involves management judgement. There is significant management judgement in estimating the net realisable value of items held, as well as assessing which items may be non-moving or obsolete.</p> <p>Inventories are valued at lower of cost and Net realisable value.</p> <p>The management's estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise.</p> <p>The management also provides for non-moving or obsolete stock on the basis of age of inventory. Such methodology relies upon certain assumptions made in determining appropriate provisioning for such stock.</p> <p>Refer Notes 2.5 (7) and 10 to the Financial Statements.</p>	<p>To address the risk of material misstatement on inventories our audit procedures included amongst others:</p> <ul style="list-style-type: none"> <li>- assessing the compliance of company's accounting policy over inventory with applicable accounting standards.</li> <li>- assessing the inventory valuation processes and practice and testing the key controls around inventory verification and valuation.</li> <li>- verifying the existence and condition of inventory by attending inventory counts across various locations.</li> <li>- challenging judgements of the management regarding estimates of net realisable value and the methodology used for provisioning for non-moving or obsolete stock.</li> </ul>

##### 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 in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information as specified above is expected to be made available to us after the date of this auditor's report.

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

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

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



## Management's Responsibility for the Financial Statements

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

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

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

## Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements.
  - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts requiring provision under the applicable law or accounting standards.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For KALYANIWALLA & MISTRY LLP**

Chartered Accountants  
Firm Registration No. 104607W/W100166

**Roshni R. Marfatia**

Partner  
M. No.: 106548

Mumbai: May 13, 2019

## **Annexure A to the Independent Auditor's Report**

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2019.

### **Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:**

- i)
  - a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The Management has conducted physical verification of inventory (excluding stocks with third parties) at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of sub-clause (a), (b) and (c) of paragraph 3 (iii) of the Order are not applicable, to the Company.
- iv) The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of 73 to 76, or any other relevant provisions of the Companies Act and the rules framed there under. According to the information and explanations given to us, no order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal in respect of the aforesaid deposits.

- vi) We are informed that the maintenance of cost records has not been prescribed by the Central Government of India under section 148(1) of the Act, in respect of the Company's product.
- vii) a) According to the information and explanation given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues, including dues pertaining to provident fund, employees' state insurance, income-tax, wealth tax, goods and service tax, duty of customs, cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2019, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Company examined by us, dues of income tax, goods and service tax, customs duty not deposited on account of dispute are as follows:

Name of Statute	Nature of Dues	Amount (Rs. in lakhs)	Period	Forum where Dispute is pending
Central Excise Act 1944, Central Sales tax Act 1956 and Value Added Tax Act	Excise duty disputes	72.23	FY 2012-13 to 2015-16	Commissioner Excise
	Excise duty disputes	35.06	FY 2011-12 to 2016-17	Commissioner of Excise and Service Tax Appellate Tribunal
	Sales Tax dues Non submission of C Forms and Mismatch in VAT Input Credit	47.05	FY 2006-07, 2011-12, 2013-14	Commissioner VAT
Income Tax Act, 1961	Demand based on the order of regular assessment u/s 143(3) of the Act.	585.25	AY 2007-08 AY 2011-12 to 2015-16	Commissioner of Income Tax (Appeals)
		181.27	AY 2010-11	Income Tax Appellate Tribunal
		0.30	AY 2003-04	High Court, Mumbai

- viii) According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of loans or borrowings to financial institutions, banks or debenture holders. There were no loans or borrowings taken from the government during the year.
- ix) According to the information and explanations given to us and the records examined by us, the term loans obtained by the Company were applied for the purpose for which the loans were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x) Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no material fraud on, or by the Company, has been noticed or reported during the year.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on 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.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence the provisions of paragraph 3(xvi) of the Order is not applicable.

**For KALYANIWALLA & MISTRY LLP**  
Chartered Accountants  
Firm Registration No. 104607W /W100166

**Roshni R. Marfatia**  
Partner  
M. No.: 106548  
Mumbai: May 13, 2019

## Annexure B to the Independent Auditor's Report

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2019.

### Report on the Internal Financial Controls 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 Hitech Corporation Limited ("the Company") as of March 31, 2019 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 issued by the Institute of Chartered Accountants of India". 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 system 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, 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, 2019, 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 KALYANIWALLA & MISTRY LLP

Chartered Accountants  
Firm Registration No. 104607W/W100166

#### Roshni R. Marfatia

Partner  
M. No.: 106548

Mumbai: May 13, 2019

## Balance Sheet as at March 31, 2019

(₹ in lakhs)

	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	4 A	23,352.74	15,581.97
(b) Capital work-in-Progress		3,880.53	4,379.32
(c) Investment Property	4 B	117.21	-
(d) Other Intangible Assets	4 C	24.84	13.38
(e) Financial assets			
(i) Investments	5	-	-
(ii) Loans	6	489.29	467.39
(iii) Others Financial Assets	7	121.33	47.86
(f) Current tax assets (Net)	8	593.01	537.68
(g) Other non-current assets	9	814.05	2,060.05
<b>Total Non-Current Assets</b>		<b>29,393.00</b>	<b>23,087.65</b>
<b>2 Current Assets</b>			
(a) Inventories	10	3,991.63	3,744.06
(b) Financial assets			
(i) Trade receivables	11	5,605.64	7,525.54
(ii) Cash and Cash Equivalents	12 A	38.51	196.47
(iii) Bank balances other than (ii) above	12 B	83.11	92.23
(iv) Others Financial Assets	7	416.21	405.43
(c) Other current assets	9	851.74	409.50
<b>Total Current Assets</b>		<b>10,986.84</b>	<b>12,373.23</b>
<b>Total</b>		<b>40,379.84</b>	<b>35,460.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	1,717.57	1,717.57
(b) Other Equity	14	14,725.43	13,281.99
<b>Total Equity</b>		<b>16,443.00</b>	<b>14,999.56</b>
<b>Liabilities</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	10,985.72	8,180.25
(ii) Other Financial Liabilities	16	13.50	-
(b) Provisions	17	144.22	137.35
(c) Deferred tax liabilities (Net)	18	563.03	250.08
<b>Total Non-Current Liabilities</b>		<b>11,706.47</b>	<b>8,567.68</b>
<b>2 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	6,248.35	7,082.46
(ii) Trade payables	19		
Due to Micro, Small and Medium Enterprise		127.76	112.74
Due to others		1,433.96	1,957.37
(iii) Other financial liabilities	16	3,952.60	2,303.49
(b) Other Current Liabilities	20	96.90	142.39
(c) Provisions	17	352.96	268.35
(d) Current tax liabilities (Net)	21	17.84	26.84
<b>Total Current Liabilities</b>		<b>12,230.37</b>	<b>11,893.64</b>
<b>Total</b>		<b>40,379.84</b>	<b>35,460.88</b>
Significant Accounting Policies	3		

The accompanying notes form an integral part of the financial statements

As per our report attached  
**For Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
Firm Regn No. 104607W/W100166

**Roshni R. Marfatia**  
Partner  
M.No. 106548

Mumbai, May 13, 2019

For and on behalf of the Board of Directors  
**Hitech Corporation Limited**  
CIN: L28992MH1991PLC168235

**Ashwin S. Dani**  
Chairman  
DIN:00009126

**Bharat I. Gosalia**  
Chief Financial Officer

Mumbai, May 13, 2019

**Malav A. Dani**  
Managing Director  
DIN:01184336

**Namita R. Tiwari**  
Company Secretary



## Statement of Profit and Loss for the year ended March 31, 2019

(₹ in lakhs)

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue</b>			
I Revenue from Operations	22	46,190.11	39,768.79
II Other Income	23	1,536.79	633.95
<b>III Total Income (I) + (II)</b>		<b>47,726.90</b>	<b>40,402.74</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	24	29,136.13	23,782.09
Changes in Inventories of Finished Goods, Work-in-Progress	25	(593.06)	(21.56)
Excise Duty		-	923.32
Employee Benefit Expenses	26	3,100.87	2,893.96
Finance Costs	27	1,991.66	1,392.11
Depreciation and Amortisation Expenses	28	2,142.86	1,751.87
Other Expenses	29	9,390.74	8,477.70
<b>Total Expenses</b>		<b>45,169.20</b>	<b>39,199.49</b>
<b>V Profit before tax (III- IV)</b>		<b>2,557.70</b>	<b>1,203.25</b>
<b>VI Tax Expenses:</b>			
(1) Current Tax		604.45	377.80
(2) Deferred Tax		452.35	49.06
(3) Minimum Alternative Tax Credit Entitlement		(139.40)	-
<b>Total Tax Expense</b>		<b>917.40</b>	<b>426.86</b>
<b>VII Profit for the year (V-VI)</b>		<b>1,640.30</b>	<b>776.39</b>
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
-Remeasurement of defined benefit plans		(15.55)	3.55
(ii) Income tax relating to items that will not be reclassified to profit or loss		5.04	(1.12)
		(10.51)	2.43
<b>IX Total Comprehensive Income for the year (VII +VIII)</b>		<b>1,629.79</b>	<b>778.82</b>
<b>X Earnings per share (Face Value ₹ 10 per share)</b>			
1) Basic (₹)	39	9.55	4.52
2) Diluted (₹)		9.55	4.52
Significant Accounting Policies	3		

The accompanying notes form an integral part of the financial statements

As per our report attached  
**For Kalyaniwalla & Mistry LLP**  
 Chartered Accountants  
 Firm Regn No. 104607W/W100166

**Roshni R. Marfatia**  
 Partner  
 M.No. 106548

Mumbai, May 13, 2019

For and on behalf of the Board of Directors  
**Hitech Corporation Limited**  
 CIN: L28992MH1991PLC168235

**Ashwin S. Dani**  
 Chairman  
 DIN:00009126

**Bharat I. Gosalia**  
 Chief Financial Officer

Mumbai, May 13, 2019

**Malav A. Dani**  
 Managing Director  
 DIN:01184336

**Namita R. Tiwari**  
 Company Secretary

## Statement of Cash Flow for the year ended March 31, 2019

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,557.70	1,203.25
<b>Adjustments for :</b>		
Depreciation and amortization expense	2,142.86	1,751.87
Loss on Sale of Property, Plant and Equipment	24.76	5.18
Unrealised Foreign Exchange Loss / (Gain)	1.08	(0.76)
Bad Debts written off	96.47	38.16
Provision for doubtful debts	(93.10)	73.86
Provision for doubtful advances	42.45	4.05
Finance costs	1,742.19	1,097.57
Dividend on preference shares and tax thereon	249.47	294.55
Interest Income	(23.58)	(29.83)
<b>Operating Profit before working capital changes</b>	<b>6,740.30</b>	<b>4,437.90</b>
<b>Adjustments for :</b>		
Inventories	(247.57)	(458.70)
Trade Receivables	1,916.53	1,078.85
Loans	(29.44)	10.50
Financial Assets	(66.70)	(118.91)
Other assets	(338.12)	582.00
Trade Payables	(508.38)	(724.63)
Financial liabilities	1,727.08	(248.32)
Other liabilities	(45.49)	(81.35)
Provisions	75.94	158.86
<b>Cash Generated from Operations</b>	<b>9,224.15</b>	<b>4,636.20</b>
Income Tax paid (Net of Refund)	(663.74)	(366.00)
<b>Net Cash generated from operating activities</b>	<b>8,560.41</b>	<b>4,270.20</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(8,481.94)	(8,087.07)
Sale of Property, Plant & Equipment	20.64	35.67
(Decrease) / Increase in fixed deposits	(5.17)	(6.75)
Interest Received	22.97	39.32
<b>Net Cash used in investing activities</b>	<b>(8,443.50)</b>	<b>(8,018.83)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redemption of Preference Shares	(394.54)	(464.16)
Proceeds of Long Term Borrowings	4,200.00	4,800.00
Repayments from Long Term Borrowings	(1,004.40)	(304.48)
Proceeds / (Repayments) from Short Term Borrowings (Net)	(1,170.67)	1,659.50
Preference Dividend & Tax	(291.95)	(344.69)
Equity Dividend & Tax	(186.36)	(186.05)
Finance costs paid	(1,763.51)	(1,103.59)
<b>Net Cash (used in) / generated from financing activities</b>	<b>(611.43)</b>	<b>4,056.53</b>

**Statement of Cash Flow for the year ended March 31, 2019**

	Year ended March 31, 2019	Year ended March 31, 2018
	(₹ in lakhs)	
<b>(D) Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(494.52)</b>	307.90
Cash and Cash Equivalents at the beginning of the year	(77.95)	(385.85)
Cash and Cash Equivalents at the end of the period	<b>(572.47)</b>	<b>(77.95)</b>

For Disclosure requirements as per amendment to Ind AS 7 (Refer Note 40)

Notes :

- (a) The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

	As at March 31, 2019	As at March 31, 2018
(b) Cash and Cash Equivalents comprises of : (Refer Note 12 A)		
Cash on hand	5.26	3.14
Balances with bank		
- Current Accounts	24.39	109.26
- Cash credit accounts (Refer Note 15 (iv) (a))	8.86	84.07
Less: Loan repayable on demand (Cash Credit / Overdraft Account)	<b>(610.98)</b>	<b>(274.42)</b>
	<b>(572.47)</b>	<b>(77.95)</b>

The accompanying notes form an integral part of the financial statements

As per our report attached  
**For Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
Firm Regn No. 104607W/W100166

**Roshni R. Marfatia**  
Partner  
M.No. 106548

Mumbai, May 13, 2019

For and on behalf of the Board of Directors  
**Hitech Corporation Limited**  
CIN: L28992MH1991PLC168235

**Ashwin S. Dani**  
Chairman  
DIN:00009126

**Bharat I. Gosalia**  
Chief Financial Officer

Mumbai, May 13, 2019

**Malav A. Dani**  
Managing Director  
DIN:01184336

**Namita R. Tiwari**  
Company Secretary

## Statement of Changes in Equity for the year ended March 31, 2019

### A. Equity Share Capital

(₹ in lakhs)

	Note No	As at March 31, 2019	As at March 31, 2018
Balance as at the beginning of the year	13	1,717.57	1,717.57
Changes in Equity Share Capital during the year		-	-
<b>Balance as at the end of the year</b>		<b>1,717.57</b>	<b>1,717.57</b>

### B. Other Equity (Refer Note 14)

(₹ in lakhs)

	Reserves & Surplus				Total
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	
<b>Balance as at April 1, 2017</b>	<b>1,880.00</b>	<b>461.20</b>	<b>133.80</b>	<b>10,214.22</b>	<b>12,689.22</b>
Profit for the year	-	-	-	776.39	776.39
Re-measurement of defined benefit plans	-	-	-	2.43	2.43
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>778.82</b>	<b>778.82</b>
Transfer to Capital Redemption Reserve on Redemption of Preference Shares	-	464.16	-	(464.16)	-
Equity dividend	-	-	-	(154.58)	(154.58)
Tax on equity dividend	-	-	-	(31.47)	(31.47)
<b>Balance as at March 31, 2018</b>	<b>1,880.00</b>	<b>925.36</b>	<b>133.80</b>	<b>10,342.83</b>	<b>13,281.99</b>
<b>Balance as at April 1, 2018</b>	<b>1,880.00</b>	<b>925.36</b>	<b>133.80</b>	<b>10,342.83</b>	<b>13,281.99</b>
Profit for the year	-	-	-	1,640.30	1,640.30
Re-measurement of defined benefit plans	-	-	-	(10.51)	(10.51)
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,629.79</b>	<b>1,629.79</b>
Transfer to Capital Redemption Reserve on Redemption of Preference Shares (Refer foot-note to Note 14)	-	394.54	-	(394.54)	-
Equity dividend	-	-	-	(154.58)	(154.58)
Tax on equity dividend	-	-	-	(31.77)	(31.77)
<b>Balance as at March 31, 2019</b>	<b>1,880.00</b>	<b>1,319.90</b>	<b>133.80</b>	<b>11,391.73</b>	<b>14,725.43</b>

The accompanying notes form an integral part of the financial statements

As per our report attached  
**For Kalyaniwalla & Mistry LLP**  
 Chartered Accountants  
 Firm Regn No. 104607W/W100166

**Roshni R. Marfatia**  
 Partner  
 M.No. 106548

Mumbai, May 13, 2019

For and on behalf of the Board of Directors  
**Hitech Corporation Limited**  
 CIN: L28992MH1991PLC168235

**Ashwin S. Dani**  
 Chairman  
 DIN:00009126

**Bharat I. Gosalia**  
 Chief Financial Officer  
 Mumbai, May 13, 2019

**Malav A. Dani**  
 Managing Director  
 DIN:01184336

**Namita R. Tiwari**  
 Company Secretary

## Notes to the Financial Statement for the year ended March 31, 2019

### 1. CORPORATE INFORMATION

Hitech Corporation Limited (the Company) is engaged in manufacturing of rigid plastic containers specially catering to customers relating to Paints, Lube and Pharmacy product as well as export market. The Company is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India, namely the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company's registered office is at 201, Welspun House, 2<sup>nd</sup> floor, Kamala City, Lower Parel (W), Mumbai- 400 013.

### 2. BASIS OF PREPARATION, MEASUREMENT, KEY ACCOUNTING ESTIMATES AND JUDGEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. Basis of preparation

These financial statements of the Company are prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

These financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto is use as mentioned below in 2.2.

#### Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

#### 2.2. Application of New Accounting Pronouncements

The Company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below:

- a. Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts which establishes a comprehensive framework for determining whether, how much and when Revenue is to be recognised. Ind AS 115 replaces Ind AS 18: Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant. For details refer note 2.5.10
- b. The Company has adopted Appendix B to Ind AS 21, Foreign currency transactions and advance consideration with effect from April 1, 2018 prospectively to all assets, expenses and income initially recognized on or after April 1, 2018 and the impact on implementation of the Appendix is insignificant.

#### 2.3. Key estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas involving critical estimates or judgements are:

- i. Determination of the estimated useful lives of property, plant & equipment and the assessment as to which components of the cost may be capitalized; (Note 2.5 .1)
- ii. Determination of the estimated useful lives of intangible assets (Note 2.5.2)
- iii. Recognition and measurement of defined benefit obligations, key actuarial assumptions; (Note 38)
- iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 17)
- v. Fair value of financial instruments (Note 30A)
- vi. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

#### 2.4. Measurement of Fair Value

The Company's accounting policies and disclosures require financial instruments to be measured at fair values.

The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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



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

*Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

*Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

## 2.5. Significant Accounting Policies

### 1. Property, Plant and Equipment

#### Recognition and Measurement

Items of property, plant and equipment, other than freehold land that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at cost and is not depreciated.

The cost of an item of property, plant and equipment comprises of its purchase price including taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs of bringing the asset to its working condition. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalised under relevant heads of Property, Plant & Equipment if the recognition criteria are met.

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

#### Depreciation

Depreciation on property, plant & equipment other than factory buildings is provided on the straight-line method, pro rata to the period of use, over their useful life. Depreciation on factory buildings is provided on written down value method, pro rata to the period of use, over their useful life. The estimated useful lives of assets are as follows:

Asset Block	Useful life
Factory Buildings <sup>(1)</sup>	15 to 40 years
Moulds <sup>(1)</sup>	4 years
Plant & Machinery <sup>(1)</sup>	5 to 19 years
Furniture & Fixture	10 years
Computers <sup>(1)</sup>	5 years
Vehicles <sup>(1)</sup>	5 years
Office Equipment	5 years
Leasehold Land	Over lease term
Leasehold improvements	Over lease term

<sup>(1)</sup> Based on technical evaluation of useful life by the Management, it believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual value of property, plant & equipment except buildings, is considered at Rs. Nil as the realisable value at the end of useful life is not expected to be significant. In case of factory building the residual value is estimated by management to be at 5% of cost.

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

#### Derecognition

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

### 2. Intangible Assets

#### Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

**Amortization**

Intangible assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognised in the Statement of Profit & Loss. The estimated useful lives for intangible asset is 3 years.

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

**Derecognition**

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

**3. Investment Property****Recognition and measurement**

Investment properties are properties held to earn rentals and / or for capital appreciation. Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Freehold land is carried at cost and is not depreciated.

Cost includes purchase price, taxes and duties and other direct costs incurred for bringing the asset to the condition of its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

**Depreciation**

Depreciation on investment properties (other than land) is provided on written down value method, pro rata to the period of use, over their useful life. The estimated useful lives based on technical evaluation by the Management is 40 years.

**Derecognition**

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

**4. Capital Work in Progress and Capital Advances**

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

**5. Impairment of non-financial assets**

At each balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's non-financial assets. An impairment loss is recognised whenever the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which the impairment takes place. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

**6. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

**Financial Assets****Initial recognition and measurement**

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, except in the case of financial assets not recorded at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed through the Statement of Profit and Loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

**Subsequent measurement**

For purposes of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortised cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit & loss (FVTPL)

**i. Financial Assets measured at Amortised cost**

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are measured at amortised cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Subsequently such financial assets are measured at amortized cost using the Effective Interest Rate (EIR) method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under finance income in the Statement of Profit and Loss.

**ii. Financial Assets measured at FVTOCI**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest income from these financial assets is included in other income using the effective interest rate method.

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest income from these financial assets is included in other income using the effective interest rate method.

**iii. Financial Assets measured at FVTPL**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through Profit or Loss is recognised in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity Instruments**

All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Derecognition**

A financial asset is derecognised only when:

- i. the rights to receive cash flows from the financial asset have expired contract is discharged, cancelled or expires.
- ii. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
- iii. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Impairment of Financial Assets**

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL allowance recognised (or reversed) during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

### **Financial Liabilities**

#### **Classification as liability or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

#### **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. Interest expense are included in the 'Finance costs' line item.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## **7. Inventory**

Inventories are valued at lower of cost and net realisable value. Costs are ascertained on First in First Out (FIFO) basis. Costs includes cost of purchase and other costs incurred in bringing each product to its present location and condition. In the case of manufactured inventories, cost includes cost of raw materials, packing materials and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Variable production overheads are allocated based on actual production facilities.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Provision is made for cost of obsolescence and other anticipated losses whenever considered necessary.

## **8. Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, book debit balances in cash credit and current accounts, deposits held at call with financial institutions, other short term highly liquid investments, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents, cash and short - term deposits as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## **9. Provisions, Contingent Liabilities and Contingent Assets**

The Company recognizes a provision when there is a present legal or constructive obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time

value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefit is probable.

## 10. Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration, if any) allocated to that performance obligation. Revenue (net of variable consideration, if any) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

### *Sale of Products*

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

### *Rendering of Services*

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

### *Interest Income*

Interest income is recognized using the effective interest rate (EIR) method.

### *Dividend Income*

Dividend income is recognised when the right to receive payment is established.

## 11. Employee Benefits

### i. Short Term Employee Benefits

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

### ii. Post-Employment Benefits

#### ➤ Defined Contributions plan

##### **Provident Fund and Employee State Insurance Scheme**

Defined contribution plans are Provident Fund Scheme and Employee State Insurance Scheme. The Company contributes to the Government administered provident funds on behalf of its employees.

##### **Recognition and measurement of defined contribution plans**

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

#### ➤ Defined Benefit plans:

##### **Gratuity scheme**

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation.

##### **Recognition and measurement of defined benefit plans:**

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are



recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

### iii. Other Long-Term Employee Benefit

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses in respect of such benefits are charged to Statement of Profit and Loss in the period in which they arise.

## 12. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

### *As a lessee*

Leases of assets where the company has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Leases of assets under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments /receipts under operating leases are recognised as an expense / income on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### *As a lessor*

Lease income from operating leases where the Company is a lessor is recognised in the statement of profit and loss on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases.

## 13. Income Taxes

Income tax expense/ income comprises current tax expense income and deferred tax expense income. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI. In which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

### **Current tax:**

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

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

### **Deferred tax:**

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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

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

**Presentation of current and deferred tax:**

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

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

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period.

**14. Foreign Currency Transactions****i. Functional and Presentation currency**

The Company's financial statements are prepared in Indian Rupees (INR "₹") which is also the Company's functional currency.

**ii. Transactions and balances**

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in the year in which they arise except for the qualifying cash flow hedge, which are recognised in OCI to the extent that the hedges are effective.

**15. Government Grant and Subsidies**

Grants in the nature of subsidy which are non-refundable are credited to the statement of profit and loss, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them.

Grants in the nature of subsidy which are refundable are shown as liabilities in the Balance Sheet.

**16. Derivative Financial instruments and hedge accounting**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**Forward exchange contracts**

The Company enters into forward exchange contracts in nature of currency swaps and interest rate swaps to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contract are marked to market (MTM) and the gain/ loss on the same is recognised as an expense/income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or expense for the period.

**17. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**18. Research and Development**

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

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

**19. Borrowing Cost**

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

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

**20. Events after Reporting date**

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

**21. Dividend**

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

**22. Earnings Per Share**

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

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**23. Segment Reporting**

The Company has identified Plastic Containers as its single primary reportable segment in accordance with the requirements of Ind AS 108 - Operating Segments.

**24. Standards issued but not yet effective**

On March 30, 2019 Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment has notified:

**a) Ind AS 116, Leases**

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The adoption of this standard is not likely to have significant impact on the Statement of Profit and Loss.

**b) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes**

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on April 1, 2019. The impact of the Appendix on the Financial Statements, as assessed by the Company, is expected to be not material.

**c) Amendment to Ind AS 12, Income Taxes**

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company will apply these amendments for annual reporting periods beginning on or after April 1, 2019. The impact on the financial statements is being evaluated.

**d) Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

**e) Ind AS 23 – Borrowing Cost**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

## Notes to the Financial Statements

### Note 4 A : Property, Plant and Equipment

(₹ in lakhs)

	Gross Carrying Amount					Depreciation/ Amortisation					Closing Carrying Amount
	As at 01.04.2018	Additions during the Year	Deductions / adjustments	Reclassified to Investment Property	As at 31.03.2019	As at 01.04.2018	Additions / Amortization during the Year	Deductions / adjustments	Reclassified to Investment Property	As at 31.03.2019	As at 31.03.2019
<b>Property, Plant and Equipment</b>											
Freehold Land	2,199.24	829.33	-	41.50	2,987.07	-	-	-	-	-	2,987.07
Leasehold Land	2,100.77	-	-	-	2,100.77	23.78	22.29	-	-	46.07	2,054.70
Buildings	5,831.28	5,914.02	-	90.98	11,654.32	615.38	645.50	-	15.27	1,245.61	10,408.71
Plant & Machinery											
Moulds	821.65	560.59	1.11	-	1,381.13	293.75	263.97	0.41	-	557.31	823.82
Other Machinery	7,292.79	2,684.46	70.75	-	9,906.50	1,952.55	1,139.37	27.89	-	3,064.03	6,842.47
Furniture	151.47	37.70	-	-	189.17	36.25	20.00	-	-	56.25	132.92
Leasehold Improvements	15.04	-	10.30	-	4.74	12.52	2.28	10.30	-	4.50	0.24
Computers	55.66	8.48	-	-	64.14	21.87	12.90	-	-	34.77	29.37
Office Equipment	37.30	32.27	0.42	-	69.15	19.68	9.55	0.24	-	28.99	40.16
Vehicles	84.11	-	8.05	-	76.06	31.56	17.25	6.03	-	42.78	33.28
<b>Total</b>	<b>18,589.31</b>	<b>10,066.85</b>	<b>90.63</b>	<b>132.48</b>	<b>28,433.05</b>	<b>3,007.34</b>	<b>2,133.11</b>	<b>44.87</b>	<b>15.27</b>	<b>5,080.31</b>	<b>23,352.74</b>

(Previous Year)

(₹ in lakhs)

	Gross Carrying Amount					Depreciation/ Amortisation					Closing Carrying Amount
	As at 01.04.2017	Additions during the Year	Deductions / adjustments	Reclassified to Investment Property	As at 31.03.2018	As at 01.04.2017	Additions / Amortization during the Year	Deductions / adjustments	Reclassified to Investment Property	As at 31.03.2018	As at 31.03.2018
<b>Property Plant and Equipment</b>											
Freehold Land	2,084.94	114.30	-	-	2,199.24	-	-	-	-	-	2,199.24
Leasehold Land	381.81	1,718.96	-	-	2,100.77	4.10	19.68	-	-	23.78	2,076.99
Buildings	5,556.29	296.44	21.45	-	5,831.28	208.67	408.24	1.53	-	615.38	5,215.90
Plant & Machinery											
Moulds	479.68	355.25	13.28	-	821.65	115.38	180.46	2.09	-	293.75	527.90
Other Machinery	6,454.56	850.29	12.06	-	7,292.79	888.97	1,066.22	2.64	-	1,952.55	5,340.24
Furniture	66.49	84.98	-	-	151.47	18.57	17.68	-	-	36.25	115.22
Leasehold Improvements	15.04	-	-	-	15.04	6.26	6.26	-	-	12.52	2.52
Computers	42.31	13.40	0.05	-	55.66	10.71	11.21	0.05	-	21.87	33.79
Office Equipment	36.70	0.94	0.34	-	37.30	10.49	9.20	0.01	-	19.68	17.62
Vehicles	84.11	-	-	-	84.11	13.99	17.57	-	-	31.56	52.55
<b>Total</b>	<b>15,201.93</b>	<b>3,434.56</b>	<b>47.18</b>	<b>-</b>	<b>18,589.31</b>	<b>1,277.14</b>	<b>1,736.52</b>	<b>6.32</b>	<b>-</b>	<b>3,007.34</b>	<b>15,581.97</b>

The amount of Contractual commitments for the acquisition of Property plant and equipment is disclosed in Note 32 (b).

Part of the above assets are offered as collateral towards borrowings (Refer Note 41)

### Note 4 B : Investment Property

(₹ in lakhs)

	Gross Carrying Amount					Depreciation/ Amortisation					Closing Carrying Amount
	As at 01.04.2018	Additions during the Year	Deductions / adjustments	Reclassified from Property, Plant & Equipment	As at 31.03.2019	As at 01.04.2018	Additions / Amortization during the Year	Deductions / adjustments	Reclassified from Property, Plant & Equipment	As at 31.03.2019	As at 31.03.2019
Freehold Land	-	-	-	41.50	41.50	-	-	-	-	-	41.50
Building	-	-	-	90.98	90.98	-	-	-	15.27	15.27	75.71
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132.48</b>	<b>132.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.27</b>	<b>15.27</b>	<b>117.21</b>

**Note 4 B : Investment Property (...Contd)**

(Previous Year)

	Gross Carrying Amount					Depreciation/ Amortisation					Closing Carrying Amount
	As at 01.04.2017	Additions during the Year	Deductions / adjustments	Reclassified from Property, Plant & Equipment	As at 31.03.2018	As at 01.04.2017	Additions / Amortization during the Year	Deductions / adjustments	Reclassified from Property, Plant & Equipment	As at 31.03.2018	As at 31.03.2018
Freehold Land	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-

(₹ in lakhs)

	Fair Value				
	As at 01.04.2018	Additions during the Year	Deductions / adjustments	Reclassified from Property, Plant & Equipment	As at 31.03.2019
Freehold Land	-	-	-	99.87	99.87
Building	-	-	-	133.61	133.61
<b>Total</b>	-	-	-	233.48	233.48

(₹ in lakhs)

**Notes:****1. Information regarding income and expenditure of investment Property**

During the year the Company has entered into an agreement to lease their property situated at Dadra both freehold land with building from beginning of next financial year. The rental income for the same will accrue there onwards.

- The Management has determined that the investment property consists of two class of assets - Land and building - based on the nature, characteristics and risks of each property.
- The fair valuation is based on current prices in the active market for similar properties. The main input used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.
- The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

**Note 4 C : Other Intangible Assets (Acquired Separately)**

	Gross Carrying Amount				Depreciation/ Amortisation				Closing Carrying Amount
	As at 01.04.2018	Additions during the Year	Deductions / adjustments	As at 31.03.2019	As at 01.04.2018	Additions / Amortization during the Year	Deductions / adjustments	As at 31.03.2019	As at 31.03.2019
<b>Intangible Assets</b>									
Software	43.10	21.21	-	64.31	29.73	9.75	-	39.48	24.83
Patent	0.01	-	-	0.01	-	-	-	-	0.01
<b>Total Other Intangible Assets</b>	<b>43.11</b>	<b>21.21</b>	<b>-</b>	<b>64.32</b>	<b>29.73</b>	<b>9.75</b>	<b>-</b>	<b>39.48</b>	<b>24.84</b>

(₹ in lakhs)

(Previous Year)

	Gross Carrying Amount				Depreciation/ Amortisation				Closing Carrying Amount
	As at 01.04.2017	Additions during the Year	Deductions / adjustments	As at 31.03.2018	As at 01.04.2017	Additions / Amortization during the Year	Deductions / adjustments	As at 31.03.2018	As at 31.03.2018
<b>Intangible Assets</b>									
Software	28.07	15.03	-	43.10	14.38	15.35	-	29.73	13.37
Patent	0.01	-	-	0.01	-	-	-	-	0.01
<b>Total Other Intangible Assets</b>	<b>28.08</b>	<b>15.03</b>	<b>-</b>	<b>43.11</b>	<b>14.38</b>	<b>15.35</b>	<b>-</b>	<b>29.73</b>	<b>13.38</b>

(₹ in lakhs)

The amount of Contractual commitments for the acquisition of Property plant and equipment is disclosed in Note 32 (b).



**Note 5 : Investments**

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
<b><u>Unquoted, fully paid up:</u></b>		
<b>At Fair Value through Profit or Loss</b>		
Investment in Equity Instruments		
11,000 (March 31, 2018: 11,000) Equity Shares of ₹ 100/- each fully paid up in HO Plast Pvt Ltd	-	-
<b>Total</b>	-	-
Aggregate amount of Unquoted Investments	<b>11.00</b>	11.00
Aggregate amount of Quoted Investments	-	-
Aggregate Market Value of Quoted Investments	-	-
Aggregate amount of impairment in Value of Investments	<b>11.00</b>	11.00

**Note 6 : Loans**

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
<b>Unsecured :</b>		
Security Deposits		
Considered Good	<b>489.29</b>	467.39
Considered Doubtful	<b>14.14</b>	6.60
	<b>503.43</b>	473.99
Less: Provision for Doubtful Deposits	<b>(14.14)</b>	(6.60)
<b>Total</b>	<b>489.29</b>	467.39

**Note 7 : Other Financial Assets**

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Fixed Deposits with original maturity of more than 12 months (Refer Note (a) below)	<b>23.18</b>	6.56
Subsidy receivable from State Government (Refer Note (b) below)	<b>98.15</b>	41.30
<b>Total</b>	<b>121.33</b>	47.86
<b>Current</b>		
Quantity Discount receivable	<b>260.24</b>	274.03
Subsidy Receivable From State Government (Refer Note (b) below)	<b>126.88</b>	103.24
Accrued Interest on Security Deposits	<b>29.09</b>	28.16
<b>Total</b>	<b>416.21</b>	405.43
<b>Note:</b>		
(a) Of the above deposits under lien with sales tax authorities	<b>2.50</b>	-

**Note 7 : Other Financial Assets (...Contd)**

- (b) The Company is eligible for Industrial Promotion Subsidy under the Package Scheme of Incentive (PSI) 2007. Accordingly, in terms of the Indian Accounting Standard (Ind AS 20) "Accounting for Government Grants and Disclosure of Government Assistance", the Company is eligible for an incentive of ₹ 87.36 Lakhs for the year ended March 31, 2019 (Previous Year : ₹ 61.91 Lakhs) and the same is credited in the Statement of Profit and Loss under the head "Other operating income" on accrual basis. The movement in the amount receivable is as as under:

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Opening balance receivable	144.54	125.79
Add : Subsidy accrued for the period	87.36	61.91
Less: Deductions / excess claimed reversed	(6.87)	-
Less : Subsidy received in cash	-	(43.16)
<b>Closing balance of subsidy receivable</b>	<b>225.03</b>	<b>144.54</b>

**Note 8 : Income Tax Assets (Non-Current)**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Advance Income Tax (net of provision for taxation)	593.01	537.68
<b>Total</b>	<b>593.01</b>	<b>537.68</b>

**Note 9 : Other Assets**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Capital Advances		
Considered Good	242.94	1,387.33
Considered Doubtful	37.41	-
	280.35	1,387.33
Less: Provision for Doubtful Advances	(37.41)	-
	242.94	1,387.33
Prepaid expenses	28.23	26.96
Balances with indirect tax authorities	542.88	645.76
<b>Total</b>	<b>814.05</b>	<b>2,060.05</b>
<b>Current</b>		
Balances with indirect tax authorities	464.65	121.70
Insurance claim receivable	-	111.76
Advance recoverable in cash or kind	262.47	84.03
Prepaid expenses	120.63	88.06
Advance to employees	3.99	3.95
<b>Total</b>	<b>851.74</b>	<b>409.50</b>

**Note 10 : Inventories**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
(Valued at lower of cost and net realizable value)		
Raw Materials (including Goods in Transit ₹ 28.62 lakhs (March 31,2018: ₹ 46.68 lakhs))	1,991.80	2,333.17
Packing Materials	98.00	107.50
Work-in-Progress	1,353.18	976.69
Finished Goods (including Goods in Transit ₹ 55.45 lakhs (March 31,2018: ₹ Nil))	523.05	306.48
Stores and Spares	25.60	20.22
<b>Total</b>	<b>3,991.63</b>	<b>3,744.06</b>

- (a) Inventory hypothecated against secured borrowings (Refer Note 41).
- (b) The cost of inventories recognised as an expense during the year is disclosed in Note 24 and 25.
- (c) The cost of inventories recognised as an expense includes ₹ 24.67 lakhs (Previous year ₹ 134.98 lakhs) in respect of write down of inventory to net realisable value. The reversal of such write down during the current year amounted to ₹ Nil. (Previous year ₹ Nil).

**Note 11 : Trade Receivables**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
<b>Unsecured:</b>		
Considered Good	5,605.64	7,525.54
Considered Doubtful	613.87	706.97
	<b>6,219.51</b>	8,232.51
Less: Allowances for doubtful receivables	613.87	706.97
<b>Total</b>	<b>5,605.64</b>	<b>7,525.54</b>
(a) Receivables subject to invoice discounting facility included above	1,137.37	2,808.04

The carrying amount of the trade receivables include receivables which are subject to invoice discounting facility as stated above. Under this facility, the Company has transferred the relevant receivables to the banks in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk and therefore continues to recognise the transferred assets in their entirety in its Balance Sheet. The amount repayable under the invoice discounting facility is presented under unsecured borrowings.

- (b) Trade receivables hypothecated against secured borrowings (Refer Note 41)
- (c) Movement in Allowance for doubtful receivables

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	706.97	633.11
Amounts written off / recovered during the year (net)	(162.15)	(38.16)
Changes in allowance for doubtful receivables	69.05	112.02
<b>Balance at the end of the year</b>	<b>613.87</b>	<b>706.97</b>

The Company has provided allowance for doubtful receivables based on historical experience and the ageing analysis of the receivables.

**Note 12 A : Cash & Cash Equivalents**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
On Current Accounts	24.39	109.26
Cash credit accounts (Refer Note 15 v(a))	8.86	84.07
Cash on Hand	5.26	3.14
<b>Total</b>	<b>38.51</b>	<b>196.47</b>

**Note 12 B : Other Bank Balances**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Deposits with more than 3 months but less than 12 months maturity (Refer Note (a))	62.63	74.39
For Unpaid Dividend (Refer Note (b))	20.48	17.84
<b>Total</b>	<b>83.11</b>	<b>92.23</b>
<b>Note</b>		
(a) Deposits under lien with sales tax authorities included in above	2.85	2.85
(b) The Company can utilise these balances only towards settlement of unclaimed dividend		

**Note 13 : Equity Share Capital**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Authorised Share Capital</b>		
2,90,00,000 (March 31, 2018 : 2,90,00,000) Equity Shares of ₹ 10/- each	2,900.00	2,900.00
3,10,00,000 (March 31, 2018 : 3,10,00,000) 9% Non Convertible Redeemable Cumulative Preference Shares of ₹10/- each	3,100.00	3,100.00
5,00,000 (March 31, 2018 : 5,00,000) Unclassified shares of ₹ 10/- each	50.00	50.00
<b>Total</b>	<b>6,050.00</b>	<b>6,050.00</b>
<b>Issued, Subscribed and Paid -up capital</b>		
1,71,75,700 (March 31, 2018 : 1,71,75,700) Equity Shares of ₹ 10/- each fully paid	1,717.57	1,717.57
<b>Total</b>	<b>1,717.57</b>	<b>1,717.57</b>

**a. Reconciliation of the numbers of equity shares outstanding at the beginning and at the end of the year**

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	1,71,75,700	1717.57	1,71,75,700	1717.57
Add : Issued during the year	-	-	-	-
At the end of the year	<u>1,71,75,700</u>	<u>1,717.57</u>	<u>1,71,75,700</u>	<u>1,717.57</u>

**b. Terms/rights attached to equity shares**

The Company has only one class of Equity Shares referred to as Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. (The Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India.) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

As per the Companies Act, 2013, the holders of Equity Shares will be entitled to receive share in remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

**c. Details of equity shares held by Holding Company and shareholder holding more than 5% shares in the Company**

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No of Shares	% holding in Equity	No of Shares	% holding in Equity
<b>Geetanjali Trading &amp; Investments Pvt Ltd (Holding Company)</b>	1,18,69,295	69.11	1,18,69,295	69.11

**d. Information regarding aggregate number of shares during the immediately preceding five years**

The Company has not issued any bonus shares or shares for consideration other than cash and has not bought back any shares during the past five years.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

**e. There are no calls unpaid on equity shares****f. No equity shares have been forfeited****Note 14 : Other Equity**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Capital Redemption Reserve	1,319.90	925.36
Securities Premium Account	1,880.00	1,880.00
General Reserve	133.80	133.80
Retained Earnings	11,391.73	10,342.83
	<b>14,725.43</b>	<b>13,281.99</b>

**Note:**

During the financial year 2018-19 the Company redeemed 3,945,381 (Previous year 4,641,624) 9% Non-Convertible Redeemable Cumulative Preference shares of ₹ 10 each (by redeeming 15 Preference shares out of every 100 Preference shares held by the shareholders) aggregating to ₹ 394.54 lakhs (Previous year ₹ 464.16 lakhs) out of the accumulated profit available for dividend as per the provisions of Section 55 of the Companies Act, 2013. The Capital Redemption Reserve to the extent of the redemption of preference share capital has been created accordingly.

**Note 14 : Other Equity (...Contd)**
**Description of nature and purpose of each reserve**
**1. Capital Redemption Reserve**

This reserve was created on redemption of preference shares in accordance with the provisions of the Companies Act, 2013 and can be utilised only towards issue of fully paid up bonus shares.

**2. Securities Premium**

The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**3. General Reserve**

The Company has transferred a portion of net profit of the Company before declaring dividend to general reserves pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

**4. Retained Earnings**

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

**Note 15 : Borrowings**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
<b>A. Secured</b>		
<b>Term Loans (Refer Note i)</b>		
Rupee Loan	9,750.00	6,300.00
<b>B. Unsecured</b>		
<b>a) Preference Shares (Refer Note ii)</b>		
223,57,159 (March 31, 2018 : 263,02,540) 9% Non Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each issued towards consideration to shareholders of Clear Mipak Packaging Solutions Limited on amalgamation.	2,235.72	2,630.25
<b>b) Fixed Deposits (Refer Note iii)</b>		
- from shareholders(including interest accrued)	-	268.69
	<b>11,985.72</b>	9,198.94
Current Maturities of Long Term Debts (Refer Note 16)	<b>(1,000.00)</b>	(1,018.69)
<b>Total</b>	<b>10,985.72</b>	8,180.25
<b>Current</b>		
<b>Secured</b>		
<b>Other Borrowings (Refer Note iv)</b>		
Cash Credit from Banks	610.98	274.42
Working Capital Demand Loan	2,600.00	1,900.00
Packing Credit	1,900.00	2,100.00
	<b>5,110.98</b>	4,274.42
<b>Unsecured</b>		
Invoice Discounting (Refer Note v)	1,137.37	2,808.04
<b>Total</b>	<b>6,248.35</b>	7,082.46

**Note:**
**i) Term Loans :**
**a) Rupee Term Loan from Bank ₹ 3,250 lakhs (March 31, 2018 : ₹ 4,000 lakhs)**

Term loan from HDFC Bank is repayable over a period of five years including a moratorium of one year commencing from the date of draw down. The loan has been fully availed and is repayable in 16 quarterly installments based on draw downs. The loan carries interest based on One year Marginal Cost of Lending Rate (MCLR) plus NIL Spread (adjustable annually). The present effective rate of interest is 8.30% p.a.(Previous year 8.15% p.a.)The loan is secured by exclusive first charge on Plant & Machinery at Rohtak unit and charge on immovable fixed assets comprising of Land and Building at Rohtak.

**b) Rupee Term Loan from Bank ₹ 4,500 lakhs (March 31, 2018: ₹ 2,300 lakhs)**

Term loan from Kotak Bank is repayable over a period of six years including a moratorium of two years commencing from the date of draw down. The loan is repayable in 16 quarterly installments based on draw down. The draw down upto April 18, of ₹ 27 crores is at fixed interest rate of 8.35 % p.a whereas the subsequent tranches are at average interest rate of 8.77 % p.a. (Previous year: Fixed interest @ 8.35% p.a.). The loan is secured by exclusive first charge on present and future movable fixed assets at Mysuru and Mortgage of Land and Building situated at Mysuru Plant.



**Note 15 : Borrowings (...Contd)****c) Rupee Term Loan from Bank ₹ 2,000 lakhs (March 31, 2018: Nil)**

Term loan from HDFC Bank is repayable over a period of six years including a moratorium of two year commencing from the date of draw down. The loan has been partially drawn and is repayable in 16 quarterly installments based on draw downs. The loan carries interest based on One year Marginal Cost of Lending Rate (MCLR) plus NIL Spread (adjustable annually). The present effective rate of interest is 8.75 % p.a. (Previous year Nil). The loan is secured by exclusive first charge on Plant & Machinery at Vizag unit and charge on immovable fixed assets comprising of Land and Building at Vizag. The execution of mortgage is under process.

**ii) 9% Non Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each****Preference Shares issued under the Scheme of Arrangement approved by the Hon'ble Bombay High Court on terms as under:**

The Preference Shares carry preferential (cumulative) right to dividend, at the above said coupon rate, when declared. The Preference Shares do not carry any voting rights except in case of any Resolution placed before the Company which directly affects the rights attached to such shares or otherwise provided in the Companies Act, 2013 (the Act). The Preference Shares have the maximum redemption period of 20 years. However, the same may be redeemed fully or in such tranches, before the aforesaid period, by the express mutual consent of the holders of such Preference Shares and Company as may be allowed under the Act. The Preference Shares will be redeemed at face value out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of capital made for the purposes of the redemption.

**Of the above preference shares 96.44% have been held by Geetanjali Trading & Investments Pvt Ltd Company as under**

		As at March 31, 2019	As at March 31, 2018
Name of Shareholder			
<b>Geetanjali Trading &amp; Investments Pvt Ltd</b>	(No. of Shares) :	<b>21,561,381</b>	25,366,331
	(₹ in lakhs) :	<b>2,156.14</b>	2,536.63

**iii) Deposits**

Deposits from Shareholders carry interest @ 10.50% p.a. and have been repaid during the year.

**iv) Other Borrowings**

- a) Working capital facilities including cash credit from Banks are secured on first charge basis by way of hypothecation of inventories and book debts of specific units and collaterally secured by hypothecation of specific plant and machinery and equitable mortgage on land and building of specific units. The borrowings carries interest @ 8.00% to 11.25 % p.a. (P.Y. 8.00% to 11.05 % p.a.).
- b) The packing credit is granted by bank for purchase of trade merchandise against confirmed orders upto 90% of its value for a maximum tenure of 90 days. The average rate of interest is 9% p.a. (Previous year: 8% p.a.).

**v) Invoice Discounting**

Invoice discounting relate to customer sales invoices discounted by banks for a period not exceeding 90 days and carries interest @ 8.3% p.a. to 8.95% p.a (March 18: 7.85% p.a. to 8.15% p.a.)

vi) There is no default in repayment of principal and interest.

vii) For carrying amount of assets offered as collateral against the above borrowings (Refer Note 41).

**Note 16 : Other Financial Liabilities**

			(₹ in lakhs)		
		As at March 31, 2019	As at March 31, 2018		
<b>Non-Current</b>					
Security deposit received		<b>13.50</b>	-		
		<b>13.50</b>	-		
<b>Current</b>					
Current Maturities of Long Term Debts (Refer Note 15)		<b>1,000.00</b>	1,018.69		
Unpaid Dividends		<b>20.48</b>	17.84		
Payable to employees		<b>449.75</b>	312.80		
Vendors for Capital Expenditure		<b>2,172.73</b>	592.63		
Other Payables		<b>36.58</b>	38.96		
Interest Accrued but not Due on Borrowings		<b>30.49</b>	37.52		
Preference Dividend accrued (including Corporate dividend tax)		<b>242.57</b>	285.05		
<b>Total</b>		<b>3,952.60</b>	2,303.49		

**Note:**

There are no amounts due and outstanding to be credited to Investor Education Protection Fund in accordance with Section 125 of the Companies Act 2013 as at the year end.

**Note 17 : Provisions**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Provision for Compensated Absences	144.22	137.35
	<b>144.22</b>	<b>137.35</b>
<b>Current</b>		
a) Provision for Employee Benefits		
- Provision for gratuity (Refer Note 38)	174.19	149.04
- Provision for Compensated Absences	34.86	25.17
b) Others (Refer Note below)		
Provision for Excise & VAT	143.91	94.14
<b>Total</b>	<b>352.96</b>	<b>268.35</b>

**Note**

\* Pursuant to the Indian Accounting Standard (Ind AS 37)- Provisions, Contingent Liabilities and Contingent Assets, the Company has a policy to estimate the probable loss due to litigation in various tax matters. The disclosure relating the aforesaid provisions made in the accounts for the year ended March 31, 2019 is as follows:

	(₹ in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Opening Balance</b>	<b>94.14</b>	44.48
Addition	54.37	72.78
Utilisations	(3.55)	(23.12)
Reversals	(1.05)	-
<b>Closing Balance</b>	<b>143.91</b>	94.14

**Note 18: Income Taxes**
**A. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:**
**As at March 31, 2019**

	(₹ in lakhs)		
Particulars	Balance Sheet As at April 1, 2018	Profit & loss 2018-19	Balance Sheet As at March 31, 2019
a) Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961.	(559.20)	(520.00)	<b>(1,079.20)</b>
b) Provision for expense allowed for tax purpose on payment basis	143.92	82.75	<b>226.67</b>
c) Allowance for doubtful debts and advances	165.20	(15.10)	<b>150.10</b>
	(250.08)	(452.35)	<b>(702.43)</b>
d) Minimum Alternative Tax (MAT) Credit Entitlement	-	139.40	<b>139.40</b>
<b>Deferred tax (expenses)/ benefit</b>	<b>-</b>	<b>(312.95)</b>	<b>-</b>
<b>Net Deferred Tax Liabilities</b>	<b>(250.08)</b>	<b>-</b>	<b>(563.03)</b>

The Company offsets tax assets and liabilities if and only it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

**Note 18: Income Taxes (...Contd)****B. The major components of income tax expense for the year are as under :**

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>(i) Income recognised in the statement of Profit and Loss</b>		
Current tax	604.45	377.80
Deferred tax	452.35	49.06
Minimum Alternative Tax (MAT) Credit Entitlement	(139.40)	-
<b>Income tax expenses recognised in the Statement of Profit and Loss</b>	<b>917.40</b>	<b>426.86</b>
<b>(ii) Income tax expense recognised in Other Comprehensive Income (OCI)</b>		
Net gain / (loss) on remeasurements of defined benefit plans	5.04	(1.12)
<b>Income tax expense recognised in OCI</b>	<b>5.04</b>	<b>(1.12)</b>
<b>C. Reconciliation of tax expense and accounting profit for the year is as under:</b>		
<b>Profit before tax</b>	<b>2,557.70</b>	<b>1,203.25</b>
Income tax expense calculated at 34.944%	893.76	416.42
Tax effect on non-deductible expenses	100.93	123.19
Tax impact of income not subject to tax	(28.13)	(21.43)
Incentive tax credits	(49.16)	(91.32)
<b>Tax expense as per Statement of Profit and Loss</b>	<b>917.40</b>	<b>426.86</b>

The tax rate used for reconciliation above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under Indian tax law.

Company has accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ 139.40 lakhs (March 31, 2018 : ₹ Nil). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years and accordingly has recognised a deferred tax asset for the same.

Tax Credit Carry Forward	As at March 31, 2019	Expiry Date	As at March 31, 2018
2018-2019	139.40	March 31, 2034	-

**Note 19 : Trade Payables**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Total outstanding dues of micro and small enterprises (Refer Note 35)	127.76	112.74
(b) Total outstanding due of creditors other than micro and small enterprises	1,433.96	1,957.37
<b>Total</b>	<b>1,561.72</b>	<b>2,070.11</b>

**Note 20 : Other Current Liabilities**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Advance from Customer	10.57	64.35
Payable towards statutory dues	86.33	78.04
<b>Total</b>	<b>96.90</b>	<b>142.39</b>

**Note 21 : Current Tax Liabilities (Net)**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Provision for Income tax (Net of advance tax)	17.84	26.84
<b>Total</b>	<b>17.84</b>	<b>26.84</b>

**Note 22 : Revenue from operations (Refer Note Below)**

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Revenue from sale of goods and services</b>		
Sales of goods		
Domestic	45,805.33	39,428.96
Exports	84.85	42.58
	<b>45,890.18</b>	<b>39,471.54</b>
<b>B. Other Operating Revenues</b>		
Scrap Sales	131.18	141.68
Wind Mill Income	88.26	93.66
Subsidy from State Government (Refer Note 7)	80.49	61.91
	<b>299.93</b>	<b>297.25</b>
<b>Total</b>	<b>46,190.11</b>	<b>39,768.79</b>

**Note:**

The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017. Consequently, revenue from operations thereafter is net of GST. However, revenue till June 30, 2017 of the previous financial year is inclusive of excise duty amounting to ₹ 923.32 lakhs and the sales net of excise duty is ₹ 38,548.22 lakhs.

**Note 23 : Other Income**

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
a) Interest Income		
- Deposits with banks	5.40	5.09
- On Others	18.18	24.74
b) Net Loss on Foreign Currency Transactions and Translations (other than considered as finance cost)	-	7.63
c) Sundry Balances Written back	12.07	27.73
d) Insurance Claim Realised (Refer Note 34)	1,486.35	567.32
e) Other Non-Operating Income	14.79	1.44
<b>Total</b>	<b>1,536.79</b>	<b>633.95</b>

**Note 24 : Cost of Materials Consumed**

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Opening Inventory	2,440.67	1,996.52
Add: Purchases (Net)	28,785.26	24,226.24
	<b>31,225.93</b>	<b>26,222.76</b>
Less: Closing Inventory	2,089.80	2,440.67
<b>Total</b>	<b>29,136.13</b>	<b>23,782.09</b>

**Note 25 : Changes in inventories of Finished Goods And Work-in-Progress**

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Opening Inventory</b>		
Finished Goods	306.48	239.87
Work-in-Progress	976.69	1,021.81
	<b>1,283.17</b>	<b>1,261.68</b>
<b>Less: Closing Inventory</b>		
Finished Goods	523.05	306.48
Work-in-Progress	1,353.18	976.69
	<b>1,876.23</b>	<b>1,283.17</b>
(Increase) / Decrease in Inventories	<b>(593.06)</b>	<b>(21.49)</b>
(Increase) / Decrease in excise duty on Finished Goods	-	<b>(0.07)</b>
(Increase) / Decrease in Inventories	<b>(593.06)</b>	<b>(21.56)</b>

**Note 26 : Employee Benefits Expenses**

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	2,704.84	2,520.20
Contribution to Provident and Other Funds	149.47	146.27
Defined Benefit Plan – Gratuity (Refer Note 38)	45.31	43.48
Staff Welfare Expenses	201.25	184.02
<b>Total</b>	<b>3,100.87</b>	<b>2,893.96</b>

**Note 27 : Finance Cost**

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses		
On Term Loans	592.38	255.38
On Cash Credit	510.03	426.83
On Fixed deposits	9.44	29.72
	1,111.85	711.93
Less: Interest capitalised	(73.22)	(67.99)
	1,038.63	643.94
Bill Discounting Charges	688.44	446.40
Dividend on Preference Shares	206.66	244.73
Dividend Tax on Preference Shares	42.81	49.82
Interest on net defined benefit liability	11.45	7.22
Interest on others	3.67	-
<b>Total</b>	<b>1,991.66</b>	<b>1,392.11</b>

**Note 28 : Depreciation and Amortisation**

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on properties, plant and equipment	2,133.11	1,736.52
Intangible assets	9.75	15.35
<b>Total</b>	<b>2,142.86</b>	<b>1,751.87</b>



**Note 29 : Other Expenses**

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of Stores and Spare Parts	636.12	466.59
Water, Power and Fuel	2,797.99	2,277.12
Processing Charges	767.98	585.44
Material Handling Charges	2,318.43	2,212.67
Repairs and Maintenance		
Buildings	56.23	21.69
Plant and Equipment	227.97	170.70
Others	116.33	103.19
Freight	729.31	652.38
Lease Rent (Refer Note 37)	184.60	279.66
Rates and Taxes	144.99	188.98
Insurance	107.60	101.86
Security Charges	200.69	253.92
House-Keeping Expenses	98.40	128.55
Travelling and Conveyance	290.71	272.31
Directors' sitting fees	14.95	14.95
Payment to Auditors (Refer Note i below)	25.29	16.71
Commission to non-executive directors	12.00	12.00
Bad debts written off	96.47	38.16
Provision for doubtful debts	(93.10)	73.86
Provision for doubtful Loans and Advances	42.45	4.05
Legal and Professional Expenses	301.73	365.86
Foreign Exchange differences (Net)	1.76	-
Loss on sale of fixed assets	24.76	5.18
Corporate Social Responsibility expenses (Refer Note ii below)	51.58	12.45
Loss by Cyclone	-	11.43
Miscellaneous expenses	235.50	207.99
<b>Total</b>	<b>9,390.74</b>	<b>8,477.70</b>
<b>Note</b>		
<b>i) Payment to Auditors</b>		
As Auditor:		
- Audit Fees	16.00	13.50
- Tax Audit Fees	2.50	2.50
- Certification and other services	5.90	0.35
Reimbursement of Expenses	0.89	0.36
	<b>25.29</b>	<b>16.71</b>

**ii) Corporate Social Responsibility expenses**

The Company has spent ₹ 51.58 lakhs during the financial year (March 31, 2018 ₹ 12.45 lakhs) as per the provisions of section 135 of the Companies Act 2013, towards Corporate Social Responsibility (CSR) activities.

- Gross Amount required to be spent by the Company during the year 2018-19 ₹ 32.24 lakhs (March 31, 2018 ₹ 31.25 lakhs).
- Details of amount spent during the year

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
i) Construction/ Acquisition of any Assets	Nil	Nil
ii) Purpose other than (i) above		
Paid through Bank transfer *	51.58	12.45
Yet to be paid in Cash	-	18.80
Total	<b>51.58</b>	<b>31.25</b>
* Represent actual outflow during the year		
c) Related party transaction in relation to CSR Expenditure	<b>Nil</b>	<b>Nil</b>

**Note 30 : Financial Instruments****Note 30A : Categorywise classification of Financial Instruments**

		(₹ in lakhs)	
		As at March 31, 2019	As at March 31, 2018
a	<b>Financial Assets</b>		
	<b>Measured at Amortised Cost</b>		
	<b>Non current</b>		
(i)	Investments	-	-
(ii)	Loans	489.29	467.39
(iii)	Other Financial Assets	121.33	47.86
	<b>Current</b>		
(i)	Trade Receivables	5,605.64	7,525.54
(ii)	Cash and Cash Equivalents	38.51	196.47
(iii)	Other Bank Balances	83.11	92.23
(iv)	Other financial assets	416.21	405.43
	<b>Measured at Fair Value through Profit and loss (FVTPL)</b>		
	Investment (Fully impaired)	-	-
b	<b>Financial Liabilities</b>		
	<b>Measured at Amortised Cost</b>		
	<b>Non Current</b>		
(i)	Borrowings	10,985.72	8,180.25
(ii)	Other financial liabilities	13.50	-
	<b>Current</b>		
(i)	Borrowings	6,248.35	7,082.46
(ii)	Trade Payables	1,561.72	2,070.10
(ii)	Other financial liabilities	3,952.60	2,303.49
		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Financial Assets</b>		
	<b>Measured at Level 3</b>		
	- Investments (Fully impaired)	-	-

**Note 30B : Financial Risk Management Objectives and Policies**

The Company's overall policy with respect to managing risks associated with Financial Instruments is to minimise potential adverse effects of Financial Performance of the Company. The policies of managing specific risks are summarised below:

**a Foreign Currency Risk Management**

The Company undertakes transactions denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise. Exchange rate fluctuations are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated assets and liabilities as at the end of the reporting periods are as follows:

		(₹ in lakhs)	
		As at March 31, 2019	As at March 31, 2018
	<b>Liabilities</b>		
	<b>Payables</b>		
	USD	-	57.37
	Euro	-	1.21
	<b>Receivables</b>		
	USD	37.96	12.58
	<b>Net Exposure</b>		
	USD	37.96	(44.79)
	GBP	-	-
	Euro	-	(1.21)
	<b>Rates</b>		
	USD	69.17	65.01
	GBP	-	92.28
	Euro	-	80.67

**Note 30B : Financial Risk Management Objectives and Policies (...Contd)**
**Foreign Currency Sensitivity Analysis**

The company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 10 % increase or decrease in the USD against INR with all other variants held constant. The sensitivity analysis is prepared under net un-hedged exposure of the company as at the reporting date.

Change in USD Rate	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Effect on PAT & Total Equity		
+10%	3.80	(4.48)
- 10%	(3.80)	4.48

**b Credit Risk Management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The credit risk arising from Trade Receivables is managed in accordance to the Company's established policy and control relating to customer credit risk management. The credit quality of the customer is assessed based on the credit worthiness and past experience. The expected credit is based on the ageing of the days of receivables.

The ageing of the trade receivables is as under:

Particulars	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
More than 180 days	719.02	859.03
Others	5,500.49	7,373.48
	6,219.51	8,232.51
Less: Allowance for doubtful receivables	613.87	706.97
	5,605.64	7,525.54

**c Interest Rate Risk Management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Management is responsible for monitoring of the Company's interest rate position. Various variables are considered by management in structuring the company's borrowing to achieve a reasonable competitive cost of funding.

Since the company has insignificant variable interest bearing borrowings the exposure to the risk of change in the market interest rates is minimal.

**Exposure to interest rate risk**

The interest rate profile of the company's interest bearing financial instruments as reported to the management of the company is as follows

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Borrowings</b>		
Fixed Rate Borrowings	14,623.09	12,006.99
Variable Rate Borrowings	3,610.98	4,274.42
<b>Total</b>	<b>18,234.07</b>	<b>16,281.41</b>

**Fair Value Sensitivity Analysis for fixed rate instruments**

The company does not account for any fixed rate financial assets and liabilities at fair value to profit or loss. Therefore, a change in interest rates at the reporting date would not affect Profit or Loss.

**Cash flow sensitivity Analysis for variable rate instruments**

A reasonable possible change of 100 BPS in interest rates would result in variation in interest expenses for the company by the amounts indicated in the table below. This calculation also assumes that the changes occur at the Balance Sheet date and has been calculated based on its exposure outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

**Note 30B : Financial Risk Management Objectives and Policies (...Contd)**

	(₹ in lakhs)	
	100 BPS Increase	100 BPS Decrease
<b>Year ended March 31, 2019</b>		
<b>Financial Liabilities</b>		
Variable Rate Instruments		
Borrowings	(36.11)	36.11
Cash Flow Sensitivity(Net)		
<b>Year ended March 31, 2018</b>		
<b>Financial Liabilities</b>		
Variable Rate Instruments		
Borrowings	(42.74)	42.74
Cash Flow Sensitivity(Net)		

The Company does not have any additional impact on equity other than impact on retained earnings.

**d Liquidity Rate Risk Management**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The company's exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets and liabilities. The company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The company also has adequate credit facilities arranged with banks to ensure there is sufficient cash to meet all its normal operating commitments on a timely and cost effective manner. The following are the remaining contractual maturities of financial liabilities at the reporting dates :

	Contractual Cash Flows				
	Carrying Values	Total	Less than 1 year	1 to 5 years	More Than 5 years
(₹ in lakhs)					
<b>As at March 31, 2019</b>					
(i) Borrowings	18,234.07	20,707.24	8,078.30	12,097.18	531.76
(ii) Trade Payables	1,561.72	1,561.72	1,561.72	-	-
(ii) Other financial liabilities	2,952.61	3,958.68	2,952.61	1,006.07	-
<b>As at March 31, 2018</b>					
(i) Borrowings	16,281.41	17,888.15	8,652.72	8,630.48	604.95
(ii) Trade Payables	2,070.10	2,070.10	2,070.10	-	-
(ii) Other financial liabilities	1,284.81	2,231.70	1,284.81	946.89	-

**Note 30C : Capital Management**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at March 31, 2019 the Company had equity shares and preference shares. In order to maintain and achieve optimal capital structure the Company redeploys the earnings into the business based on its long term financial plans.

The Company manages Capital using Net Debt to Equity. For this purpose equity includes Reserves and Preference Shares. The Company's Net Debt to Equity are as follows :

	(₹ in lakhs)	
Particulars	March 31, 2019	March 31, 2018
Net Debt	15,998.36	13,651.16
Total Equity	18,678.72	17,629.81
<b>Net Debt to Equity Ratio</b>	<b>0.86</b>	0.77

**Note 31 : Dividend**

	(₹ in lakhs)	
Dividend on equity shares paid during the year	Year ended March 31, 2019	Year ended March 31, 2018
Final dividend @ 0.90 per equity share of ₹ 10/- each	154.58	154.58
Dividend Distribution Tax	31.77	31.47

**Proposed Dividend**

The Board of Directors at its meeting held on May 13, 2019 have recommended payment of dividend of ₹ 0.90 (Paise Ninety only) per Equity Share of ₹ 10 each for the financial year ended March 31, 2019. The same amounts to ₹ 154.58 lakhs including corporate dividend tax of ₹ 31.77 lakhs. The above is subject to the approval by the shareholders at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

**Note 32 : Contingent Liabilities and Commitments**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>a) Contingent Liabilities</b>		
1) Claims against the Company not acknowledged as debts Tax and other matters in dispute under appeal	1,004.12	1,106.59
2) Bills of exchange discounted with banks (since realized ₹ 3,680.42 lakhs (March 31, 2018: ₹ 2,113.43 lakhs))	7,033.80	4,147.78
<b>b) Commitments</b>		
1) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,633.83	1,994.65
2) Letters of Credit and Bank guarantees issued by bankers and outstanding as on March 31, 2019	56.60	394.82

**Note 33 : Research and Development**

The Company has recognition for its In-house R & D unit situated at Gat Nos. 939 & 940, Village - Sanaswadi, Tal - Shirur, Dist. Pune, Maharashtra - 412 208 (earlier at 28/9, D-2 Block, MIDC, Chinchwad, Pune) (Unit- Technology Centre) upto March 31, 2020, issued by Government of India, Ministry of Science and Technology, Department of Scientific and Industrial Research, New Delhi. During the year the Company has incurred following expenditure on Research and Development :-

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>a) Revenue Expenditure</b>		
Employee Cost	180.45	180.64
Travelling Expenditure	3.10	4.03
Processing charges	10.56	11.53
Power and fuel	7.90	6.35
Stores and Spares	3.85	1.95
Material Consumed	149.14	197.92
Repairs and Maintenance	12.34	11.69
Depreciation on Equipment	18.96	18.96
Rent	17.12	16.22
Others	15.62	40.13
<b>Total</b>	<b>419.04</b>	<b>489.42</b>
<b>b) Capital Expenditure</b>		
For Mould Research and Development facility	-	4.70
<b>Total</b>	<b>-</b>	<b>4.70</b>

**Note 34 : Insurance claim**

During the financial year an amount of ₹1,486.35 lakhs (net) received in full and final settlement towards property damage insurance claim consequent to the completion of the assessment by the Insurance Company in connection with fire at Rohtak in 2015-16. Similarly, an amount of ₹ 567.32 lakhs was received in year ended March 31, 2018 towards business interruption claim i.e. Loss of Profit and Standing Charges during the indemnity period. Both have been duly reflected in the financials under the head "Other Income".

**Note 35 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Principal amount remaining unpaid (but within due date as per the MSMED Act) at the end of the financial year	127.76	112.74
(b) Interest due thereon remaining unpaid	Nil	Nil
(c) The amount of interest paid u/s 16 of MSMED Act Act, along with the amounts of payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment which have been paid but, beyond the appointed day during the year	Nil	Nil
(e) The amount accrued and remaining unpaid at the end of each accounting period; i.e., principal is paid but interest has remained unpaid	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise, this is required for the purpose of disallowance as a deductible expenditure u/s 23 of the Act.	Nil	Nil

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



**Note 36 : Foreign Currency Exposure.**

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. During the year, Company has not entered into any forward exchange contract.

The forward exchange contract used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	No of Contracts	Buy Amount (USD)	₹ in lakhs
Forward Contract to buy USD as at March 31, 2019	-	-	-
Forward Contract to buy USD as at March 31, 2018	-	-	-

The foreign currency (FC) exposure not hedged as at March 31, 2019 are as under :

Currency	(in FC)		(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Payable</b>				
USD	-	88,200	-	57.37
GBP	-	-	-	-
Euro	-	1,500	-	1.21
<b>Receivable</b>				
USD	<b>54,874</b>	19,352	<b>37.96</b>	12.58

**Note 37 : Disclosure pursuant to Indian Accounting Standard (IndAS – 17) Leases****Assets taken on operating lease**

- The Company has taken certain assets such as cars and premises on an operating lease basis, the lease rentals are payable by the Company on monthly basis.
- Future minimum lease rentals payable as at March 31, 2019 as per the lease agreements:

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Not later than one year	148.10	165.62
Later than one year but not more than five years	527.80	60.46
	<b>675.90</b>	<b>226.08</b>

- Lease payments recognised in the Statement of Profit and Loss for the year are ₹ 184.60 lakhs (March 31, 2018 : ₹ 279.66 lakhs).

**Assets given on operating lease**

- The Company has entered into an agreement to give one of its factory building alongwith freehold land situated at Dadra on operating lease effective April 1, 2019. The rental income for the same will accrue there onwards.
- Future minimum lease rentals receivable as at March 31, 2019 as per the lease agreement:

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Not later than one year	27.00	-
Later than one year but not more than five years	113.40	-
Later than five years	154.53	-
	<b>294.93</b>	<b>-</b>

**Note 38 : Employee benefits**

## (1) Post employment benefits:

a **Defined Contribution plan**
**Provident Fund and Employee State Insurance Scheme**

Defined contribution plans are Provident Fund Scheme and Employee State Insurance Scheme. The Company contributes to the Government administered provident funds on behalf of its employees.

b **Defined Benefit plan**
**Gratuity scheme**

The Company operates a defined benefit gratuity plan for employees. The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary. The Company has a gratuity trust. However, the Company funds its gratuity payouts to the trust from its cash flows. Accordingly, the Company creates adequate provision in its books every year based on actuarial valuation. These benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and investment risk.

c **Amounts Recognised as Expense**

i **Defined Contribution Plan**

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 135.22 lakhs (March 31, 2018 : ₹ 129.30 lakhs) has been included under Contribution to Provident and Other Funds in Note 26 'Employee Benefit Expenses'.

ii **Defined Benefit Plan**

Gratuity cost amounting to ₹ 45.31 lakhs (March 31, 2018 : ₹ 43.48 lakhs) has been included in Note 26 'Employee Benefit Expenses'.

d **The amounts recognised in the Company's financial statements as at year end are as under**

Particulars	(₹ in lakhs)	
	<b>Gratuity (Funded Plan)</b>	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>i Change in Present Value of Obligation</b>		
<b>Opening defined benefit obligation as at April 1</b>	<b>528.73</b>	490.86
Current Service Cost	<b>45.31</b>	43.48
Interest Cost	<b>40.61</b>	34.80
Actuarial (Gain)/Loss on obligations due to change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on obligations due to change in Financial Assumption	<b>7.32</b>	(19.82)
Actuarial (Gain)/Loss on obligations due to experience	<b>15.10</b>	7.03
Benefits Paid	<b>(18.11)</b>	(27.62)
<b>Closing defined benefit obligation as at March 31</b>	<b>618.96</b>	528.73
<b>ii Change in fair value of assets :</b>		
<b>Opening fair value of plan assets as at April 1</b>	<b>379.69</b>	388.97
Return on Plan Assets excluding Interest Income	<b>6.89</b>	(9.24)
Interest Income	<b>29.16</b>	27.58
Assets distributed on settlements	-	-
Contributions by employer	<b>47.16</b>	-
Benefits Paid from the fund	<b>(18.11)</b>	(27.62)
<b>Closing Fair Value of Plan Assets as at March 31</b>	<b>444.77</b>	379.69
<b>iii Amounts recognised in the Balance Sheet</b>		
Present value of benefit obligation at the end of the period	<b>(618.96)</b>	(528.73)
Fair Value of Plan Assets	<b>444.77</b>	379.69
Funded Status {Surplus/ (Deficit)}	<b>(174.19)</b>	(149.04)
<b>Net (Liability)/Asset recognised in the Balance Sheet</b>	<b>(174.19)</b>	(149.04)
<b>iv Amount recognised in the statement of Profit &amp; Loss</b>		
Current Service Cost	<b>45.31</b>	43.48
Interest on defined benefit obligation	<b>11.44</b>	7.22
<b>Total</b>	<b>56.75</b>	50.70
<b>v Amount recognised in Other Comprehensive Income (OCI)</b>		
Actuarial (Gains)/ Losses on the Obligation For the Period	<b>22.44</b>	(12.79)
Return on Plan Assets, Excluding Interest Income	<b>(6.89)</b>	9.24
<b>Net (Income)/Expense For the Period Recognised in OCI</b>	<b>15.55</b>	(3.55)

## Note 38 : Employee benefits (...Contd)

Particulars	(₹ in lakhs)	
	Gratuity (Funded Plan)	
	Year ended March 31, 2019	Year ended March 31, 2018
vi <b>Estimated contribution to be made in next financial year</b>	61.78	85.30
vii <b>Weighted Average Duration of Present Benefit Obligation</b>	8 years	8 years
viii <b>Major categories of Plan Assets as a % of total Plan Assets</b>	100%	100%
Insurer Managed Funds		
ix <b>Assumptions :</b>		
Discounted Rate (per annum)	7.68%	7.68%
Estimated Rate of return on Plan Assets (per annum)	7.68%	7.68%
Mortality for domestic plan	<b>Indian Assured Lives Mortality</b>	Indian Assured Lives Mortality
Rate of Escalation in Salary (per annum)	10.00%	10.00%
The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
x <b>Maturity Analysis of Projected Benefit Obligation: From the Fund</b>		(₹ in lakhs)
<b>Projected Benefits Payable in Future Years from the Date of Reporting</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Within the next 12 months	75.17	60.14
2nd Following Year	66.61	49.97
3rd Following Year	61.56	59.73
4th Following Year	59.95	52.01
5th Following Year	59.18	50.66
Sum of Years 6 To 10	274.15	237.44
11 and above	486.48	446.39
xi <b>Sensitivity analysis</b>		
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :		

	(₹ in lakhs)			
	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(35.02)	39.30	(30.65)	34.44
Future salary growth (1% movement)	37.50	(34.27)	33.01	(30.06)
Employee Turnover (1% movement)	(5.87)	6.44	(4.89)	5.38

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

xii **Other details**

Methodology Adopted for ALM

Projected Unit Credit Method.

Usefulness and Methodology adopted for Sensitivity analysis

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Comment on Quality of Assets

Since investment is with insurance company, assets are considered to be secured.

## (2) Long Term Employee Benefits:

The liability towards compensated absences (annual leave) as at March 31, 2019, based on actuarial valuation carried out by using the Projected Unit Credit Method amounting to ₹ 42.24 lakhs (March 31, 2018 : ₹ 95.09 lakhs ) has been recognised in the Statement of Profit and Loss.

**Note 39 : Earnings per Share (EPS)**

	Year ended March 31, 2019	Year ended March 31, 2018
Profit after tax as per Statement of Profit and Loss (₹ in Lakhs)	1,640.30	776.39
Weighted average number of Equity Shares outstanding	17,175,700	17,175,700
Earnings per share (₹)—Basic [Face value of ₹ 10/- per share]	9.55	4.52
Earnings per share (₹)—Diluted [Face value of ₹ 10/- per share]	9.55	4.52

**Note 40 : Disclosure under Amendment to Ind AS 7 regarding impact of non- cash transactions on financial liabilities**

Effective April 1, 2017 the Company adopted the amendment to Ind AS 7, which requires the Company to provide disclosure that will enable users of financial statements to evaluate changes in liabilities from financing activities, including changes arising from cash flow and non cash changes. In order to meet this disclosure requirement, the reconciliation between the opening and closing balances for liabilities arising from financing activities in the Balance Sheet, is as stated below:

Particulars	(₹ in lakhs)			
	As at March 31, 2018	Cash Flows	Foreign Exchange (Gain) /Loss (Non- Cash)	As at March 31, 2019
Long term borrowings	9,198.94	2,786.78	-	11,985.72
Short term borrowings (excluding cash credits)	6,808.04	(1,170.67)	-	5,637.37
<b>Total liabilities from financing activities</b>	<b>16,006.98</b>	<b>1,616.11</b>	<b>-</b>	<b>17,623.09</b>

Particulars	(₹ in lakhs)			
	As at March 31, 2017	Cash Flows	Foreign Exchange (Gain) /Loss (Non- Cash)	As at March 31, 2018
Long term borrowings	5,161.89	4,074.21	(37.16)	9,198.94
Short term borrowings (excluding cash credits)	5,148.54	1,659.50	-	6,808.04
Assets held to hedge long term borrowings	(36.22)	-	36.22	-
<b>Total liabilities from financing activities</b>	<b>10,274.21</b>	<b>5,733.71</b>	<b>(0.94)</b>	<b>16,006.98</b>

**Note 41 : Carrying value of Assets offered as collateral**

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Current Assets</b>		
<b>Floating Charge</b>		
<b>Financial Assets</b>		
Trade Receivables (Other than Invoice discounting)	4,468.27	4,717.50
<b>Non Financial Assets</b>		
Inventories	3,991.63	3,744.06
<b>Total current assets hypothecated as collateral</b>	<b>8,459.90</b>	<b>8,461.56</b>
<b>Non Current Assets</b>		
<b>Floating Charge</b>		
Plant and Machinery	5,922.25	5,541.67
<b>Fixed Charge</b>		
Land	4,905.68	4,141.79
Building	7,958.25	4,946.81
Capital work in progress (Building)	3,639.62	1,831.91
<b>Total non current assets mortgaged as collateral security</b>	<b>22,425.80</b>	<b>16,462.18</b>
<b>Total asset offered as Security including collateral</b>	<b>30,885.70</b>	<b>24,923.74</b>

**Note 42 : Segment Reporting**

The Company's Chief Operating Decision Maker, examines the Company's performance on an entity level. The Company has only one reportable segment i.e. 'Plastic Containers'.

Amount of the Company's revenue from external customers is shown in the table below

**Revenue from External Customers**

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Plastic Containers	46,190.11	39,768.79
<b>Total operations</b>	<b>46,190.11</b>	<b>39,768.79</b>

The Company's revenue from external customer attributed to country other than India are not material.

Revenue aggregating to ₹ 33,522.01 lakhs (March 31, 2018 : ₹ 27,074.74 lakhs) are derived from two external customers.

**Note 43 : Information on related party transactions as required by Indian Accounting Standard (IndAS – 24) for the year ended March 31, 2019.****1. Relationship:****(i) Holding Company**

Geetanjali Trading and Investments Private Limited

**(ii) Fellow Subsidiaries**

Hitech Specialities Solutions Ltd

Hitech Insurance Broking Services Ltd

Rituh Holding and Trading Company Pvt. Ltd.

**(iii) Key Management Person (KMP) & Relatives of Key Managerial Persons:**

Mr. Malav A. Dani (Managing Director)

Mr. Ashwin S. Dani (Relative of Managing Director)

Mrs. Ina A. Dani (Relative of Managing Director)

Mr. Jalaj A. Dani (Relative of Managing Director)

Mr. Hasit A. Dani (Relative of Managing Director)

Mr. Mehernosh A. Mehta (Whole Time Director)

Mr. Bharat Gosalia (Chief Financial officer)

Mrs. Namita R. Tiwari (Company Secretary)

**(iv) Entities controlled or jointly controlled by KMP:**

Mefree LLP

Rayirth Holding and Trading Company Pvt. Ltd.

Sattva Holding & Trading Pvt. Ltd. (Formerly Isis Holding and Trading Company Pvt. Ltd.)

Cannes Venatici Trading Pvt. Ltd.

Homevilla Yoga Pvt Ltd

**(v) Entities over which KMP along with Relatives exercise significant influence:**

Asian Paints Ltd.

Paladin Paints and Chemicals Pvt Ltd

**(vi) Post Employee Benefit Plan Entities :**

Hitech Plast Employees' Gratuity Trust

Mipak Industries Employees' Group Gratuity Assurance Scheme

Plast-Kul Industries Employees' Group Gratuity Assurance Scheme

Clear Plastics Employees' Gratuity Trust

Mipak Polymers Ltd Employees' Group Gratuity Assurance Scheme

## 2. Related Party Transactions

(₹ in lakhs)

Particulars	Holding Company		Fellow subsidiaries		Key Management Person & Relatives of Key Managerial Persons		Entities over which KMP along with Relatives exercise significant influence		Post Employee Benefit Plan Entities	
	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18
Sale of Goods	-	-	0.20	0.22	-	-	28,974.57	22,639.15	-	-
Provision for doubtful debts (Expenses)	-	-	-	-	-	-	11.71	-	-	-
Rent Paid	-	-	24.00	24.00	-	-	-	-	-	-
Remuneration	-	-	-	-	127.80	126.29	-	-	-	-
Retiral benefits (Long Term)	-	-	-	-	2.47	0.62	-	-	-	-
Retiral benefits (Short Term)	-	-	-	-	0.38	1.62	-	-	-	-
Sitting Fees	-	-	-	-	2.30	1.95	-	-	-	-
Commission	-	-	-	-	1.10	0.80	-	-	-	-
Reimbursement of Expenses	-	-	-	-	4.91	5.51	-	-	-	-
Dividend on Preference Shares	199.31	236.02	7.36	8.71	-	-	-	-	-	-
Preference Shares Redeemed Partially	380.50	447.64	14.04	16.52	-	-	-	-	-	-
Preference Dividend paid	233.55	276.19	8.62	10.19	-	-	-	-	-	-
Contributions made to Fund	-	-	-	-	-	-	-	-	47.16	-
<b>Outstandings</b>										
Receivables	-	-	-	-	-	-	669.76	3,657.83	-	-
Provision for doubtful debt	-	-	-	-	-	-	11.71	-	-	-
<b>Payables</b>										
Bonus Payable	-	-	-	-	8.76	8.76	-	-	-	-
Preference Dividend Payable	194.05	228.30	7.16	8.43	-	-	-	-	-	-
Commission Payable	-	-	-	-	1.10	0.80	-	-	-	-
Contribution Payable to Fund	-	-	-	-	-	-	-	-	174.19	149.04

### Note 44 : Approval of financial statements

The financial statements are approved for issue by the Board of Directors in their meeting dated May 13, 2019.

### Note 45 : Other Notes

Previous year's figures have been regrouped / reclassified where necessary to confirm with financial statements prepared under Ind AS.

As per our report attached  
**For Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
Firm Regn No. 104607W/W100166

**Roshni R. Marfatia**  
Partner  
M.No. 106548

Mumbai, May 13, 2019

For and on behalf of the Board of Directors  
**Hitech Corporation Limited**  
CIN: L28992MH1991PLC168235

**Ashwin S. Dani**  
Chairman  
DIN:00009126

**Bharat I. Gosalia**  
Chief Financial Officer

Mumbai, May 13, 2019

**Malav A. Dani**  
Managing Director  
DIN:01184336

**Namita R. Tiwari**  
Company Secretary



# Awards & Recognitions



Hitech Corporation Limited was presented the Asia Pacific Entrepreneurship Awards 2019 and a Certificate of Achievement in the Corporate Excellence category for demonstrating sustainable growth, responsible leadership and operational excellence.

Sab Ka Mangal Ho Foundation received the Asia Responsible Enterprise Award under the CSR Category in the region of India, Asia.



Manufacturing Facility at Visakhapatnam

Manufacturing Facility at Mysuru



