



**Hitech Corporation Limited**  
Regd. Office & HO:  
201, Welspun House 2nd Floor,  
Kamala City, Lower Parel - west  
Mumbai - 400 013

5<sup>th</sup> July, 2021

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 for the financial year 2020-21.**

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), please find enclosed Annual Report of the Company for the financial year 2020-21.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Annual Report of the Company for the financial year 2020-21 is being sent to all the members of the Company whose email addresses are registered with the Company or Depository Participant(s).

The Annual Report for the financial year 2020-21 is available on the website of the Company [www.hitechgroup.com](http://www.hitechgroup.com)

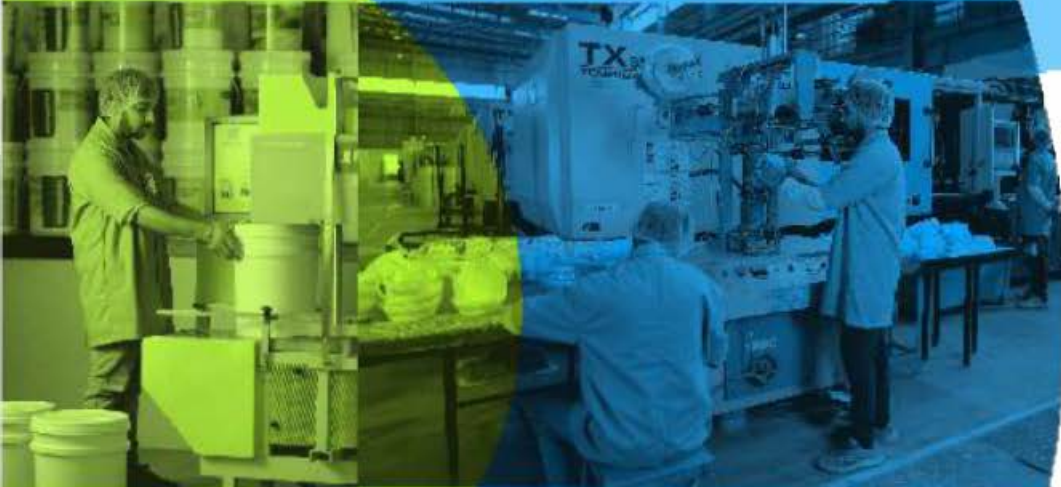
This is for your information and record.

Thanking you,

Yours faithfully,

**For Hitech Corporation Limited**

**Namita Tiwari**  
**Company Secretary**



## From the Desk of the Managing Director

Dear Partners,

We want to thank you for strengthening our resolve and helping us finish this fiscal year better than how it began.

The fiscal year started in the early days of abrupt national lockdowns, confining us to our homes and bringing commerce to a near standstill. Most of our plants were non-operational in April and May and production hobbled back to pre-lockdown levels by June and thereafter slowly returned to normalcy.

Despite the discouraging start, we ended the year producing almost as much as we did last year. Our efforts improved contribution margins by almost 2%. We stuck to our six-sigma training, eliminated waste and did more with less. With the two new plants in Mysore and Vizag ramping up rapidly, we were able to service our long-term obligations.

We were able to achieve all this only by continuing to adhere to our core values. Our pledge towards **innovation**, even in restrictive environments, was on display when we were trusted by our customers to design, test and process, in very short time, brand new product lines. Our client centricity and proven technological abilities have allowed us to be not just suppliers but preferred partners to our customers.

Our employees have always brought **integrity** to their work and this year tested their dedication on different levels. They went above and beyond what we asked of them, ensuring that, despite labour and transport restrictions, production disruptions were kept to a minimum. This helped our customers serve their end-customers without interruptions.

Our **commitment** to being leaders and solution providers in rigid plastics manufacturing led us to being a reliable partner to our customers. We continue to work with our customers, small and large, to devise ways and means that are economical and sustainable to help protect the environment. They include answers to tough questions around collection, sorting and recycling of materials.

In the wake of pandemic related lockdowns we continued our CSR activities via online yoga classes and competitions. It was heartening to see that our efforts in training children in yoga at orphanages the last few years were well administered. Older children, who we have been training since 2016, were able to independently conduct sessions for the younger incoming students.

We extend our deep gratitude towards Mr. Jalaj Dani and Mr. Ashwin Nagarwadia, who retired during this financial year.

Finally, we thank all our stakeholders – employees, shareholders and customers – for their continued support.

With Regards,

Malav Dani

## BOARD OF DIRECTORS

**Ashwin S. Dani**  
*Chairman*

**Jayendra R. Shah**  
*Independent Director*

**Malav A. Dani**  
*Managing Director*

**Jalaj A. Dani**  
*Director*  
*(Retired w.e.f. September 26, 2020)*

**Bomi P. Chinoy**  
*Independent Director*

**Mehernosh A. Mehta**  
*Whole Time Director*

**Harish N. Motiwalla**  
*Independent Director*

**Aditya M. Sheth**  
*Independent Director*

**Ashwin R. Nagarwadia**  
*Director*  
*(Resigned w.e.f. January 4, 2021)*

**Kalpana V. Merchant**  
*Independent Director*

**Chief Financial Officer**  
*Avan R. Chaina*

**Company Secretary**  
*Namita Tiwari*

## STATUTORY AUDITORS

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

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## NOTICE TO MEMBERS

**NOTICE** is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING** of **HITECH CORPORATION LIMITED** ('the Company') will be held on **Thursday, 29<sup>th</sup> day of July, 2021 at 2.00 p.m.** (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), organized by the Company to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at Unit No. 201, 2<sup>nd</sup> Floor, Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the Financial Year ended March 31, 2021.
3. To appoint a Director in place of Mr. Ashwin S. Dani (DIN: 00009126), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

4. **To approve the continuation of Directorship of Mr. Ashwin Dani as a Non-Executive Director of the Company.**

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 including any statutory amendment(s) or modification(s) thereto or substitution(s) or re-enactment(s) made thereof for the time being in force and subject to the applicable provisions of the Companies Act, 2013 and Rules framed thereunder as amended from time to time and other applicable laws, if any, approval of the members of the Company be and is hereby accorded for continuation of Directorship of Mr. Ashwin S. Dani (DIN: 00009126) as a Non-Executive Director of the Company beyond the age of 75 years with effect from July 29, 2021 till completion of his tenure.

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

### Registered 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, May 21, 2021

### NOTES:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (hereinafter referred to as the "Act"), in respect of businesses to be transacted at the Annual General Meeting (hereinafter referred to as "AGM"), as set out under Item No. 4 above and the relevant details of the Director as mentioned under Item No.4 above as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.
2. The Board of Directors have considered and decided to include item nos. 4 given above as Special Business in the forthcoming AGM, as it is unavoidable in nature.
3. In view of the continuing lockdown restrictions on the movement of people at several places in the country, due to outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No.2/2021 dated 13<sup>th</sup> January, 2021 read with General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI) (the Circulars), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
4. As the AGM shall be conducted through VC / OAVM, physical attendance of members is not required and the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. Corporate members intending to send their authorised representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. authorising its representatives to attend the AGM, by e-mail to [investor.help@hitechgroup.com](mailto:investor.help@hitechgroup.com)

### Process for dispatch of Annual Report and registration of email id for obtaining copy of Annual Report

6. In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.hitechgroup.com](http://www.hitechgroup.com), websites of the Stock Exchanges i.e. BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and on the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com>.

7. Shareholders holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by sending a duly signed request letter to the Registrar and Transfer Agents (RTA) of the Company, Link Intime India Private Limited by providing Folio No. and Name of shareholder. Shareholders holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.
8. Process for registration of e-mail addresses for obtaining Notice of the AGM along with Annual Report for FY 2020-21.

If your e-mail address is not registered with the Depositories (if shares held in electronic form)/Company (if shares held in physical form), you may register on or before 5.00 p.m. (IST) on Tuesday, 20<sup>th</sup> July, 2021 to receive the Notice of the AGM along with the Annual Report 2020-21 by completing the process as under:

- a. Visit the link [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html).
  - b. Select the name of the Company 'Hitech Corporation Limited' from dropdown.
  - c. Enter details in respective fields such as DP ID and Client ID (if shares held in electronic form)/Folio no. and Certificate no. (if shares held in physical form), shareholder name, PAN, mobile no. and e-mail id.
  - d. System will send OTP on mobile no. and e-mail id.
  - e. Enter OTP received on mobile no. and e-mail id and submit.
9. Members seeking any information with regard to any matter set out in the notice convening the ensuing AGM, are requested to write to the Company through an email on [investor.help@hitechgroup.com](mailto:investor.help@hitechgroup.com)

#### **Procedure for joining the 30<sup>th</sup> AGM through VC / OAVM**

10. NSDL will be providing facility for voting through remote e-Voting, for participation in the 30<sup>th</sup> AGM through VC/OAVM facility and e-Voting during the 30<sup>th</sup> AGM.
11. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first come-first-served basis. (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
12. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned at note no.21(d) for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN (116213) of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
13. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come first-served basis.

14. Members who need assistance before and during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL or Mr. Sanjeev Yadav, Assistant Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on 1800-1020-990 and 1800-224-430.
15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
16. Members are encouraged to join the Meeting through Laptops for better experience. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
17. Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

#### **Procedure to raise questions / seek clarifications with respect to Annual Report at the ensuing 30<sup>th</sup> AGM:**

18. Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at [investor.help@hitechgroup.com](mailto:investor.help@hitechgroup.com). Questions / queries received by the Company till 5.00 p.m. (IST) on Monday, July 26, 2021 shall only be considered and responded during the AGM.
19. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker, by following the steps mentioned at note no. 21 (d) "Step 1: Access to NSDL e-Voting system" between 9.00 a.m. on Tuesday, July 20, 2021 to 5.00 p.m. on Monday, July 26, 2021. After successful login, Members will be able to register themselves as a speaker shareholder by clicking on the link available against the EVEN (116213) of Hitech Corporation Limited.
20. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM
21. **Procedure for remote e-Voting and e-Voting during the AGM**

- a. All the shareholders of the Company including retail individual investors, institutional investors, etc. are encouraged to attend and vote in the AGM to be held through VC/OAVM.
- b. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulation, (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

- c. The remote e-Voting period commences on **Monday, July 26, 2021 at 9.00 a.m.** (IST) and will end on **Wednesday, July 28, 2021 at 5.00 p.m.** (IST) During this period, Members holding shares either in physical form or in dematerialized form, as on **Thursday, July 22, 2021** i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commencing from July 26, 2021 to July 28, 2021 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- d. The details of the process and manner for remote e-Voting are explained herein below:

**Step 1:** Access to NSDL e-Voting system

**Step 2:** Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

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

**I. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>A. NSDL IDeAS facility</b></p> <p><b>If you are already registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section.</li> <li>3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</li> <li>4. Click on “Access to e-Voting” appearing on the left hand side under e-Voting services and you will be able to see e-Voting page.</li> <li>5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.</li> </ol> <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> <li>1. Option to register is available at : <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>2. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Please follow steps given in points 1-5 above.</li> </ol> <p><b>B. e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a personal computer or on a mobile phone.</li> <li>2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.</li> </ol>

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi/Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will also be able to see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) logging through their Depository Participants</b>	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility.</li> <li>Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.</li> </ol>

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800-1020-990 and 1800-224-430
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at (022) 2305 8738 or (022) 2305 8542/43

## II. Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholder/Member" section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
- 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 116213 then user ID is 116213001***



6. 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 by NSDL. 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 e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox. Open the e-mail 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 Beneficiary 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. In case you have not registered your e-mail address with the Company/Depository, please follow instructions mentioned below in this notice.
7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, PAN, name and registered address.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are mentioned 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 all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN (116213)" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from Depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Process for those shareholders whose email ids are not registered with the Depositories/Company for procuring user id and password for e-Voting for the resolutions set out in this Notice:**

Shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing below mentioned documents.

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card).
2. In case shares are held in demat mode, please provide DP ID-Client ID (16 digit DP ID + Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card). If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at point no. 21 (d) "Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode".

**General Guidelines for shareholders:**

1. Institutional shareholders / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are requested to send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer at [hemanshu@hkacs.com](mailto:hemanshu@hkacs.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 for e-Voting, 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.: 1800-1020-990 and 1800-224-430 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. Members who have cast their votes by remote e-Voting prior to the AGM may also attend/ participate in the Meeting through VC/OAVM but they shall not be entitled to cast their vote again.
5. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Thursday, 22<sup>nd</sup> July, 2021.

6. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Thursday, July 22, 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [investor.help@hitechgroup.com](mailto:investor.help@hitechgroup.com). 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 forgot 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 call on toll free no. 1800-1020-990 and 1800-224-430. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, July 22, 2021 may follow steps mentioned in the Notice of the AGM under point 21 (d) "Access to NSDL e-Voting system".
7. Mr. Hemanshu Kapadia, Proprietor, M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries (Membership No. FCS 3477, COP: 2285), has been appointed as the Scrutinizer for conducting voting process in a fair and transparent manner.
8. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
9. The results shall be declared within 2 working days from conclusion of the AGM. The results along with the report of the Scrutinizer shall be placed on the website of the Company [www.hitechgroup.com](http://www.hitechgroup.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.
22. Documents open for inspection:
- a. All the documents referred to in the accompanying notice and the statement pursuant to Section 102 (1) of the Companies Act, 2013 shall be available for inspection through electronic mode. Members are requested to write to the Company on [investor.help@hitechgroup.com](mailto:investor.help@hitechgroup.com) for inspection of said documents; and
- b. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members during the AGM, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
- Dividend related information**
23. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, July 23, 2021 to Thursday, July 29, 2021** (both days inclusive).
24. Dividend for the financial year ended March 31, 2021, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid after Thursday, July 29, 2021, to those members whose names appear on the Register of Members as on **Thursday, July 22, 2021**.
25. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
26. Members holding shares in physical / electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.
- Process for updation of bank account mandate for receipt of dividend electronically:**
- i. Physical Holding**
- Send a duly signed request letter to the Registrar and Transfer Agents of the Company, Link Intime India Pvt. Ltd. by providing Folio No., Name of shareholder along with following documents:
- a) Original Cancelled cheque leaf bearing the name of the first shareholder; or
- b) In case of absence of name of the first shareholder on the original cancelled cheque or initials on the cheque, bank attested copy of first page of the Bank Passbook/Statement of Account along with the original cancelled cheque shall be provided.
- ii. Demat Holding**
- Please contact your Depository Participant (DP) and register your bank account details in your demat account, as per the process advised by your DP.
27. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall upon normalisation of postal services dispatch the dividend warrants to such shareholder by post.
28. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after April 1, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company.
- a) All Shareholders are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account(s) maintained with the Depository participant(s); or in case of shares held in physical form, with the Company, on or before the Record Date i.e. Thursday, July 22, 2021.
- Please note that the following information & details, if already registered with the RTA and Depositories, as the case may be, will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:
- i. Valid Permanent Account Number (PAN).
- ii. Residential status as per the Income Tax Act, 1961 i.e. Resident or Non-Resident for FY 2020-21.
- iii. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FII): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, Foreign Company, etc.

- iv. Email Address.
- v. Residential Address
- \*If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN. Further as per the Notification of Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN.
- b) For Resident Shareholders, TDS is required to be deducted at the rate of 10.00% under Section 194 of the Income Tax Act, 1961 on the amount of dividend declared and paid by the Company in the financial year 2021-22 provided valid PAN is registered by the Shareholder. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% under Section 206AA of the Income Tax Act, 1961.
- However, no tax shall be deducted on the dividends paid to resident individuals if aggregate dividend distributed or likely to be distributed during the financial year does not exceed ₹ 5,000.
- Even in the cases where the shareholder provides valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted.
- c) For Non-resident shareholders [Including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)], the TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 or 196D of the Income Tax Act, 1961, as the case may be. Further, as per Section 90 of the Income Tax Act, 1961 the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them.
- For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:
- I. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;
  - II. Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident;
  - III. Self-declaration in Form 10F; and
  - IV. Self-declaration in the prescribed format certifying:
    - Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2021-22;
    - Shareholder is eligible to claim the beneficial Double Taxation Avoidance Agreement (DTAA) rate for the purposes of tax withholding on dividend declared by the Company;
    - Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
    - Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
    - Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2021-22.
- d. The draft of the aforementioned documents may also be accessed from the Company's website at <https://hitechgroup.com/investor/Display/miscellaneous>.
- e. **Submission of tax related documents:**
- Resident Shareholders**
- The aforesaid documents such as Form 15G/15H, documents under Sections 196, 197A, etc. can be uploaded on the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before **Tuesday, July 20, 2021** to enable the Company to determine the appropriate TDS/withholding tax rate applicable. Any communication on the tax determination/deduction received post **Tuesday, July 20, 2021** shall not be considered.
- Shareholders can also send the scanned copies of the documents mentioned above at the email id mentioned below:
- [hitechdivtax@linkintime.co.in](mailto:hitechdivtax@linkintime.co.in)
- Non-Resident Shareholders**
- Shareholders are requested to send the scanned copies of the documents mentioned above at the email id mentioned below:
- [hitechdivtax@linkintime.co.in](mailto:hitechdivtax@linkintime.co.in)
- These documents should reach us on or before Tuesday, July 20, 2021 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be entertained post Tuesday, July 20, 2021.
- f) It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the forementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.
- g) We shall arrange to email the soft copy of TDS certificate at your registered email ID in due course, post payment of the dividend.
- h) A separate email communication was sent to the shareholders on June 15, 2021, informing the said change in Income Tax Act, 1961 and as well as relevant procedure to be adopted by the shareholders for availing the applicable tax rate.
29. **Transfer of Unclaimed Dividend Amounts to the Investor Education and Protection Fund (IEPF):**
- A. Pursuant to the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force), dividends that are unpaid or unclaimed for a period of seven (7) years from the date of their transfer are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

- B. During the financial year 2020–21, the Company has transferred to IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount of Dividend (in ₹)	No. of shares
Final Dividend for the Financial Year 2012-13	3,19,538.00	7,703

- C. The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at [https://hitechgroup.com/investor/Display/Unclaimed\\_UnpaidDividend](https://hitechgroup.com/investor/Display/Unclaimed_UnpaidDividend) and 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)).

#### Others

30. 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. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases, viz. (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.
31. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September, 2020 read with SEBI circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2<sup>nd</sup> December, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or RTA for assistance in this regard.

32. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in, to RTA. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility. The Form SH-13 is available on the website of the Company at <https://hitechgroup.com/investor/Display/miscellaneous>.

### Explanatory Statement

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

The following Explanatory Statement sets out all material facts relating to the Resolution No. 4 of the Notice in accordance with Section 102 of Companies Act, 2013.

The Securities and Exchange Board of India (SEBI) vide its circular dated May 09, 2018 has amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has now 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 w.e.f. April 01, 2019.

Since, Mr. Ashwin Dani, Non-Executive Director of the Company has attained the age of seventy-eight 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 Mr. Dani's Directorship as Non-Executive Director of the Company beyond the age of 75 years till the completion of his new tenure commencing from conclusion of this AGM.

Mr. Ashwin Dani is a Non-Executive Chairman of the Company and has vast and rich experience in the field of paints and packaging industry and is also founder member of the Company. His knowledge of the business and industry environment and vast experience in general management has been an asset to the Company. The Company is driven by his vision and under his esteemed guidance, the Company has attained a remarkable growth in packaging industry.

The Board of Directors recommends the Special Resolution as set out at Item No. 4 of this Notice for continuation of Directorship of Mr. Ashwin Dani beyond the age of seventy-five years.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Ashwin Dani himself being the appointee and Mr. Malav Dani being a relative, are in any way concerned or interested, financially or otherwise, in the Resolutions as set out at Item No. 4 of this Notice.

## 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:

<b>Name of the Director</b>	<b>Mr. Ashwin S. Dani</b> <b>(DIN : 00009126)</b>
<b>Age (years)</b>	78
<b>Qualification</b>	<ul style="list-style-type: none"> <li>• B.Sc. (Hons.) degree from the Institute of Science, University of Mumbai and B.Sc. (Tech) - Paints, Pigments and Varnishes from U.D.C.T. (now known as Institute of Chemical Technology (ICT), University of Mumbai.</li> <li>• Masters Degree in Polymer Science (USA)</li> <li>• Diploma in Colour Science (USA).</li> </ul>
<b>Brief Resume of the Director</b>	<p>Mr. Ashwin S. Dani is a Non-Executive Director and Chairman of the Company. He has served as the Vice Chairman and Managing Director of Asian Paints Limited from December 1998 to March 2009. Currently, he is the Non Executive Chairman of Asian Paints Limited.</p> <p>Mr. Dani started his career in 1967, as a Development Chemist with Inmont Corp, (now known as BASF) Detroit USA, a major supplier of automotive OEM and refinishes. He joined Asian Paints in 1968 as Senior Executive and moved through successive senior positions like Director - R &amp; D, Works Director, Whole-time Director and Vice Chairman.</p> <p>Mr. Dani was a member of the Central Board of Trustees – Employees Provident Fund of the Government of India. He is also the past President of the All India Organisations of Employers.</p> <p>Mr. Dani was conferred the 'Businessman of the Year' award in 2015 by Business India magazine. He was also the recipient of the prestigious 'Ernst &amp; Young Entrepreneur of the Year' award in the 'Manufacturing' category in November 2003.</p> <p>He has been the President of the Board of Governors of the U.D.C.T. (currently Institute of Chemical Technology) Alumni Association, Mumbai. He was a member of the Board of Management of Institute of Chemical Technology. Mr. Dani is the Past-President of the Indian Paint Association (IPA) - the premier paint association in India. He has also been awarded the "Chemisor Award" by the Indian Institute of Materials Management for excellence in Supply Chain and the 'Achiever of the Year award - Chemical Industry' by the Chemtech foundation. In 2011, Mr. Dani was presented with the 'Lifetime Achievement Award' by Indian Paint Association (IPA) for his outstanding service to the Indian paint industry.</p> <p>He has also served as the Vice President of Federation of Indian Chambers of Commerce and Industry (FICCI).</p> <p>Mr. Dani is also a member of President's Advisory Council of The University of Akron, Akron, Ohio, USA since November, 2014.</p>
<b>Expertise in specific functional area</b>	Vast and rich experience in the fields of polymers, paints & plastic business and supply chain management.
<b>Date of first appointment in the current designation</b>	13 <sup>th</sup> January, 1992
<b>Shareholding in the Company</b>	2,30,095 equity shares of ₹10/- each
<b>Terms &amp; Condition of Appointment/ Re-Appointment</b>	Non-Executive Director liable to retire by rotation
<b>Other Companies in which he / she is a Director excluding Directorships in Private and Section 8 Companies.</b>	<ul style="list-style-type: none"> <li>• Asian Paints Limited</li> <li>• Resins &amp; Plastics Limited</li> </ul>
<b>Chairperson /Memberships of the Statutory Committee(s) of Board of Directors of other companies in which he/she is a Director excluding Private and Section 8 Companies.</b>	Member : Asian Paints Ltd. – Shareholders Committee. Resins & Plastics Ltd. – Nomination & Remuneration Committee, Stakeholders Relationship Committee & Share Transfer Committee.
<b>Inter-se relationship between Directors and other Key Managerial Personnel</b>	Father of Mr. Malav A. Dani, Managing Director of the Company.
<b>Number of Meetings of the Board attended</b>	4 of 4
<b>Details of remuneration last drawn (₹) (F.Y. 2020-21)</b>	₹ 1,90,000 including commission for the year 2020-21
<b>Details of remuneration proposed</b>	Sitting Fees and commission in accordance with the provisions of the law.

## BOARD'S REPORT

### Dear Shareholders,

Your Directors have pleasure in presenting the Thirtieth Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2021.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2021 is summarized below:

(₹ in lakhs)

	2020-21	2019-20
<b>Sales Revenue</b>	<b>44,708.36</b>	<b>46,008.71</b>
Other Income	145.18	54.83
<b>Total Revenue</b>	<b>44,853.54</b>	<b>46,063.54</b>
<b>Earnings Before Insurance Claim, Interest, Depreciation &amp; Tax (EBIDT)</b>	<b>6,553.54</b>	<b>6,033.81</b>
Less: Interest and Financing Charges	1,932.57	2,356.41
Less : Depreciation	2,951.40	2,996.79
Add: Exceptional item	564.31	(322.15)
<b>Profit Before Tax</b>	<b>2,233.88</b>	<b>358.46</b>
Less: Tax Expenses	537.98	122.53
<b>Net Profit After Tax</b>	<b>1,695.90</b>	<b>235.93</b>
<b>Attributable to:</b>		
Shareholders of the Company	<b>1,695.90</b>	<b>235.93</b>
Non-controlling interest	-	-
Other Comprehensive Income	(21.31)	40.40
<b>Total Comprehensive Income for the year</b>	<b>1,674.59</b>	<b>276.33</b>
<b>Attributable to:</b>		
Shareholders of the Company	<b>1,674.59</b>	<b>276.33</b>
Non-controlling interest	-	-
<b>Opening Balance in Retained Earnings</b>	<b>11,481.70</b>	<b>11,391.73</b>
<b>Amount available for Appropriation</b>	<b>13,156.29</b>	<b>11,668.06</b>
Dividend on Equity Shares	--	154.58
Tax on Equity Dividend	--	31.78
Transfer to Capital Redemption Reserve	1,490.48	-
Transfer to General Reserve	--	-
Transfer to Other Reserve	--	-
<b>Closing Balance in Retained Earnings</b>	<b>11,665.81</b>	<b>11,481.70</b>

### OVERVIEW OF FINANCIAL PERFORMANCE

During the financial year 2020-21;

- Operating revenue decreased to ₹ 44,708.36 lakhs as against ₹ 46,008.71 lakhs in the previous year.
- EBIDT increased to ₹ 6,553.54 lakhs as against ₹ 6,033.81 lakhs in the previous year.
- Exceptional Item (charge)/credit includes profit on sale of land and building of plants situated at Dadra and Sarigam which were vacant and the operations had been shifted to other plants in earlier years. The profit on sale of property being a non-recurring event has been considered as an exceptional item. (Previous year figures represents one time employee separation cost for closure of Sarigam unit and loss due to flood at Baddi plant pending clearance of the insurance claim).
- Net Profit after tax increased to ₹ 1,695.90 lakhs as against ₹ 235.93 lakhs in the previous year.

### IMPACT OF COVID-19 PANDEMIC

Due to COVID-19 pandemic and the consequent Government imposed nation-wide lock down / restrictions across the country, the Company's operations and financial results for the year have been impacted. The operations of the Company for the first quarter were disrupted, however, thereafter, the business of the Company continued to operate at normal levels. In view of recent surge in Covid-19 cases, few states reintroduced some restrictions from March-21 which currently is not expected to have any significant impact on the Company's operations / results. The Company continues to be vigilant and cautious and is taking all necessary steps to secure the health and safety of our employees and the extended eco-system. The Company has taken into account external and internal information for assessing the possible impact of Covid-19 on the various elements of financial results including of its assets and liquidity position. The Company will continue to monitor changes to the future economic conditions for any material impact as the situation evolves.

### SALE OF IMMOVABLE PROPERTY

The land and building of the Company lying idle after the discontinuation of operations at respective plants were sold and monetized by the Company as per the details below:

#### Dadra

Land and building admeasuring 3621 square meters at Dadra (U.T. of Dadra & Nagar Haveli and Daman & Diu), were sold to a third party, on January 22, 2021 for a consideration of ₹ 383.00 lakhs. The manufacturing operations at the said unit was discontinued with effect from March 31, 2015.

#### Sarigam

Land and building admeasuring 2000 square meters at Sarigam (Gujarat) were sold to a third party on February 22, 2021 for a consideration of ₹ 332.46 lakhs. The manufacturing operations at the said unit was discontinued with effect from January 15, 2020.

### CLOSURE OF MANUFACTURING UNIT

As part of strategy to rationalise the production facilities towards profitable products and optimise the cost, the operations at the manufacturing facility of the Company situated at Sitarganj (Uttarakhand) was discontinued with effect from October 16, 2020. The plant and machinery have been shifted to other manufacturing units of the Company. Most of the employees have been relocated to other plants. No specific separation cost has been incurred.

### REDEMPTION OF PREFERENCE SHARES

Your Company redeemed 1,49,04,772 Preference Shares (9% Non-Convertible Redeemable Cumulative Preference shares) of ₹ 10/- each at par aggregating to ₹ 14,90,47,720 during the year, in two tranches out of accumulated 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 ₹ 745.24 lakhs as on March 31, 2021. Subsequently, the balance outstanding 74,52,387 preference shares were also redeemed in April, 2021. As on the date of this report the issued and paid-up preference share capital of the Company is nil.

## DIVIDEND

The Board of Directors at its meeting held on May 21, 2021 have recommended payment of dividend of ₹ 1.00 (Rupee One only) per Equity Share of ₹ 10/- each for the financial year ended March 31, 2021, the same amounts to ₹ 171.76 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.

The dividends on preference shares accrued during the year 2019-20 amounting to ₹ 201.21 lakhs were paid in the last quarter of the financial year 2020-21.

The dividends for the year 2020-21 due on the preference shares redeemed during the year were paid till the date of the respective redemptions. The dividend on last tranche of outstanding preference shares was provided as on March 31, 2021 and paid along with dividend due upto the date of redemption in April, 21. Accordingly, as on the date of this Report, there is no outstanding dividend payable against the preference shares.

## TRANSFER TO RESERVES

An amount of ₹ 1,490.48 lakhs was transferred to the Capital Redemption Reserve on account of redemption of 1,49,04,772 nos. of 9% Non-Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each at par, completed upto March 31, 2021. Subsequently on repayment of the balance Preference shares amounting to ₹ 745.24 lakhs in April 2021, an equivalent amount was transferred to Capital Redemption Reserve.

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

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 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) Re-appointments

#### Re-appointment of Independent Director

Mr. Bomi Chinoy (DIN: 07519315) was re-appointed as an Independent Director for a second term of five consecutive years commencing from May 23, 2021 till May 22, 2026 vide Special Resolution passed by the shareholders on March 27, 2021 through Postal Ballot process.

### Director liable to retire by rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 ("the Act") and Rules made thereunder and pursuant to Article 108 of Articles of Association of the Company, Mr. Ashwin S. Dani (DIN: 00009126), Non-Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### (b) Retirements and resignations

Mr. Jalaj Dani, a Non-Executive Director of the Company, retired at the 29<sup>th</sup> Annual General Meeting (AGM) and ceased to be a Director of the Company with effect from September 26, 2020. Mr. Jalaj Dani joined the Board of the Company in 1994 and had been an integral part of the Board. The Board places on record, gratitude for his advice and guidance during his long association with the Company.

Mr. Ashwin R. Nagarwadia, resigned as Director with effect from close of business hours on January 4, 2021, due to his other engagements and personal commitments. Mr. Nagarwadia was on the Board of the Company since 2009 and had contributed immensely to the functioning of the Board. The Board places on record, gratitude for his advice and guidance during his long association with the Company.

Profile and other information of the Director to be re-appointed, as required under Regulation 36 of the Listing Regulations and Secretarial Standards - 2 forms part of the notice convening the ensuing Annual General Meeting.

The above proposal for re-appointment forms part of the Notice of the 30<sup>th</sup> Annual General Meeting and the relevant Resolutions are recommended for your approval therein.

### (c) KEY MANAGERIAL PERSONNEL

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), and Section 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time.

### (d) DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors on the Board confirming that:

- They meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as Regulation 16 of the Listing Regulations.
- In terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs (IICA), Manesar.
- In terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

#### (e) PERFORMANCE EVALUATION OF THE 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 the 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 Act, read with Rules issued thereunder and Regulation 17 of Listing Regulations 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 (disbanded w.e.f. May 21, 2021)
- Risk Management Committee (non-mandatory)
- Executive Committee

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

There were 4 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 2020-21 are given in the Corporate Governance Report which forms part of this Annual Report. During the year, all recommendations made by the Committees were approved by the Board.

#### ANNUAL RETURN

In accordance with the provisions of the Companies Act, 2013, the Annual Return in the prescribed Format is available at the website of the Company at <https://hitechgroup.com/investor/Display/agm>.

#### 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 2021-22 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, 2<sup>nd</sup> August, 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 to be held in the year 2022.

M/s. Kalyaniwalla & Mistry LLP have confirmed that they are not disqualified from continuing as the Statutory Auditors of the Company. The Statutory Auditors have issued an unmodified opinion on the financial statements of the Company for the financial year ended March 31, 2021.

##### 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, therefore such accounts and records are not made and maintained by the Company. Accordingly, the Company had not appointed any Cost Auditor for the financial year 2020-21.

##### 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 were re-appointed as the Internal Auditors of the Company for the financial year 2020-21 and further the aforementioned Internal Auditors have been re-appointed for the current financial year 2021-22 as well.

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 Board had appointed M/s. Nilesh Shah & Associates, Company Secretaries, Mumbai, to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Auditors have submitted their Report for the financial year ended March 31, 2021, in the prescribed Form MR 3 of the Companies Act, 2013 and is annexed to this report as 'Annexure A'.

M/s. Nilesh Shah & Associates, Company Secretaries, Mumbai, have been re-appointed as the Secretarial Auditors to undertake the Secretarial Audit of the Company for the financial year 2021-22.

The Secretarial Audit Report does not contain any material qualification or reservation. The minor remark made is self explanatory.

#### 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 Nomination and Remuneration 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: <https://hitechgroup.com/investor/Display/codeofConduct>

## **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 under the aforesaid Act. 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. The Company has not received any complaint of sexual harassment at workplace during the year.

Sexual Harassment Policy of the Company is displayed on the Company's website under the weblink: <https://hitechgroup.com/investor/Display/codeofConduct>

## **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: <https://hitechgroup.com/investor/Display/codeofConduct>

## **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 this 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: <https://hitechgroup.com/investor/Display/codeofConduct>

During the financial year 2020-21, the Company has spent ₹ 27.68 lakhs towards CSR activities. The Annual Report on CSR activities undertaken by the Company during the financial year 2020-21, is annexed as 'Annexure B' 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 C' and forms part of this Report.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

In accordance with the applicable provisions of Companies Act, 2013 (hereinafter referred to as "the Act") read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as the "IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF during the FY 2020-21 and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the 'General Shareholders Information' section of Corporate Governance report forming part of this Annual Report.

Members who have not encashed their dividend warrants or whose dividend is unclaimed/unpaid for the financial year 2013-14 or thereafter, are requested to write to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited. Details of unpaid/ unclaimed dividend are provided on Company's website under the web link - <https://hitechgroup.com/investor/Display/UnclaimedUnpaidDividend>

## **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 D'.

## **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).

There were no deposit outstanding as on March 31, 2021.

## **RELATED PARTY TRANSACTIONS**

All Related Party Transactions which were entered during the financial year 2020-21 were on an arm's length basis and in the ordinary course of business. There were no material 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 Listing Regulations. Accordingly, Company had obtained shareholders' approval for the said material related party transactions through Special Resolution at the 29<sup>th</sup> Annual General Meeting held on September 26, 2020, for three (3) financial years commencing from April 1, 2021.

The Board of Directors of the Company has formulated Policy on dealing with RPTs and Policy on materiality of Related Party Transactions in accordance with the amendments to the applicable provisions of the Listing Regulations which is amended from time to time. The said policies can be accessed through the following link: <https://hitechgroup.com/investor/Display/codeofConduct>

The details of the related party transactions of the Company as required under Indian Accounting Standard 24 are set out in Note 45 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 E' 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 tracks all amendments to Accounting Standards and makes necessary changes to the underlying systems, processes and financial controls to ensure adherence to the same.

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 this Annual Report.

#### OTHER DISCLOSURES

Your Company during the financial year ended March 31, 2021:

- 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) does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees / Directors;
- f) There was no revision of financial statements and Boards report of the Company, during the year under review;
- g) during the year under review, the Company has not provided any loan or given any guarantee or made any investment;
- h) 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

- i) The Company does not have any subsidiary company, Joint Venture or Associate Company.
- j) There was no application made or no proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year.
- k) The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

#### 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, 2021, 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, 2021 and of the profit and loss of the Company for the financial year ended March 31, 2021;
- 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**

Place: Mumbai  
Date: May 21, 2021

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

**ANNEXURE A TO BOARD'S REPORT****FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

[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, 2021, 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 31<sup>st</sup> March, 2021, 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, 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 (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 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 abovementioned 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. It may be noted that there was a delay in one instance of dispatch of Duplicate Share Certificate and non-intimation of the same to the Stock Exchanges, due to ongoing COVID 19 pandemic and consequent lockdown.

**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. 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

Peer Review No. 698/2020

UDIN: F004554C000355795

Date: May 21, 2021  
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. Due to COVID-19 outbreak and Lockdown situation, we have relied on the information, details, data, documents and explanation as provided by the Company and its officers and agents in electronic form without physically verifying their office.
7. 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

Peer Review No. 698/2020

UDIN: F004554C000355795

Date: May 21, 2021  
Place: Mumbai

## ANNEXURE B TO BOARD'S REPORT

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

(Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any statutory modification(s) or re-enactment(s) for time being in force.)

1. Brief outline on CSR Policy of the Company.

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 employees 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 as amended from time to time.

Sab Ka Mangal Ho Foundation was founded in 2016 with an ambitious mission to make the world a happier place by serving communities at all levels of wellbeing - physical, emotional, and spiritual. It achieves this through a vast array of programs for underprivileged citizens that range from free eye care clinics to environmental clean-up efforts, pairing with local NGOs, corporations, and philanthropic individuals to roll out large-scale campaigns.

One of its pet projects have been giving yoga education to the children in the orphanages; giving access to the vulnerable children the life-changing benefits of yoga. The long-term goal of the project is to empower as many children in India as possible and to provide vocational skills for teens to eventually become yoga teachers.

Physical fitness and mental serenity being the two most essential factors for human evolution, our endeavour has been to promote yoga education; to empower these children and help them to move and grow mindfully as they become future citizens of the nation. SOSVA who has been our execution partners have been leading this project on behalf of Sab Ka Mangal Ho Foundation.

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

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Chairman/ Member	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Malav A. Dani	Managing Director,	Chairman	2	2
2	Mr. Jayendra R. Shah	Independent Director	Member	2	2
3	Mr. Bomi P. Chinoy	Independent Director	Member	2	2
4	Mr. Ashwin Nagarwadia*	Non-Executive Non- Independent Director	Member	2	1
5	Mr. Aditya Sheth**	Independent Director	Member	2	-

\*Resigned w.e.f. January 4, 2021

\*\*Inducted w.e.f. February 10, 2021

3. Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company. <https://hitechgroup.com/investor/Display/codeofConduct>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : **Not Applicable**

6. Average net profit of the company as per section 135(5) : ₹ 1,383.90 lakhs

Sr. No.	Particulars	Amount (₹ in lakhs)
(a)	Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013	27.68
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
	Total CSR obligation for the financial year (7a + 7b - 7c)	27.68

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

Total Amount Spent for the Financial Year. (₹ In lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 27.68	-	-	-	-	-

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

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

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ In lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation -Through implementing agency	
				State	District			Name	CSR registration number
1	Yoga Teaching	Promoting education including special education, employment enhancing vocational skills especially among children, women elderly and the differently abled and lively hood enhancement projects.	Yes	Maharashtra	Pune	8.13	No	Sab Ka Mangal Ho Foundation (SKMH)	In Process
2	Free immunization of Surrounding population against infectious diseases	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Maharashtra	Mumbai	2.00	No	Arnala Health Trust	CSR00009504
3	Sanitization programme	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Maharashtra	Mumbai	2.00	No	Loknayak Jayprakash Narayan Leprosy Eradication Trust	CSR00009503
4	Empowering visually impaired	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Maharashtra	Mumbai	0.50	No	Snehankit Helpline	CSR00009385

SI. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ In lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation -Through implementing agency	
				State	District			Name	CSR registration number
5	Towards Corpus of Breach Candy Hospital Trust	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Maharashtra	Mumbai	5.00	No	Breach Candy Hospital Trust	CSR00001527
6	Tumkuru Teachers Training Programme	Promoting education including special education, employment enhancing vocational skills especially among children, women elderly and the differently abled and lively hood enhancement projects.	Yes	Maharashtra	Mumbai	10.00	No	Caring with Colours	CSR00005909
<b>TOTAL</b>						<b>27.63</b>			

- (d) Amount spent in Administrative Overheads ₹ 0.05 lakhs
- (e) Amount spent on Impact Assessment, if applicable -
- (f) Total amount spent for the Financial Year (8a+8b+8c+8d+8e) ₹ 27.68 lakhs
- (g) Excess amount for set off, if any:
- (i) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013 ₹ 27.68 lakhs
- (ii) Total amount spent for the Financial Year ₹ 27.68 lakhs
- (iii) Excess amount spent for the financial year [(ii)-(i)] -
- (iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any -
- (v) Amount available for set off in succeeding financial years [(iii)-(iv)] -
9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details) : **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) of the Companies Act, 2013 : **Not Applicable**

For and on behalf of the CSR Committee

Date: May 21, 2021  
Place: Mumbai

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

## ANNEXURE C TO BOARD'S REPORT

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

### A) Conservation of Energy:

#### a) The steps taken for conservation of energy:

During the year, your Company has made constant efforts for conservation of energy. At all manufacturing facilities, emphasis is placed on improving the efficiency at all levels with the central idea of energy conservation. Your Company has examined the machinery requirement with respect to articles to be produced and optimized selections for least energy consumption options with precision in outputs. Our proximity to customer locations reduced the energy footprints in transportation. We are installing windmill and solar cells across all plants. During this critical time, the Company has focused more on;

- energy conservation;
- improving technology;
- improving efficiency of production.

#### b) Specific Energy Conservation measures taken during the year:

- Control on energy inputs for plasticization;
- Control on energy inputs to machines;
- Exploring replacement of hydro motors with servo motors;
- Monitoring and analysis of energy consumption on daily basis;
- Replacement of old conventional moulding machines with new ones, which are always either servo controlled or fully electric;
- Constant monitoring of machines to optimize productivity;
- Installation of solar panels at various plants to service our electricity needs.

#### c) Steps taken by the Company for utilizing alternate sources of energy:

Your Company has invested in windmill energy and started to invest in solar power in suitable areas of operations.

##### Windmill

Installation of Windmills in some of its plants as an alternative source of energy will facilitate the reduction in conventional energy usage and environmental benefits.

##### Solar energy

Your Company has started installing solar cells at various plants to supplement requirements of power and is working towards extending to the new manufacturing facilities as well. Project at Naroli plant to install 350 kw solar power project has already started and will be commissioned by June 2021. Evaluation for rollover of Solar power system at other plants like Rohtak, Khandala, Mysuru, Sriperumbudur

and Vizag is being done which is expected to generate approximately 4 MW of additional solar power.

The abovementioned measures is likely to result into reduction in usage of conventional energy sources/saving in energy cost and environmental benefits in the vicinity.

#### d) The Capital Investment on Energy Conservation equipment during the year:

During the year, the Company has entered into an agreement for installation of an Energy Conservation equipment at Company's Naroli Plant and an advance of ₹ 21.70 lakhs has been paid.

### B) TECHNOLOGY ABSORPTION

Your Company 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 Scientific and Industrial Research, New Delhi. Efficient usage of polymers in the product and reduction in production cycle time leading to savings in operating costs, are some of the initiatives by the Technology Centre. Upgradation in technology and reduction in production cycle time will help sustaining and strengthening the competitive position of the Company and facilitate customer satisfaction.

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

- Technology updation;
- Efficient conversion by selection of customised blow molding machine specifications to ensure higher customer satisfaction;
- Automation;

Extrusion Blow Molding (EBM) process is currently based on lot of manual processes. We are under process to implement semi automation in this process and reduce manual intervention. The high-volume products are identified to be converted from Manual to Fully Automatic Process using latest cutting edge technology EBM Machines.

- Labour reduction.

New Cutting-edge Technology EBM Machines shall reduce manual activity to bear minimal.

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

- Technology up-gradation in mould design;
- Cooling efficiency;
- Cycle time reduction in molding;
- Product and process development;

Strengthening Design rules, Identifying TGW (Things Gone Wrong) & Converting to TGR (Things Gone Right) and Standardization of Mould and Process across plants;

- Adding more skills in Cap and Closure Product design and development.



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

- Enhanced competitiveness due to cost reduction and product development;
- Lower production cycle time improved productivity;
- Less moulding rejections;
- Customer satisfaction;
- Strengthen Quick response Quality Control Methods to address any Complaints;
- Strengthening Design Failure Mode and Effect Analysis (DFMEA) & Process Failure Mode and Effect Analysis (PFMEA) of Product to Ensure zero part per million (OPPM).

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

Not applicable, as there were no imports and all developments were done indigenously in the last three years.

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

Particulars	₹ in Lakhs
(a) Capital	49.23
(b) Revenue	208.60
<b>Total</b>	<b>257.83</b>

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earned in terms of actual inflows during the year 2020-21 was ₹ 117.56 lakhs (equivalent value of various currencies).

Foreign exchange outgo in terms of actual outflows during the year 2020-21 was ₹ 178.70 lakhs (equivalent value of various currencies).

## ANNEXURE D TO BOARD'S REPORT

DISCLOSURES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5 (1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. Remuneration details of Directors and KMP of the Company for the financial year 2020-21 are as follows:

Sr. No.	Name	Designation	Total Remuneration (Amount in ₹)	Ratio of remuneration to the Median Remuneration #	Percentage Increase/ (Decrease) in the Remuneration
1	Mr. Ashwin S. Dani	Chairman	1,90,000	0.71	(68.67)
2	Mr. Jalaj A. Dani*	Director	55,000	0.21	NA
3	Mr. Malav A. Dani	Managing Director	10,08,401**	3.79	(79.46)
4	Mr. Harish N. Motiwalla	Director	5,80,000	2.18	23.40
5	Mr. Ashwin R. Nagarwadia*	Director	2,80,000	1.05	NA
6	Mr. Jayendra R. Shah	Director	4,20,000	1.58	7.69
7	Mr. Mehernosh A. Mehta	Whole Time Director	21,41,674	8.04	Nil
8	Mr. Bomi P. Chinoy	Director	3,90,000	1.46	8.33
9	Mr. Aditya M. Sheth***	Director	2,20,000	0.83	NA
10	Ms. Kalpana V. Merchant***	Director	2,20,000	0.83	NA
11	Mrs. Avan R. Chaina	Chief Financial Officer	29,27,844	11.00	Nil
12	Mrs. Namita Tiwari	Company Secretary	16,58,956	6.23	Nil

Notes:

- \* Percentage Increase/Decrease is not reported for the Remuneration paid to Mr. Jalaj A Dani and Mr. Ashwin R. Nagarwadia as they ceased to be a Director with effect from September 26, 2020 and January 4, 2021 respectively.
- \*\* On request of Mr. Malav Dani, the NRC had approved drawing salary of ₹ 1 p.a. only during the pandemic situation. Therefore, apart from salary of ₹ 1 p.a, his remuneration includes, ex-gratia ₹ 8,400/- and performance pay of ₹ 10,00,000/- pertaining to the FY 2019-20.
- \*\*\* Percentage Increase/Decrease is not reported for the Remuneration paid to Mr. Aditya M. Sheth and Ms. Kalpana V. Merchant as they were appointed as an Independent Director, with effect from June 25, 2019 and February 27, 2020 respectively.
- The aforesaid details are calculated on the basis of remuneration paid for the financial year 2020-21.
- The remuneration to Non- Executive Directors includes sitting fees paid during the year and commission payable for the financial year 2020-21.
- #The median remuneration of all employees per annum was ₹ 2,66,277/- and ₹ 2,56,180/- for the financial year 2020-21 and 2019-20 respectively. The increase in median remuneration of employees for the financial year 2020-21, as compared to financial year 2019-20 is 3.9%.
- The average salary of all employees (other than Key Managerial Personnel) per annum was ₹ 3,44,468/- and ₹ 3,76,524/- for the financial year 2020-21 and 2019-20 respectively. The increase in average salary of employees for the financial year 2020-21 as compared to financial year 2019-20 is (-8.5% ) due to reduction in the number of employees.
- The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
- During the year 2020-21, in view of the ongoing pandemic condition and to conserve the financial resources, no increment was provided to Key Managerial Personnel.
- NA – Not Applicable

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

Executive & Staff	334
Workers	277
Total	611

3. It is hereby affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Nomination and Remuneration Policy of the Company.
4. Statement containing the particulars of employees in accordance with Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended:

List of top ten employees of the Company in terms of remuneration drawn and employed throughout the financial year 2020-21.

Sr. No.	Name(s)	Designation(s)	Remuneration (Amount in ₹)	Qualification	Experience (years)	Joining Date	Age	Last Employment
1	G. Balasubramanian	General Manager -Manufacturing	29,31,059	B. Tech (Plastic Technology)	34	01/01/2019	64	JRD International, Dubai
2	Avan R. Chaina	Chief Financial Officer	29,27,844	CA, CS, LLB	35	02/06/2014	59	Blue Star Ltd.
3	Mehernosh A. Mehta	Wholetime Director	21,41,674	B. E (Electronics), Msc. (Electrical Engineering)	27	02/01/2013	53	Sun-up Botanics Pvt. Ltd.
4	VSR Anjaneyulu	Vice President - Technology Centre	20,42,695	ITI – Tools and Dies Diploma ; Cipet - Dip. Plastics Tech.	31	06/03/2020	53	Freelance Consultant at Varroc Lighting
5	Md. Mazid Zafar	Manager – Mould & Product Development	18,80,411	Diploma – PMT (CIPET)	9	21/08/2017	36	SSF Plastics India Pvt Ltd
6	Vinay M. Sawkar	General Manager - Vizag	18,66,523	Tool & Die Making from NTTF	25	04/04/2019	47	VEM Tooling India Pvt. Ltd.
7	Rabindra Kumar Sahoo	Sr. Manager – Quality Systems	17,82,636	Plastic Mould Tech, 3 years Diploma - CIPET	24	23/12/2008	57	Esquire Polymers Pvt Ltd
8	Vijay D. Chauhan	Manager, Taxation	17,42,844	B. Com, CA	16	21/06/2010	36	Parikh Mehta & Associates
9	Namita Tiwari	Company Secretary & Compliance Officer	16,58,956	CS, LL.B.	20	15/10/2012	50	Seya Industries Limited
10.	B. Venugopalan	Senior Manager- Tool Room	15,62,904	Diploma in Tool & Die Making - NTTF	27	01/11/2006	49	Kenapen Ind. Ltd.- Nairobi

- All appointments are contractual and terminable by notice on either side.
  - Remuneration includes salary, bonus, commission, various allowances, contribution to provident fund and taxable value of perquisites excluding provision for gratuity and leave encashment.
5. 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 2020-21; 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 2020-21.

## ANNEXURE E TO BOARD'S 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/Purchase of packaging material
(c)	Duration of the contracts/arrangements/transactions	3 years starting from April 1, 2018 upto March 31, 2021. (The Arrangement has been renewed after the approval of the Shareholders at the previous AGM held on September 26, 2020 for a term of three years commencing from April 1, 2021 till March 31, 2024.)
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale/Purchase of goods at prevailing prices upto ₹ 500 crores. (₹ 700 crores w.e.f. April 1, 2021.)
(e)	Date(s) of approval by the Board, if any	May 14, 2018 & August 24, 2020
(f)	Amount paid as advances, if any	Nil

For and on Behalf of the Board of Directors

Date: May 21, 2021  
Place: Mumbai

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 food to healthcare, agriculture and lubricants. While it operates in a highly competitive space, its emphasis on quality and innovation remains unwavering.

### OVERVIEW OF INDIAN ECONOMY:

India, as the rest of the world, has a mixed year in terms of economic outlook. India's growth had been steadily decelerating for several years and the abrupt 68-day national lockdown brought it to a grinding halt. The GDP that contracted by an estimated 24% in the first quarter and as much as 15% in the first half, was the worst since economic data was started to be tracked after independence.

The estimated 8% annual contraction in the GDP growth for the fiscal year ending March 2021, was due to a varying impact on different industries. The sectors under Agriculture, that employ over 40% of the labour in the country, grew 3% and agricultural activity remained largely unaffected. Sectors under Transport, Hospitality and Construction that employ approximately a third of labour, bore the brunt of the aftermath and contracted 10-18%. Lastly, Manufacturing, that employees 12% of the labour, contracted 8%.

Additionally, domestic taxes on petrol and diesel were hiked twice between March and May 2020 causing petrol prices per litre to increase almost 30% in one financial year, despite crude futures being an unprecedented negative value in April 2020. Labour markets are still weak despite an improvement in production levels, given that Labour Force Participation is still at only 40% compared to 46% last year and unemployment is still 7%.

Certain measures like the provision of collateral loans to MSMEs and partial credit guarantees to NBFCs, aided by a healthy rebound in the second half in Construction and Manufacturing may be useful for the economy to inch back to normalcy. Marginal 0.4% GDP growth was recorded in the quarter ending December 2020 owing largely to the festive season. Vaccine rollouts were expected to help the recovery and may end the year at 11% growth. However, partial lockdowns related to the second wave of infections have cast a shadow of gloom around expected GDP growth for the first quarter of the next fiscal.

While there is still uncertainty around epidemiological, vaccination and policy outcomes, the Indian economy is expected to grow approximately 10% in the next fiscal year. Discussions of a presumed current account surplus along with foreign aid in managing the pandemic have buoyed sentiment towards optimism.

### BUSINESS SEGMENTS:

Hitech is developing business models to serve expanded sectors and customers all across India. The following are outlook for the industries it serves:

#### PAINT INDUSTRY:

Three years ago the volumes in the Indian paint industry grew a healthy 12% and continues to be the second largest in the Asia-Pacific region. It is valued at INR 50,000 crore, while a sizable portion of the industry remains unorganized, there is significant room for growth in

the long term. India's per capita consumption of paints is approximately 4 kilograms compared to the global average of 13-15 kilograms. The gradual shift in preference from traditional whitewash to high quality enamels and the rapid development of the rural market bode well for the industry's future. Additionally, highly innovative products like environmental friendly, odour free and dust & water-resistant paints will require a higher level of innovation packaging quality. With its strong research and development calibre, Hitech is well equipped to respond to these elevated demands.

#### FMCG:

The Indian food and beverage sector, that accounts for approximately 19% of the Indian FMCG industry and specifically the packaged food market is set to double to USD 70 billion by 2025. The rural areas, where penetration is currently low despite rising disposable incomes is expected to be the growth engine for the industry in the short and mid-terms. The proliferation of ecommerce platforms as well as mobile phones have helped create a robust ecosystem and a level of brand awareness where neither existed. The pandemic related lockdowns and fears of not being socially distant, further fuelled the widespread use of online purchases, putting hitherto unreachable products and services firmly in the consumer's grasp. Leading food and beverage brand houses are not only increasing capacity across geographies but also introducing new products that leave the consumer spoilt for choice. Hitech's towering operational stature will allow it to meet the industry's rising packaging standards.

#### PERSONAL AND HEALTH CARE INDUSTRY:

India has, in the last decade, transformed into a favoured playground for international brands as they compete with incumbent domestic ones. It is no coincidence that the upwardly mobile generation is coming of age in a market that fiercely vies for their attention and share of wallet. The proliferation of social media and access to internet have forced brands to seek a carefully segmented target audience. Influencer marketing dominates sales channels for skin and hair care products and are increasingly calling attention to sustainability and social responsibility. The industry is trying to bridge the chasm from traditionally used skin tone and gender-based campaigns to more inclusive skin care and anti-aging narratives. There is also a push towards personalization and customization tailored to individual needs. These trends will, in no uncertain terms, compel the industry to be nimble and demand the same of its packaging partners. Hitech, with its proven abilities in six sigma as well as just-in-time is a prime choice for the same.

#### HOME CARE:

In the wake of the global pandemic, home healthcare industry is expected to double from USD 5 billion today to USD 11 billion by 2025. The spread of infection as well as the drive to vaccinate exposed a devastating lack of existing healthcare infrastructure. Combined with growing acceptance from consumers due to faster recovery rates and almost 40% lower costs, the home healthcare industry is expected to drive demand upwards not only for healthcare service and equipment but also household cleaning and sanitizing products. There has been a steady trend away from customary acid and phenyl products to more sophisticated liquid cleaners for kitchen, bathroom and other surface. Growth of over 25% in multipurpose cleaners have overshadowed growth in all other leading cleaning products. Hitech is well prepared as a leading packaging partner, for this unprecedented growth.

## **AGRO CHEMICAL:**

The Indian agro-chemicals industry, having been under pressure from spatial distribution of rainfall and enduring price increase in raw materials for the last few years, is now beginning to recover. New legislation will likely allow the use of over 1,000 agrochemicals, accepted and used across the world, that are currently not cleared for use in India. Combined with cheap labour, scalable infrastructure and low processing cost, manufacturing of agro-chemicals can provide impetus for furthering research into new products to respond to the changes in soil, air and water in farms around the world. The domestic industry is set to double in value to over USD 8 billion in the next few years. Hitech is set up to be not only enterprising but also dexterous in order to resolve the packaging challenges that will come with this expansion.

## **INDUSTRIAL AND AUTOMOTIVE LUBRICANTS:**

The Indian lubricants market was valued, by volume at over 2,000 kilotons in 2020. While pandemic related shutdowns have significantly slowed the industry's growth in the short term, the automotive segment, that is the largest end user market of lubricants in India, is expected to drive better mid and long-term growth. Large international entrants, through licenced partnerships are likely to intensify competition in the annual volume consumption of almost 800 million litres. Combinations of synthetic and mineral oils along with additives for performance will lead to not only innovative products but also packaging needs. Hitech is therefore working to create a stronger foothold in this sector.

## **CAPS AND CLOSURES:**

The global caps and closures market is expected to grow over 5% to be valued at over USD 82 billion by 2026. This is an important sector in the packaging industry since it ensures the preservation and safety of products inside the containers. The products have wide industrial use, from healthcare and cosmetics to food and beverage. The design, development and production of caps and closures can be highly complex, owing to not only the end user customization but also the mixed materials that constitute each product. Hitech has been exploring various sectors for some time but is now confident of its foray into the industry in the near term.

## **CAPITAL EXPENDITURE & EXPANSION PLANS:**

New projects using newer technologies with high volume demands are expected to come online in the fiscal year ending 2022. While the pandemic temporarily prohibited large expenditures last year, capital and expansion plans for the upcoming projects will be resumed aptly. As always, low-cost efficiency improvement projects at various plants are underway as planned. These include the systematic replacement of older machines with newer technology as well as the augmentation of existing plant and machinery to support newer products and customers.

## **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 10 manufacturing facilities across the country has allowed it to take direct advantage of opportunities in varied customer segments and geographies. With the new Mysore and Vizag facilities, we now have a much larger presence in the strategic south India market. Our significant knowledge base in mould design and development allows us to not only diversify our tool room capabilities

beyond plastic to die-casting and sheet metal tools but also facilitate and work on high-speed equipment.

General economic slowdowns, that impacts Hitech's customer segments, as well as fluctuating polymer prices pose the most direct risks to Hitech. Hitech continuously works to minimize its expenditures to mitigate risks from economic deceleration. It has consolidated its facilities within two major regions to increase synergies and combine efficiencies. It works with its customers to contractually pass on the effects of polymer prices in order to minimize adverse effects on operating profits. Finally, it seeks to expand not only its customer base but also its product lines.

Structural changes in monetary policy and industrial regulations 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 is situated at Sanaswadi. 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 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 2020-21:

- Operating revenue decreased to ₹ 44,708.36 lakhs, as against ₹ 46,008.71 lakhs in the previous year,
- EBIDT increased to ₹ 6,553.54 lakhs as against ₹ 6,033.81 lakhs in the previous year.
- Exceptional Item (charge)/credit includes profit on sale of land and building of plants situated at Dadra and Sarigam which were vacant and the operations had been shifted to other plants in earlier years. The profit on sale of property being a non-recurring event has been considered as an exceptional item. (Previous year figures represents one time employee separation cost for closure of Sarigam unit and loss due to floods at Baddi plant pending clearance of the insurance claim).
- Net Profit after tax increased to ₹ 1,695.90 lakhs as against ₹ 235.93 lakhs in the previous year

Ratios	FY 2020-21	FY 2019-20
Debtors Turnover Ratio*	10.23	9.27
Inventory Turnover Ratio (on Cost of Goods Sold)	7.22	7.35
Interest Coverage Ratio	3.39	2.56
Current Ratio	0.88	0.77
Debt Equity ratio**	0.72	0.83
Operating Margin Ratio	9.32%	5.90%
Net Profit Margin	3.75%	0.60%
Return on Net Worth (RONW)	9.20%	1.67%

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

\*\* Equity includes Reserves and Preference Shares

#### 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

Corporate Governance is an approach in which corporations are managed in an ethical, accountable, transparent and fair manner, with the blend of both legal and management best practices, to imbibe the same in the decision-making process of the organisation and to communicate the same accurately and timely, in such a way that both stakeholders expectations and legal standards are not only met but exceeded. It is a significant tool for wealth creation, shareholders protection and maximization of long-term values of the corporate house.

The philosophy of the Company has always been 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 its financial situation, performance, ownership and governance and firmly believes that business is built on ethical values and principles of transparency.

The disclosures of compliance with Corporate Governance requirements specified in Regulations 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 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.

### BOARD OF DIRECTORS

#### Composition:

The composition of the Board is in conformity with 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 serve as an Independent Director on more than seven listed entities. Further none of them is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions held in other public companies as on March 31, 2021, have been made by the Directors.

The composition of the Board of Directors of the Company as on March 31, 2021 is as follows:

Category	No. of Directors
Non-Executive/Independent Directors	5
Non-Executive/Promoter Directors	1
Executive/Promoter Director (MD)	1
Executive Director (WTD)	1
<b>Total</b>	<b>8</b>

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 March 31, 2021 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, positions held as chairperson and member of the Audit Committee and Stakeholders' Relationship Committee / Shareholders Grievance Committee have been considered. Committee Membership includes Chairmanship of the Director.

Name of the Director	Nature of Directorship	Relationship with each other	Date of joining the Board	Attendance		Director ships 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 % age to the paid-up share capital of the Company#
				At the Board Meetings	At the last AGM		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	4	Yes	2	1	-	2,30,095 (1.34%)
Mr. Harish N. Motiwalla (DIN: 00029835)	Non-Executive/Independent	*	10.12.2004	4	Yes	7	8	4	Nil
Mr. Jalaj A. Dani (DIN: 00019080)**	Non-Executive/Promoter	Son of Mr. Ashwin Dani, Brother of Mr. Malav Dani	12.09.1994	1	No	NA	NA	NA	41,100 (0.24%)



Name of the Director	Nature of Directorship	Relationship with each other	Date of joining the Board	Attendance		As on 31 <sup>st</sup> March, 2021			No. of shares held in the Company along with % age to the paid-up share capital of the Company#
				At the Board Meetings	At the last AGM	Director ships in other public companies	Membership and Chairmanship of the Committees of the Board of other public companies		
							Committee Member	Committee Chairman	
Mr. Malav A. Dani (DIN:01184336)	Managing Director/ Promoter	Son of Mr. Ashwin Dani, Brother of Mr. Jalaj Dani	01.02.2008	4	Yes	2	-	-	54,000 (0.31%)
Mr. Ashwin R. Nagarwadia (DIN:00466681)**	Non-Executive/ Non Independent	*	31.01.2009	3	No	NA	NA	NA	5,000 (0.03%)
Mr. Jayendra R. Shah (DIN:00132613)	Non-Executive/ Independent	*	14.11.2013	4	Yes	-	-	-	1,800 (0.01%)
Mr. Mehemoth A. Mehta (DIN:00372340)	Whole Time Director	*	17.03.2016	4	Yes	1	-	-	Nil
Mr. Bomi P. Chinoy (DIN:07519315)	Non-Executive/ Independent	*	23.05.2016	4	Yes	-	-	-	Nil
Mr. Aditya M. Sheth (DIN: 02289144)	Non-Executive/ Independent	*	25.06.2019	4	Yes	-	-	-	Nil
Ms. Kalpana V. Merchant (DIN:00827907)	Non-Executive/ Independent	*	27.02.2020	4	Yes	5	1	-	Nil

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

\*\* Mr. Jalaj A. Dani, retired as a Director with effect from the conclusion of 29<sup>th</sup> Annual General Meeting of the Company held on September 26, 2020.

\*\*\* Mr. Ashwin R. Nagarwadia resigned as a Director with effect from January 4, 2021.

# 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 on March 31, 2021.

N.A Not Applicable.

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:

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. Motiwalla (DIN: 00029835)	Excel Industries Limited Balkrishna Paper Mills Limited Ashapura Minechem Limited Multibase India Limited Orient Abrasives Limited	Independent Director Independent Director Independent Director Independent Chairman Independent Director
Mr. Malav A. Dani (DIN:01184336)	Asian Paints Limited	Non-Executive Non- Independent Director

### Board Diversity:

The Company believes that a diverse Board would enhance the quality of the decisions made by utilizing the different skills, qualifications, professional experience, gender and professional knowledge of the members 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 woman 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 March 31, 2021, Four (4) meetings of the Board of Directors were held and the maximum time gap between two meetings wherever exceeded one hundred and twenty (120) days were in line with the relaxation in time provided by the SEBI to the listed entity vide its Circular during the pandemic situation. The dates on which the Board Meetings were held are as follows:

Date(s) on which the meeting(s) were held:	
June 16, 2020	November 10, 2020
August 24, 2020	February 10, 2021

### 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 Company's 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 & 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, Company Secretary, 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, regulatory changes, 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-link: <https://hitechgroup.com/investor/Display/familiarisationPolicies>

### 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 is a leading manufacturer of rigid plastic packaging providing unique end-to-end packaging solutions

The Company's Board comprises of qualified members who bring in required skills, competence and expertise which allows 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. A brief summary of the list of core skills/ expertise/ competencies identified by the Board of Directors for effectively conducting the business of the Company is set out below:

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

### Chart/ Matrix setting out the skills/ expertise/ competence of the Board of Directors:

A brief summary of the core competencies, specific areas of focus or expertise of individual Board Members have been highlighted in the table below;

Sr. No.	Name of the Director	Industry Knowledge/Experience		Professional skills		Financial Expertise	Leadership Acumen
		Overall knowledge of the Industry in which the Company operates	Technical Knowledge of plastic & packaging industry	Business management & General Administration / Governance	Professional skills and knowledge including legal and regulatory aspects	Understanding the financial statements, financial control, risk management.	Integrity, high ethical standards and Leadership
1.	Mr. Ashwin S. Dani	√	√	√	√	√	√
2.	Mr. Harish N. Motiwalla	√		√	√	√	√
3.	Mr. Malav A. Dani	√	√	√	√	√	√
4.	Mr. Jayendra R. Shah	√	√	√		√	√
5.	Mr. Mehernosh A. Mehta	√		√	√		√
6.	Mr. Bomi P. Chinoy	√		√	√	√	√
7.	Mr. Aditya M. Sheth	√		√		√	√
8.	Ms. Kalpana V. Merchant	√		√	√	√	√

\*The absence of a mark against a Member's name does not necessarily mean the member does not possess the required knowledge.

#### 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 conflict of interests 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 their respective 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 directorships exceeding the prescribed limit specified in the Listing Regulations. The Company has also issued formal appointment letters to all the Independent Directors in compliance with 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 the same, Directors Mr. Harish N. Motiwalla, Mr. Jayendra R. Shah, Mr. Bomi P. Chinoy, Mr. Aditya M. Sheth and Ms. Kalpana V. Merchant 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.

#### 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 had a separate meeting on March 27, 2021 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. 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 including Chairman and respective Committees were carried out for the financial year ended March 31, 2021. The evaluation of the Directors was based on various aspects and *inter-alia*, included the level of participation at the Board Meetings, understanding of their roles and responsibilities, business of the Company, regulatory changes and effectiveness of their contribution.

#### COMMITTEES OF THE BOARD

Presently there are seven (7) Committees constituted by the Board of Directors namely: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee, Allotment Committee, Risk Management Committee and Executive 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 and record. 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 a duly constituted Audit Committee. Majority Members of this 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. The Committee consisted of Mr. Harish N. Motiwalla as the Chairman, Mr. Ashwin R. Nagarwadia, Mr. Jayendra R. Shah and Mr. Bomi P. Chinoy as the Members. Mr. Ashwin R. Nagarwadia resigned with effect from January 4, 2021 and Ms. Kalpana V. Merchant was inducted as the Member of the Committee with effect from February 10, 2021.

As on March 31, 2021, the Committee consists of Mr. Harish N. Motiwalla as the Chairman, Mr. Jayendra R. Shah, Mr. Bomi P. Chinoy and Ms. Kalpana V. Merchant as the Members.

Mr. Harish N. Motiwalla and Mr. Bomi P. Chinoy have accounting and related fiscal management expertise / exposure and other two Members Mr. Jayendra R. Shah and Ms. Kalpana V. Merchant, as Members of the said Committee, 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 minutes of each Audit Committee meeting are placed and discussed at the next meeting of the Board.

Details as to the date(s) on which the meetings of the Audit Committee were held during the financial year ended March 31, 2021 are as follows:

Date(s) on which the meeting(s) were held:	
June 16, 2020	November 10, 2020
August 24, 2020	February 10, 2021

Mr. Harish N. Motiwalla, the Chairman of the said Committee, was present at the last Annual General Meeting held on September 26, 2020 to answer the shareholders queries.

The composition of the Audit Committee of the Company along with the details of the meetings held and attended by the members of the said Committee during the financial year ended March 31, 2021, are detailed below:

Name	Category	Chairman/ Member	Meeting Details	
			Held	Attended
Mr. Harish N. Motiwalla	Non-Executive/ Independent	Chairman	4	4
Mr. Ashwin R. Nagarwadia*	Non-Executive/ Non-Independent	Member	4	3
Mr. Jayendra R. Shah	Non-Executive/ Independent	Member	4	4
Mr. Bomi P. Chinoy	Non-Executive/ Independent	Member	4	4
Ms. Kalpana V. Merchant**	Non-Executive/ Independent	Member	4	-

\* Resigned as Director with effect from January 4, 2021

\*\* Appointed as Member with effect from February 10, 2021

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 auditors' 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 auditors' independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of the Company's internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company;
- 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. Reviewing compliance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and verifying 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 Nomination and Remuneration Committee includes:

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and to 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 Committee consisted of Mr. Harish N. Motiwalla, Chairman, Mr. Ashwin S. Dani, Mr. Ashwin R. Nagarwadia and Mr. Jayendra R. Shah as the Members. Mr. Ashwin R. Nagarwadia, resigned as the Director of the Company with effect from January 4, 2021.

The details of the meetings held and attended by the members of the Committee during the financial year ended March 31, 2021 is detailed below:

Date(s) on which the meeting(s) were held:	
June 16, 2020	February 10, 2021
August 24, 2020	

Name	Category	Chairman/ Member	Meeting Details	
			Held	Attended
Mr. Harish N. Motiwalla	Non-Executive/ Independent	Chairman	3	3
Mr. Ashwin S. Dani	Non-Executive/ Promoter	Member	3	3
Mr. Ashwin R. Nagarwadia*	Non-Executive/ Non-Independent	Member	3	2
Mr. Jayendra R. Shah	Non-Executive / Independent	Member	3	3

\* Mr. Ashwin R. Nagarwadia resigned as Director of the Company with effect from January 4, 2021.

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 September 26, 2020.

#### 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://hitechgroup.com/investor/Display/codeofConduct>

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

#### Managing Director :

Mr. Malav Dani, the Managing Director was reappointed at the 25th Annual General Meeting (AGM) held on September 23, 2016 for a period of 5 (five) years till August 4, 2021. Further he was re-appointed as the Managing Director of the Company for 5 (five) consecutive years commencing from August 5, 2021 to hold office till August 4, 2026 with the approval of the shareholders at the 29<sup>th</sup> Annual General Meeting of the Company held on September 26, 2020.

#### Whole Time Director

Mr. Mehernosh Mehta, was appointed as the Wholetime Director for a period of 5 years till March 16, 2021. Further he was re-appointed as the Whole Time Director of the Company for 5 consecutive years commencing from March 17, 2021 to hold office till March 16, 2026 with the approval of the shareholders at the 29th Annual General Meeting of the Company held on September 26, 2020.

The terms and conditions of their appointment including remuneration payable to them 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.

#### 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 March 31, 2021 are as follows:

(Figures in ₹)

Name of the Director	Salary@	Others	Sitting Fees	Performance Linked Bonus	Commission	Total
Ashwin S. Dani	-	-	1,30,000	-	60,000	1,90,000
Harish N. Motiwalla	-	-	2,50,000	-	3,30,000	5,80,000
Jalaj A. Dani	-	-	25,000	-	30,000	55,000
Malav A. Dani <sup>§</sup>	1	8,400	-	10,00,000	-	10,08,401
Ashwin R. Nagarwadia	-	-	1,80,000	-	1,00,000	2,80,000
Jayendra R. Shah	-	-	2,70,000	-	1,50,000	4,20,000
Mehernosh A. Mehta <sup>*</sup>	19,90,386	-	-	1,51,288	-	21,41,674
Bomi P. Chinoy	-	-	2,40,000	-	1,50,000	3,90,000
Aditya M. Sheth	-	-	1,20,000	-	1,00,000	2,20,000
Kalpana V. Merchant	-	-	1,20,000	-	1,00,000	2,20,000

@ Salary includes perquisites.

\* As per contract with the Company. Performance linked bonus pertains to the year 2019-20 paid during the year

§ 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 and 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 consisted of four (4) Members, viz, Mr. Ashwin S. Dani, as Chairman, Mr. Malav A. Dani, Mr. Ashwin R. Nagarwadia and Mr. Bomi P. Chinoy as the Members.

After the cessation of Mr. Ashwin R. Nagarwadia as the Director of the Company with effect from January 4, 2021 the Committee consisted of Mr. Ashwin S. Dani, as Chairman, Mr. Malav A. Dani and Mr. Bomi P. Chinoy as Members.

The constitution of the Stakeholders Relationship Committee of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended March 31, 2021 is detailed below:

Date(s) on which the Meeting(s) were held :				
June 15, 2020		November 27, 2020		
August 21, 2020		February 9, 2021		
October 14, 2020		March 6, 2021		
Name	Category	Chairman/ Member	Meeting Details	
			Held	Attended
Mr. Ashwin S. Dani	Non-Executive/ Promoter	Chairman	6	6
Mr. Malav A. Dani	Executive/ Promoter	Member	6	6
Mr. Ashwin R. Nagarwadia*	Non-Executive/ Non-Independent	Member	6	1
Mr. Bomi P. Chinoy	Non-Executive/ Independent	Member	6	6

\* Mr. Ashwin R. Nagarwadia resigned as Director with effect from January 4, 2021.

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:

1. 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.;
2. 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;

3. 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;
4. Power to affix the Common Seal of the Company on Share Certificates;
5. To approve the register of members as on the record date(s) and/or book closure dates for receiving dividends and other corporate benefits;
6. To review correspondence with the shareholders and take appropriate decisions in that regard;
7. To recommend measures for overall improvement in the quality of services to investors;
8. Review of measures taken for effective exercise of voting rights by shareholders;
9. 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;
10. 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;
11. 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 March 31, 2021 are as follows:

Nature of Complaints	Received during the year	Resolved during the year	Pending at the end of the year
Non-receipt of duplicate share certificate	1	1	-
Non-receipt of shareholder documents	1	-	1
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>

The pending complaint at the end of the year was resolved on April 9, 2021.

### 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 as amended from time to time. After the cessation of Mr. Ashwin R. Nagarwadia as the Director of the Company, Mr. Aditya M. Sheth was inducted as the member in the Committee on February 10, 2021. As on March 31, 2021, the Committee consists of the following Members, Mr. Malav Dani as Chairman, Mr. Jayendra R. Shah, Mr. Bomi P. Chinoy and Mr. Aditya M. Sheth.

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 March 31, 2021 is detailed below:

Date(s) on which the Meeting(s) were held :	
June 16, 2020	February 10, 2021

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	1
Mr. Jayendra R. Shah	Non-Executive/ Independent	Member	2	2
Mr. Bomi P. Chinoy	Non-Executive/ Independent	Member	2	2
Mr. Aditya M. Sheth**	Non-Executive/ Independent	Member	2	Not Applicable

\* Mr. Ashwin R. Nagarwadia resigned as Director with effect from January 4, 2021.

\*\* Mr. Aditya M. Sheth was appointed as the Member with effect from February 10, 2021.

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

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

- 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 as amended from time to time;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the implementation of the CSR policy of the Company from time to time;
- 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 weblink: <https://hitechgroup.com/investor/Display/codeofConduct>

#### 5. ALLOTMENT COMMITTEE

The Allotment Committee consisted of the following Members viz. Mr. Ashwin S. Dani, Mr. Harish N. Motiwala and Mr. Ashwin R. Nagarwadia. During the year Mr. Ashwin R. Nagarwadia resigned as the Director with effect from January 4, 2021.

During the year, no meeting of the Allotment Committee was held. The Allotment Committee was dissolved by the Board at its meeting held on May 21, 2021.

#### 6. RISK MANAGEMENT COMMITTEE (Non mandatory)

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 consisted 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 Mrs Avan R. Chaina, Chief Financial Officer as the Members.

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

At the Board Meeting held on February 10, 2021 Mr. Jayendra R. Shah and Mr. Aditya M. Sheth, both Independent Members were inducted as Members of the Committee due to the resignation of Mr. Ashwin R. Nagarwadia, Mr. Baskaran Nadar and Mr. Bipin Shah. As on March 31, 2021, the Committee consisted of Mr. Jayendra R. Shah, Mr. Aditya M. Sheth, both Independent Directors, Mr. Mehernosh Mehta, Wholetime Director and Mrs. Avan R. Chaina, Chief Financial Officer as the Members of 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:

- Putting in place Risk Management Frameworks and Processes;
- 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;
- To maintain adequate Internal Financial Control Systems over financial reporting and to formulate criteria on the internal controls over financial reporting;
- Identifying risks and promoting a pro-active approach to treating such risks;
- Allocating adequate resources to mitigate and manage risks and minimise their adverse impact on outcomes;
- Optimising risk situations to manage adverse exposure on deliverables and bring them in line with acceptable Risk Appetite of the company;
- Striving towards strengthening the Risk Management System through continuous learning and improvement;
- 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;
- 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;
- Complying with all relevant laws and regulations across its areas of operation; and
- Communicating this policy to the required stakeholders through suitable means and periodically reviewing its relevance in a continuously changing business environment.



## 7. EXECUTIVE COMMITTEE

The Board of Directors of the Company has constituted an 'Executive Committee' consisting of Mr. Malav Dani, Managing Director, Mr. Ashwin Nagarwadia, Director and Mr. Mehernosh Mehta, Whole time Director, to deal with the matters relating to day-to-day operations of the Company. After the resignation of Mr. Ashwin R. Nagarwadia, Director, Mrs. Avan R. Chaina, Chief Financial Officer and Mr. Ketan Sarada, Head – Commercial were appointed as the Members of the Committee on February 10, 2021. As on March 31, 2021 Mr. Malav Dani, Managing Director, Mr. Mehernosh Mehta, Wholetime Director, Mrs. Avan R. Chaina, Chief Financial Officer and Mr. Ketan Sarada are the Members of the Committee.

As it is not a statutory committee, meetings are held as and when required and Minutes of the Meeting is placed before the Board.

During the year, 3 meetings of the Committee were held.

Date(s) on which the Meeting(s) were held:	
August 6, 2020	December 7, 2020
March 1, 2021	

Name	Category	Chairman/Member	Meeting Details	
			Held	Attended
Mr. Malav A. Dani	Managing Director / Promoter	Member	3	3
Mr. Ashwin R. Nagarwadia*	Non-Executive Director	Member	3	0
Mr. Mehernosh Mehta	Executive Director	Member	3	3
Mrs. Avan Chaina#	Chief Financial Officer (CFO)	Member	3	1
Mr. Ketan Sarada#	Head, Commercial	Member	3	1

\* Mr. Ashwin R. Nagarwadia resigned as Director with effect from January 4, 2021.

# Mrs. Avan Chaina and Mr. Ketan Sarada was appointed as the Member of the Committee with effect from February 10, 2021.

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

- Power to open and/or close cash credit accounts, current accounts and collection accounts with scheduled banks or any other Bank or Financial Institutions and authorising officials of the Company for operating the various bank accounts, from time to time. Power also to make addition and/or deletion of names of authorised signatories for operating the various bank accounts and signing documents for various borrowing activities on behalf of the Company from time to time;
- Power to approve capital expenditure proposals exceeding ₹ 1,00,00,000/- (Rupees One Crore only) but not exceeding ₹ 2,00,00,000/- (Rupees Two Crores only);
- Power to approve disposal of assets exceeding Written Down Value (WDV) of ₹ 5,00,000/- (Rupees Five Lakhs only) but not exceeding ₹10,00,000/- (Rupees Ten Lakhs only);

- Power to borrow moneys, pursuant to Section 179(3)(d) of the Companies Act, 2013, to the extent of the limit as may be approved by the Board of Directors from time to time and to create the security for any such amount;
- Power to make loans, pursuant to Sec 179(3)(f) of the Companies Act, 2013, to any employee of the Company utilising the funds of the Company, within an overall limit of ₹ 30,00,000/- (Rupees Thirty Lakhs only) outstanding at any one time and that the loan given to any employee shall in no case exceed ₹ 5,00,000/- (Rupees Five Lakhs only). (The interest on such loans shall not be lower than the limits specified under Section 186(7) of the Companies Act, 2013.);
- Power to enter into derivative transactions with Banks/financial institutions to hedge the funding of External Commercial Borrowings (ECB) by Principal only swap (POS) and Coupon only swap (COS) and
- Any other matters as may be delegated by the Board from time to time.

### 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: <https://hitechgroup.com/investor/Display/codeofConduct>.

The Company has a robust process for RPTs and the transactions with Related Parties are referred to the Audit Committee for its approval at its 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 March 31, 2021, 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. The details of material RPTs have been provided in Form AOC-2 annexed to the Directors' Report.

None of the Directors have any material 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
2019-20	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) Deemed Location is the registered office of the Company at Unit No.201 Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013	September 26, 2020	11.30 a.m.	--	--
2018-19	Indian Merchants' Chamber, 2 <sup>nd</sup> Floor, Kilachand Conference Room, IMC Building, Churchgate, Mumbai – 400 020	September 30, 2019	10.30 a.m.	1	Approval for continuation of Directorship of Mr. Harish N. Motiwala (DIN:00029835) as a Non-Executive Independent Director
2017-18	Indian Merchants' Chamber, 4 <sup>th</sup> Floor, Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020	July 16, 2018	11.30 a.m.	3	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Rajnikant B. Desai as a Non-Executive Independent Director.</li> <li>2. Re-appointment of Mr. Jayendra R. Shah as a Non-Executive Independent Director.</li> <li>3. Re-appointment of Mr. Harish N. Motiwala as a Non-Executive Independent Director.</li> </ol>

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, a special resolution was passed on March 27, 2021 through postal ballot for the following:

**Approval for re-appointment of Mr. Bomi P. Chinoy as a Non-Executive Independent Director for a second term of five consecutive years commencing from May 23, 2021 and approval for his continuation of office beyond 75 years of age.**

Mr. Hemanshu Kapadia (CP No. 2285), Proprietor, M/s Hemanshu Kapadia & Associates, Practicing Company Secretaries, Mumbai, was appointed as the Scrutinizer by the Board for conducting the evoting process through Postal Ballot.

The following Resolutions were passed with the requisite majority through Postal Ballot.

Particulars (Postal Ballot including e-voting)	Special Resolution for approval for re-appointment of Mr. Bomi P. Chinoy as a Non-Executive Independent Director for a second term of five consecutive years commencing from May 23, 2021 and approval for continuation of office beyond 75 years of age.		
	No. of members voting	No. of shares	Percent
Total Received	53	1,25,15,382	100.0000
Less: Invalid	--	--	--
Valid			
- Assent	52	1,25,15,147	99.9981
- Dissent	1	235	0.0019
- Abstained	--	--	--

## 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. In accordance with the provisions of the MCA Circulars, Shareholders had to vote only through the remote e-voting process.

In line with the MCA Circulars, the Postal Ballot Notice was sent only by electronic mode to those members whose e-mail addresses were registered with the Company/Depositories as on the cut-off date decided by the Board. 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 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 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, depositories and Registrar and Share Transfer Agent. The last date of 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 and can be accessed through the following web-link: <https://hitechgroup.com/investor/Display/codeofConduct>

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.

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 substantially 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 April 1, 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

- a) The Non-Executive Chairman of the Company has been provided a Chairman's Office at the Registered Office of the Company.

- b) During the year under review, there is no audit qualification on the Company's financial statements. The Company ensures regime of unmodified audit opinion.
- c) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.
- d) 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 provided 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:

- a) Number of complaints filed during the : NIL financial year
- b) Number of complaints disposed of during the : NIL financial year
- c) Number of complaints pending as on end of : NIL the financial year

### 7. Miscellaneous

- a) During the year there were no funds raised through preferential allotment or qualified institutional placement.
- b) There were no such instances during the financial year 2020-21 where Board had not accepted any recommendation of any committee of the Board, which is mandatorily required, in the relevant financial year.
- c) Total fees for all services paid by the listed entity 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 ₹ 22.26 lakhs.
- d) 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 its meeting held on May 21, 2021 and is set out as Annexure 'A' to this report.
- e) 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., Business Standard (all India editions) and Mumbai Lakshadep (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](http://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 Exchanges:

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):

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 consequent transfer of shares, email registration/updates, are regularly communicated electronically as well in physical mode wherever required.

### 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

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](mailto: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](mailto: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 numerous 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

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

<b>Day and Date</b>	Thursday July 29, 2021
<b>Venue</b>	The Company is conducting meeting through Video Conference / Other Audio Visual Means pursuant to the MCA General Circular No.2/20-21 dated January 13, 2021 read with General Circular No.20/2020 dated May 5, 2020, 14/2020 dated April 8, 2020 and General Circular No.17/2020 dated April 13, 2020 and as such there is no requirement to have a venue for the AGM. Registered Office of the Company will be the deemed venue. For details please refer to the Notice of this AGM.
<b>Time</b>	2.00 p.m.

### Financial Calendar:

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

For the year ended March 31, 2021, quarterly financial results were announced on:

August 24, 2020*	First Quarter
November 10, 2020	Second Quarter and Half Year
February 10, 2021	Third Quarter and Nine Months
May 21, 2021	Fourth Quarter and Annual

\* Extension of time availed pursuant to SEBI Circular dated 29<sup>th</sup> July, 2020.

For the financial year ending on March 31, 2022, quarterly financial results will be announced as per the tentative schedule mentioned below:

On or before August 15, 2021	First Quarter
On or before November 15, 2021	Second Quarter and Half Year
On or before February 15, 2022	Third Quarter and Nine Months
On or before May 30, 2022	Fourth Quarter and Annual

### Book Closure Date:

The dates of book closure are from Friday, July 23, 2021 to Thursday, July 29, 2021, both days inclusive.

### Dividend Payment Date:

A dividend of ₹ 1.00 (10%) per equity share was recommended by the Board of Directors at its Meeting held on May 21, 2021 for the approval of the shareholders at the ensuing Annual General Meeting. If approved by the shareholders, the same will be credited/ dispatched after July 29, 2021.

- to those members whose names appear on the Company's Register of Members, in physical form as on July 22, 2021.
- 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 July 22, 2021.

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

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)
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
2018-2019	9	0.90	154.58	9	0.90	201.21
2019-2020	-	--	--	9	0.90	201.21

### Listing on Stock Exchanges:

The Company's equity shares are listed on:

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

**Stock Code: 526217**

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

**Stock Code: HITEHCORP**

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

**International Securities Identification Number (ISIN): INE120D01012**

### Payment of Listing and Depository Fees

The Company has paid the Annual listing fees for the financial year 2021-22 to BSE and NSE.

Annual Custody / Issuer fees is being paid by the Company within the due date based on the invoices received from the Depositories.

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 March 31, 2021 as well as March 31, 2022.

### 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 March 31, 2021 are given as follows:

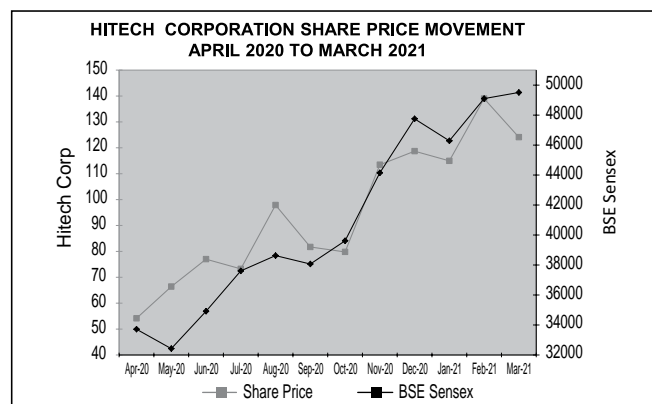
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
<b>2020</b>						
April	59.40	43.00	16,314	59.95	42.00	44,258
May	68.85	50.15	5,290	65.00	52.00	20,714
June	98.00	62.50	44,045	97.90	57.30	1,44,564
July	93.95	70.05	25,325	82.90	71.55	1,15,742
August	126.50	65.00	1,20,752	126.50	66.20	6,82,920
September	98.85	81.70	7,371	100.50	79.00	48,217
October	89.00	79.80	19,483	87.95	79.55	44,647
November	117.65	76.00	50,715	119.30	76.00	1,50,788
December	132.00	100.15	54,687	131.70	103.05	2,17,026
<b>2021</b>						
January	125.35	106.80	30,206	126.60	105.55	1,46,952
February	145.00	110.95	61,062	145.00	110.70	2,56,477
March	151.00	113.85	35,897	151.75	113.15	1,32,219

Source: BSE and NSE Website

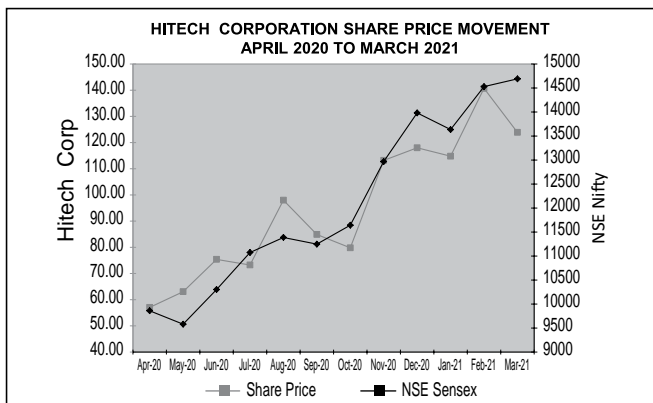
Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's Shares on BSE & NSE.

### 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 2020-21 (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 2020-21 (based on month end closing).



### Share Transfer System:

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, amended Regulation 40 of Listing Regulations pursuant to which from April 1, 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 in dematerialised form will facilitate convenience to the investors and ensure safety in transactions by the 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 March 27, 2019, has clarified that the share transfer deed(s) once lodged prior to the deadline of March 31, 2019 and returned due to deficiency in documents submitted, may be re-lodged for transfer.

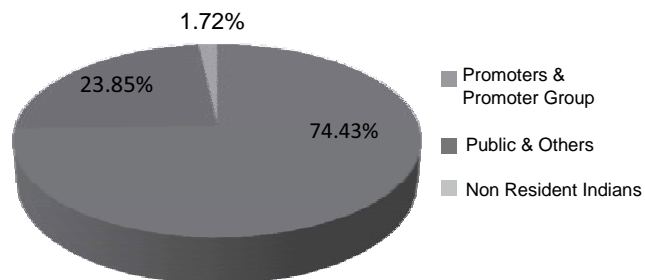
The Board of Directors of the Company have delegated the authority to approve the work of transfer of shares, transmission of shares or requests for deletion of name of the shareholders etc., as mentioned in Regulation 40(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 March 31, 2021:

Category of Shareholder(s)	Total No. of Equity Shares	Percentage of total no. of Equity shares
<b>(A) 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>		
<b>1) Institutions</b>		
(a) Mutual Funds/UTI	-	-
(b) Central Government / State Government(s)	1,14,966	0.67
(c) Financial Institution / Banks	-	-
<b>Sub-Total (B) (1)</b>	<b>1,14,966</b>	<b>0.67</b>
<b>2) Non-Institutions</b>		
(a) Bodies Corporate	3,33,080	1.94
(b) Hindu Undivided Family	2,69,762	1.57
(c) Individuals		
(i) Individual shareholders holding nominal share capital up to ₹ 2 Lakhs	19,53,931	11.38
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	14,24,180	8.29
(d) Individual (Non-Resident Individuals)	2,95,301	1.72
<b>Sub-Total (B) (2)</b>	<b>42,76,254</b>	<b>24.90</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 March 31, 2021 is as follows:

No. of Equity Shares	Shareholders		Shareholding	
	Number	% to Total	Number	% to Total
Upto 500	5,195	88.28	6,23,756	3.63
501 – 1000	255	4.33	2,07,262	1.21
1001 – 2000	152	2.58	2,37,568	1.38
2001 - 3000	54	0.92	1,39,615	0.81
3001 – 4000	33	0.56	1,16,880	0.68
4001 – 5000	50	0.85	2,43,289	1.42
5001 – 10000	57	0.97	4,08,152	2.38
10001 and above	89	1.51	1,51,99,178	88.49
<b>Total</b>	<b>5,885</b>	<b>100.00</b>	<b>1,71,75,700</b>	<b>100.00</b>

**Distribution of preference shareholding of the Company as on March 31, 2021 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	74,52,387	100.00
<b>Total</b>	<b>2</b>	<b>100.00</b>	<b>74,52,387</b>	<b>100.00</b>

**Details of the Company's dematerialised shares as on March 31, 2021:**

Type of shares	Number of shares	% to total shares	Number of shareholders	% to total shareholders
Equity Shares	1,68,55,437	98.14	4,427	75.23
Preference Shares	74,52,387	100.00	2	100.00

**Break up of equity shares in physical and demat form as on March 31, 2021:**

	No of shares	% of shares
Physical Segment	3,20,263	1.86
Demat Segment		
NSDL	1,55,89,420	90.77
CDSL	12,66,017	7.37
<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 March 31, 2021.

**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:**

**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 98.14% 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 : <https://hitechgroup.com/investor/Display/miscellaneous>

**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.

**Unclaimed Dividends:**

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.

**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.

In view of Covid 19 pandemic, relaxations for sending physical notices were provided by the Regulatory Authorities. However, the Company had sent individual physical notices to the shareholders and also published Notice in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more before a particular date. Shareholders are requested to respond to the notices and claim their dividend lying unpaid/unclaimed to avoid transfer of the same to IEPF.

Accordingly, the Company has transferred the following unpaid or unclaimed dividends and corresponding shares thereto to IEPF during the financial year 2020-21:

Particulars	Amount of Dividend (in ₹)	No. of Equity Shares
Final Dividend for the Financial Year 2012-13	3,19,538.00	7,703

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.

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 31.03.2021 (in ₹)	Due Date for transfer to IEPF
2013-2014	Final	1,96,717.96	12.10.2021
2014-2015	Final	3,42,781.42	28.01.2023
2015-2016	Final	3,73,586.40	22.10.2023
2016-2017	Final	3,93,363.00	01.09.2024
2017-2018	Final	2,82,913.20	14.08.2025
2018-2019	Final	2,61,155.70	29.10.2026

The Company has not declared any dividend on the Equity shares during the year 2019-20 due to ongoing Covid-19 pandemic in order to conserve the financial resources of the Company.

During the financial year 2021-22, the Company would be transferring unclaimed final dividend for the financial year ended March 31, 2014 to IEPF on or before October 12, 2021.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website, at link [https://hitechgroup.com/investor/Display/Unclaimed\\_UnpaidDividend](https://hitechgroup.com/investor/Display/Unclaimed_UnpaidDividend)

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 <https://www.hitechgroup.com/investor/>

#### Unclaimed Physical 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 April 1, 2020.	5	500
<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 March 31, 2021.	5	500

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

As per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, reminders have been sent to the concerned shareholders.

#### 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 of (Plastic Precision & Machinefabrik Limited)	2004	28,96,995	1,18,96,995
Preferential allotment on Private Placement basis	2006	12,78,705	1,31,75,700
Preferential Allotment to Promoters	2014	20,00,000	1,51,75,700
Conversion of Warrants in to Equity shares, issued to Promoters	2016	20,00,000	1,71,75,700
Total paid-up equity shares as on March 31, 2021			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: [mnt.helpdesk@linkintime.co.in](mailto:mnt.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:**

<b>Sanaswadi:</b>	Manufacturing Facility and Technology Centre Gut Nos. 939 & 940, Village : Sanaswadi Tal. Shirur, Dist. Pune, Maharashtra - 412 208.
<b>Sriperumbudur:</b>	F-16/ SIPCOT Industrial Park, Kancheepuram, Sri Perumbudur, Tamil Nadu - 602 106.
<b>Rohtak:</b>	Plot No.2, Sector 30B, Industrial Model Township (IMT), Rohtak, Haryana - 124 001.
<b>Khandala:</b>	Gat No.272/7, Village: Dhawadwadi, Taluka: Khandala, Dist. Satara, Maharashtra - 412 802.
<b>Naroli Unit I &amp; II:</b>	709/3/1/1, Vadfalia, Bhilad Naroli Road, Naroli, Silvassa - 396 235.
<b>PPMF:</b>	4615/16 Plastic Zone Road, Manda Village, GIDC Sarigam, Gujarat - 396 155.
<b>Baddi Unit I &amp; II:</b>	Khasra No. 544/151, Village Dhana, Tehsil Nalagrah, Dist. Solan, HP - 174 101.
<b>Umbergaon:</b>	A-1/912-913, G.I.D.C., Umbergaon, Dist. Valsad, Gujarat - 396 171.
<b>Sitarganj: (Discontinued w.e.f October 16, 2020)</b>	Plot No. D-63, Phase -2, Eldeco Sidcul Industrial Park, Sitarganj, Uttarakhand - 262 405.
<b>Mysuru:</b>	SY NO .478,485,486,487,488,489 & 508, Imnavu Village, Chikkiahana Chatra, Nanjangud Taluk, Mysuru : 571302.
<b>Vizag:</b>	Plot No.5, IC Pudi, Rambili Mandal, Atchutapuram, Post, Visakhapatnam – 531011

\*Dadra & Sarigam Units were discontinued. Movable properties were shifted to nearby plants and the Immovable properties at the respective plants have been monetized during the year.

**Address for correspondence:**

**Registered Office:**

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

**CODE OF CONDUCT FOR EMPLOYEES**

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 March 31, 2021. A declaration to this effect signed by Mr. Malav A. Dani, Managing Director of the Company is annexed to this report as Annexure 'B'.

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

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

In accordance with the SEBI Insider Trading Regulations, the Company has established systems and procedures to prohibit insider trading activity. The Code was suitably amended to incorporate the amendments made by SEBI to the Insider Trading Regulations.

The Board has also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the SEBI Insider Trading Regulations.

The Code of Conduct to Regulate, Monitor and Report trading by Insiders and Code of Fair Disclosure & Practices have been uploaded on website of the Company and can be accessed through the following web link: <https://hitechgroup.com/investor/Display/codeofConduct>

**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 March 31, 2021 signed by Mr. Malav A. Dani, Managing Director and Mrs. Avan R. Chaina, Chief Financial Officer, was placed before the Board of Directors at their meeting held on May 21, 2021 is annexed to this Report as Annexure 'B'.

**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 A TO REPORT ON CORPORATE GOVERNANCE

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Hitech Corporation Limited** having CIN L28992MH1991PLC168235 and having registered office at Unit No. 201, 2nd Floor, Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and carried by us and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2021** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authorities:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Ashwin Dani	00009126	13/01/1992
2	Harish Motiwala	00029835	23/09/2005
3	Jayendra Shah	00132613	14/11/2013
4	Mehernosh Mehta	00372340	17/03/2016
5	Malav Dani	01184336	01/02/2008
6	Aditya Sheth	02289144	25/06/2019
7	Bomi Chinoy	07519315	23/05/2016
8	Kalpana Merchant	00827907	27/02/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency 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  
Peer Review No. 698/2020  
UDIN: F004554C000355861

Date: May 21, 2021  
Place: Mumbai

## **Annexure B to Report on Corporate Governance for the financial year ended March 31, 2021**

### **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 March 31, 2021.

Place : Mumbai

Date : May 21, 2021

**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 Avan R. Chaina, 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 March 31, 2021 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 violated 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 : May 21, 2021

Malav A. Dani

Managing Director  
(DIN:01184336)

Avan R. Chaina

Chief Financial  
Officer

## 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, 2021, 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, 2021.

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

Place: Mumbai  
Date: May 21, 2021

**Roshni R. Marfatia**  
Membership No: 106548  
UDIN: 21106548AAAACI6975

## FIVE YEAR REVIEW

₹ in lakhs

Results for the Accounting Year	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2018-19	F.Y. 2017-18	F.Y. 2016-17
<b>REVENUE ACCOUNT</b>					
Gross Revenue from Sale of Goods and Services *	44,467.45	45,765.31	45,890.18	39,471.54	40,136.55
Net Revenue from Sale of Goods and Services *	44,467.45	45,765.31	45,890.18	38,548.22	36,505.75
Growth Rate (%)	(2.84)	(0.27)	19.05	5.59	(6.56)
Materials Cost	26,532.85	27,464.27	28,543.07	23,760.53	22,914.06
% to Net Revenue	59.67	60.01	62.20	61.64	62.77
Overheads	11,767.15	12,565.46	12,491.61	11,371.66	10,289.61
% to Net Revenue	26.46	27.46	27.22	29.50	28.19
Operating Profit (EBITDA)	6,553.54	6,033.81	6,692.22	4,347.23	3,589.46
Finance Costs	1,932.57	2,356.41	1,991.66	1,392.11	927.57
Depreciation	2,951.40	2,996.79	2,142.86	1,751.87	1,299.47
Profit Before Tax	2,233.88	358.46	2,557.70	1,203.25	1,362.42
% to Net Revenue	5.02	0.78	5.57	3.12	3.73
Profit After Tax	1,695.90	235.93	1,640.30	776.39	935.67
<b>CAPITAL ACCOUNT</b>					
Equity Share Capital	1,717.57	1,717.57	1,717.57	1,717.57	1,717.57
Reserves and Surplus	16,489.99	14,815.41	14,725.43	13,281.99	12,689.22
Deferred Tax Liability/Asset (Net)	417.80	613.68	563.03	250.08	201.02
Borrowings	14,371.42	17,792.27	18,234.07	16,281.40	10,760.38
Property, Plant and Equipment and Other Intangible Assets	25,406.35	27,767.95	27,375.32	19,974.67	14,706.21
Investments	-	-	-	-	-
Debt - Equity Ratio	0.79	1.08	1.11	1.09	0.75
Market Capitalisation	21,315.04	8,338.80	18,541.17	24,758.77	29,275.98
<b>PER SHARE DATA</b>					
Earning Per Share (₹)	9.87	1.37	9.55	4.52	5.45
Dividend	1.00 (#)	-	0.90	0.90	0.90
Book Value (₹)	106.01	96.26	95.59	87.25	83.80

(#) 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.

# 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, 2021, 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 (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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.

Key Audit Matter	Auditor's Response
<p><b>Inventory Existence and Valuation</b></p> <p>As at March 31, 2021 the Company held Inventory amounting to Rs. 3,870.29 lakhs.</p> <p>The Company's major part of inventory comprises raw materials and work-in-progress which are spread across multiple factories. These inventories are counted by management on a quarterly basis.</p> <p>Inventories are valued at lower of cost and Net realisable value. There is significant management judgement involved in estimating the net realisable value of items held, as well as assessing which items may be non-moving or obsolete.</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. 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>Based on above, existence and valuation of inventories has been identified as a key audit matter.</p> <p>Refer Notes 2.4 (9) 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 Company's accounting policy for inventory</li><li>- assessing the inventory valuation processes and testing the key controls around inventory existence and valuation assertions.</li><li>- As attendance of inventory counts during the year end was not possible at certain locations due to COVID-19 related travel restrictions health and safety measures, we have appointed independent firms of Chartered Accountants to attend the physical verification at certain locations. We have relied on their reports submitted to us.</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.

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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 with reference to financial statements 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 the users 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements 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 34 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  
UDIN: 21106548AAAABR5472

Mumbai. May 21, 2021.



### 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, 2021.

#### 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, except:

(Rs. in lakhs)

Sr. No	Nature of Asset	Block of asset	No. of cases	Gross Block as on March 31, 2021	Net block as on March 31, 2021
1	Freehold land	Property, Plant & Equipment	2	75.06	75.06
2	Building	Property, Plant & Equipment	3	494.84	353.25
3	Leasehold land	Right of use asset	1	7.50	7.11
4	Leasehold land	Investment Property	1	265.51	248.09
5	Building	Investment Property	1	761.00	536.77
6	Freehold land	Non-current asset held for sale	1	511.03	511.03
7	Leasehold land	Non-current asset held for sale	1	16.30	15.44
8	Building	Non-current asset held for sale	2	33.36	29.21

The title deeds of the property are in the name of erstwhile merged entities and the Company is in the process of transferring the property in their name.

- ii) The Management has conducted physical verification of inventory (excluding goods-in-transit and 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) According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 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, goods and service tax, duty of customs, cess and other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2021, 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, sales tax and excise 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	63.51	FY 2012-13 to 2015-16	Commissioner Excise
	Sales Tax dues Non submission of C Forms and Mismatch in VAT Input Credit	1.65	FY 2009-10	Commissioner Appeal VAT
	Sales Tax dues Non submission of C Forms, Mismatch in VAT Input Credit and Penalty on Late payment	22.64	FY 2012-13 to 2014-15	Commissioner VAT
Income Tax Act, 1961	Demand based on the order of regular assessment u/s 143(3) of the Act.	444.50	AY 2011-12 to 2015-16 and AY 2017-18	Commissioner of Income Tax (Appeals)
		187.62	AY 2016-17 and AY 2010-11	Income Tax Appellate Tribunal
		0.30	AY 2003-04	High Court, Mumbai
		4.88	AY 2007-08 and AY 2018-19	Income Tax Officer

- 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.
- 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.
- 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  
UDIN: 21106548AAAABR5472

Mumbai. May 21, 2021.

## 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, 2021.

### **Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to the financial statements of Hitech Corporation Limited ("the Company") as of March 31, 2021 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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to Financial Statements**

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

**Roshni R. Marfatia**  
Partner

M. No.: 106548  
UDIN: 21106548AAAABR5472

Mumbai. May 21, 2021.

## Balance Sheet As at March 31, 2021

	Note No.	As at March 31, 2021	(₹ in lakhs) As at March 31, 2020
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	4 A	22,132.20	24,944.60
(b) Right of Use Assets	4 B	2,145.88	2,531.69
(c) Capital Work-in-Progress		314.12	165.03
(d) Investment Property	4 C	784.86	112.70
(e) Other Intangible Assets	4 D	29.29	13.94
(f) Financial Assets			
(i) Investments	5	-	-
(ii) Loans	6	448.24	534.25
(iii) Others Financial Assets	7	196.94	132.32
(g) Non Current Tax Assets (Net)	8	675.83	671.34
(h) Other Non-Current Assets	9	852.84	580.11
<b>Total Non-Current Assets</b>		<b>27,580.20</b>	<b>29,685.98</b>
<b>2 Current Assets</b>			
(a) Inventories	10	3,870.29	3,481.97
(b) Financial Assets			
(i) Trade receivables	11	4,415.11	4,321.32
(ii) Cash and Cash Equivalents	12 A	56.26	51.77
(iii) Bank balances other than (ii) above	12 B	30.16	32.47
(iv) Others Financial Assets	7	103.87	420.55
(c) Other Current Assets	9	240.42	571.04
(d) Non Current Assets held for sale	13	555.69	-
<b>Total Current Assets</b>		<b>9,271.80</b>	<b>8,879.12</b>
<b>Total</b>		<b>36,852.00</b>	<b>38,565.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	1,717.57	1,717.57
(b) Other Equity	15	16,489.99	14,815.40
<b>Total Equity</b>		<b>18,207.56</b>	<b>16,532.97</b>
<b>Liabilities</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	6,310.34	9,360.72
(ii) Lease Liabilities	4 B	284.05	381.95
(iii) Other Financial Liabilities	17	-	6.14
(b) Provisions	18	346.86	222.49
(c) Deferred tax liabilities (Net)	19	417.80	613.68
<b>Total Non-Current Liabilities</b>		<b>7,359.05</b>	<b>10,584.98</b>
<b>2 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	4,440.84	6,306.55
(ii) Lease Liabilities	4 B	135.63	113.39
(iii) Trade payables	20		
- Total outstanding dues of Micro and Small Enterprise		301.53	178.64
- Total outstanding dues of creditors other than Micro and Small Enterprise		1,528.67	1,454.41
(iv) Other financial liabilities	17	4,149.12	3,067.50
(b) Other Current Liabilities	21	308.57	80.86
(c) Provisions	18	231.97	227.96
(d) Current tax liabilities (Net)	22	189.06	17.84
<b>Total Current Liabilities</b>		<b>11,285.39</b>	<b>11,447.15</b>
<b>Total</b>		<b>36,852.00</b>	<b>38,565.10</b>
Significant Accounting Policies	2		

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 21, 2021

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

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

**Avan R. Chaina**  
 Chief Financial Officer

Mumbai, May 21, 2021

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

**Namita R. Tiwari**  
 Company Secretary

## Statement of Profit and Loss for the Year ended March 31, 2021

(₹ in lakhs)

	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue</b>			
I Revenue from Operations	23	44,708.36	46,008.71
II Other Income	24	145.18	54.83
III <b>Total Income (I) + (II)</b>		<b>44,853.54</b>	46,063.54
<b>IV Expenses</b>			
Cost of Materials Consumed	25	26,392.04	27,297.21
Changes in Inventories of Finished Goods, Work-in-Progress	26	140.81	167.06
Employee Benefit Expenses	27	2,861.23	3,080.70
Finance Costs	28	1,932.57	2,356.41
Depreciation and Amortisation Expenses	29	2,951.40	2,996.79
Other Expenses	30	8,905.92	9,484.76
<b>Total Expenses</b>		<b>43,183.97</b>	45,382.93
V <b>Profit before Exceptional Items (III-IV)</b>		<b>1,669.57</b>	680.61
VI Exceptional Items Credit / (Charge)	31	564.31	(322.15)
VII <b>Profit before tax (V+ VI)</b>		<b>2,233.88</b>	358.46
<b>VIII Tax Expenses:</b>			
(1) Current Tax		733.86	68.88
(2) Deferred Tax		(422.67)	138.04
(3) Minimum Alternative Tax Credit Utilisation / (Entitlement)		226.79	(87.39)
(4) Prior Year Tax Adjustments		-	3.00
<b>Total Tax Expense</b>		<b>537.98</b>	<b>122.53</b>
IX <b>Profit for the year (VII-VIII)</b>		<b>1,695.90</b>	235.93
<b>X Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
-Remeasurement of defined benefit plans		(32.78)	57.48
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>			
		11.47	(17.08)
		<b>(21.31)</b>	40.40
XI <b>Total Comprehensive Income for the year (IX+X)</b>		<b>1,674.59</b>	276.33
<b>XII Earnings per share (Face Value ₹ 10 per share)</b>			
1) Basic (₹)		9.87	1.37
2) Diluted (₹)		9.87	1.37
Significant Accounting Policies	2		

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

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

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

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

**Avan R. Chaina**  
 Chief Financial Officer

**Namita R. Tiwari**  
 Company Secretary

Mumbai, May 21, 2021

Mumbai, May 21, 2021

## Statement of Cash Flow for the Year ended March 31, 2021

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,233.88	358.46
<b>Adjustments for :</b>		
Depreciation and amortization expense	2,951.40	2,996.79
(Profit) / Loss on Sale of Property, Plant and Equipment	(56.40)	2.61
Profit on Sale of Property (Refer Note 31)	(564.31)	-
Unrealised Foreign Exchange Loss / (Gain)	0.05	(0.67)
Bad Debts written off	51.12	160.13
Provision for doubtful debts	8.42	(68.37)
Provision for doubtful advances	133.83	(19.73)
Loans and Advances written off	-	7.27
Finance costs	1,740.73	2,155.19
Dividend on preference shares	191.84	201.21
Rental Income	(23.72)	(27.81)
Interest Income	(29.81)	(22.24)
Gain on Lease Rent Wavier	(29.59)	-
<b>Operating Profit before working capital changes</b>	<b>6,607.44</b>	<b>5,742.84</b>
<b>Adjustments for :</b>		
Inventories	(388.32)	509.66
Trade Receivables	(153.33)	1,192.57
Loans	91.80	(61.31)
Financial Assets	249.07	(26.12)
Other assets	390.79	294.84
Trade Payables	197.15	71.33
Financial liabilities	(279.58)	(1,949.06)
Other liabilities	227.70	(16.04)
Provisions	95.60	42.70
<b>Cash Generated from Operations</b>	<b>7,038.32</b>	<b>5,801.41</b>
Income Tax paid (Net of Refund)	(555.65)	(167.30)
<b>Net Cash generated from operating activities</b>	<b>6,482.67</b>	<b>5,634.11</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(1,727.04)	(2,598.65)
Sale of Property (Refer Note 31)	711.63	-
Sale of Property, Plant & Equipment	70.76	25.93
(Decrease) / Increase in fixed deposits	(0.77)	50.42
Rent Received	23.72	27.81
Interest Received	27.63	30.17
<b>Net Cash (used in) investing activities</b>	<b>(894.07)</b>	<b>(2,464.32)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redemption of Preference Shares	(1,490.48)	-
Proceeds of Long Term Borrowings	1,560.34	500.00
Repayments from Long Term Borrowings	(1,625.00)	(1,000.00)
Proceeds / (Repayments) from Short Term Borrowings (Net)	(1,505.90)	105.12
Preference Dividend & Tax	(325.99)	(242.57)
Equity Dividend & Tax	-	(186.36)
Finance costs paid	(1,701.75)	(2,140.07)
Interest paid on lease payments	(41.77)	(42.82)
Principle payment of Lease Liability	(93.75)	(102.91)
<b>Net Cash (used in) from financing activities</b>	<b>(5,224.30)</b>	<b>(3,109.61)</b>

## Statement of Cash Flow for the Year ended March 31, 2021 (Contd.....)

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>(D) Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>364.30</b>	<b>60.18</b>
Cash and Cash Equivalents at the beginning of the year	(512.29)	(572.47)
Cash and Cash Equivalents at the end of the year	<u>(147.99)</u>	<u>(512.29)</u>

### 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.

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(b) Cash and Cash Equivalents comprises of : (Refer Note 12 A)		
Cash on hand	2.86	4.25
Balances with bank		
- Current Accounts	53.40	47.52
Less: Loan repayable on demand (Cash Credit / Overdraft Account)	(204.25)	(564.06)
	<u>(147.99)</u>	<u>(512.29)</u>
(c) For Disclosure requirements as per amendment to Ind AS 7 (Refer Note 42)		

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 21, 2021

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

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**Avan R. Chaina**  
 Chief Financial Officer

Mumbai, May 21, 2021

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

**Namita R. Tiwari**  
 Company Secretary



## Statement of Changes in Equity for the Year ended March 31, 2021

### A. Equity Share Capital

	Note No	As at March 31, 2021	As at March 31, 2020
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 15)

	Reserves & Surplus				Total
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	
<b>Balance as at April 1, 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>
Profit for the year	-	-	-	235.93	235.93
Re-measurement of defined benefit plans	-	-	-	40.40	40.40
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>276.33</b>	<b>276.33</b>
Equity dividend	-	-	-	(154.58)	(154.58)
Tax on equity dividend	-	-	-	(31.78)	(31.78)
<b>Balance as at March 31, 2020</b>	<b>1,880.00</b>	<b>1,319.90</b>	<b>133.80</b>	<b>11,481.70</b>	<b>14,815.40</b>
<b>Balance as at April 1, 2020</b>	<b>1,880.00</b>	<b>1,319.90</b>	<b>133.80</b>	<b>11,481.70</b>	<b>14,815.40</b>
Profit for the year	-	-	-	1,695.90	1,695.90
Re-measurement of defined benefit plans	-	-	-	(21.31)	(21.31)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,674.59</b>	<b>1,674.59</b>
Transfer to Capital Redemption Reserve on Redemption of Preference Shares (Refer foot-note to Note 15)	-	1,490.48	-	(1,490.48)	-
<b>Balance as at March 31, 2021</b>	<b>1,880.00</b>	<b>2,810.38</b>	<b>133.80</b>	<b>11,665.81</b>	<b>16,489.99</b>

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

As per our report attached  
**For Kalyaniwalla & Mistry LLP**  
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Mumbai, May 21, 2021

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 Managing Director  
 DIN:01184336

**Namita R. Tiwari**  
 Company Secretary

## Notes to the Financial Statement for the year ended March 31, 2021

### 1. CORPORATE INFORMATION

Hitech Corporation Limited ('the Company') is engaged in manufacturing of rigid plastic packaging products specially catering to customers relating to paints, lube, agro chemical, FMCG, personal and health care and home care 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. As at March 31, 2021, Geetanjali Trading & Investments Private Limited, the holding Company owned 69.11% of the Company's equity share capital.

### 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.

#### 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. 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 2.4 .1)
- ii. Determination of the estimated useful lives of intangible assets (Note 2.4 .2)
- iii. Recognition and measurement of defined benefit obligations, key actuarial assumptions. (Note 40)
- iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 18)
- v. Fair value of financial instruments (Note 2.3)
- vi. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Note 19)
- vii. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right- of - use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

### 2.3. 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.

### 2.4. 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	5 to 10 years
Computers <sup>(1)</sup>	5 years
Vehicles <sup>(1)</sup>	5 years
Office Equipment	5 years
Leasehold improvements	Over lease term

(1) 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 ₹ 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 are 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. Right to use Asset**

The Company's lease asset classes primarily consist of leases for land, premises and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate which is the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **The Company as a lessor:**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance lease or operating lease by reference to the right – of – use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

#### 4. 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 leasehold land is provided on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Depreciation on building 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. The residual value is estimated by management to be at 5% of cost.

##### 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.

#### 5. Non-current assets held for sale

Non-current assets held for sale are presented separately in the Balance Sheet when the following criteria are met:

- the Company is committed to selling the assets;
- the assets are available for sale immediately;
- an active plan of sale has commenced;
- sale is expected to be completed within 12 months; and
- it is highly probable that they will be recovered primarily through sales rather than through continuing use.

Assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

#### 6. 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 Property Plant and Equipment outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

#### 7. 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.

#### 8. 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.

#### 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.

## 9. Inventory

Inventories comprise of raw materials, packing materials, work-in-progress, finished goods and stores and spares. 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 operating capacity. Variable production overheads are allocated based on actual use of production facilities.

Net realizable value represents the estimated selling price for inventories in normal course of business, 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.

## 10. 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.

## 11. 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.

## 12. Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods to customers for an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue excludes taxes or duties collected on behalf of the government.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. Revenue 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 has been transferred to the customer. The performance obligation in case of sale of products 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. The Company recognizes revenues on the sale of products, net of returns, discounts (if any) and amounts collected on behalf of third parties (such as GST).

### *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.

## 13. 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.

ii. **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 accumulations 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.

iii. **Ind AS 19 – Plan Amendment, Curtailment or Settlement**

As per the amendment to Ind AS 19 if there is a change in the plan assets, amendment, curtailment or settlement occurs, then 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.

14. **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.

As per the Appendix to Ind AS 12, 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.

#### **In accordance with 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. The entity pays tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

### **15. 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.

### **16. 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.

### **17. Derivative Financial instruments and hedge accounting**

The Company uses derivative financial instruments, such as forward currency contracts, 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 is 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.

### **18. 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.

### **19. 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.

### **20. 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.

In accordance with the amended Ind AS 23 Borrowing Cost, 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.

### **21. Exceptional items**

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company and to assist users of financial statements in making projections of future financial performance.

### **22. 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.

### **23. 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.

### **24. 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.

### **25. 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.

### 3. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

#### Other Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Notes to the Financial Statements

### Note 4 A : Property, Plant and Equipment

(₹ in lakhs)

	Gross Carrying Amount						Depreciation/ Amortisation						Closing Carrying Amount	
	As at 01.04.2020	Additions during the year	Deductions/ adjustments	Reclassified to Investment Property (Refer Note 4 C)	Reclassified to Assets held for Sale (Refer Note 13)	As at 31.03.2021	As at 01.04.2020	Additions / Amortization during the year	Deductions/ adjustments	Reclassified to Investment Property (Refer Note 4 C)	Reclassified to Assets held for Sale (Refer Note 13)	As at 31.03.2021	As at 31.03.2021	
Freehold Land	2,993.52	37.88	-	-	511.03	2,520.37	-	-	-	-	-	-	2,520.37	
Buildings	15,493.21	18.02	22.71	761.00	33.36	14,694.16	2,312.73	1,054.83	5.90	224.23	4.15	3,133.28	11,560.88	
Plant & Machinery														
Moulds	1,555.66	316.63	13.92	-	-	1,858.37	882.09	354.88	5.38	-	-	1,231.59	626.78	
Other Machinery	12,236.81	469.73	80.05	-	-	12,626.49	4,401.57	1,279.53	75.29	-	-	5,605.81	7,020.68	
Furniture	223.42	181.70	4.47	-	-	400.65	78.51	40.20	4.07	-	-	114.64	286.01	
Leasehold Improvements	4.74	-	-	-	-	4.74	4.66	0.08	-	-	-	4.74	-	
Computers	80.82	22.73	2.27	-	-	101.28	48.67	12.11	1.60	-	-	59.18	42.10	
Office Equipment	114.06	23.26	0.22	-	-	137.10	47.16	18.44	0.22	-	-	65.38	71.72	
Vehicles	76.06	-	-	-	-	76.06	58.31	14.09	-	-	-	72.40	3.66	
<b>Total</b>	<b>32,778.30</b>	<b>1,069.95</b>	<b>123.64</b>	<b>761.00</b>	<b>544.39</b>	<b>32,419.22</b>	<b>7,833.70</b>	<b>2,774.16</b>	<b>92.46</b>	<b>224.23</b>	<b>4.15</b>	<b>10,287.02</b>	<b>22,132.20</b>	

(Previous Year)

(₹ in lakhs)

	Gross Carrying Amount						Depreciation/ Amortisation						Closing Carrying Amount	
	As at 01.04.2019	Additions during the year	Deductions/ adjustments	Reclassified to Right of Use Assets (Refer Note 4B)	Reclassified to Assets held for Sale	As at 31.03.2020	As at 01.04.2019	Additions / Amortization during the year	Deductions/ adjustments	Reclassified to Right of Use Assets (Refer Note 4B)	Reclassified to Assets held for Sale	As at 31.03.2020	As at 31.03.2020	
Freehold Land	2,987.07	6.45	-	-	-	2,993.52	-	-	-	-	-	-	2,993.52	
Leasehold Land	2,100.77	-	-	2,100.77	-	-	46.07	-	-	46.07	-	-	-	
Buildings	11,654.32	3,838.89	-	-	-	15,493.21	1,245.61	1,067.12	-	-	-	2,312.73	13,180.48	
Plant & Machinery														
Moulds	1,381.13	179.53	5.00	-	-	1,555.66	557.31	325.11	0.33	-	-	882.09	673.57	
Other Machinery	9,906.50	2,388.39	58.08	-	-	12,236.81	3,064.04	1,372.25	34.72	-	-	4,401.57	7,835.24	
Furniture	189.17	35.45	1.20	-	-	223.42	56.25	22.95	0.69	-	-	78.51	144.91	
Leasehold Improvements	4.74	-	-	-	-	4.74	4.50	0.16	-	-	-	4.66	0.08	
Computers	64.14	16.68	-	-	-	80.82	34.77	13.90	-	-	-	48.67	32.15	
Office Equipment	69.15	44.91	-	-	-	114.06	28.99	18.17	-	-	-	47.16	66.90	
Vehicles	76.06	-	-	-	-	76.06	42.79	15.52	-	-	-	58.31	17.75	
<b>Total</b>	<b>28,433.05</b>	<b>6,510.30</b>	<b>64.28</b>	<b>2,100.77</b>	<b>-</b>	<b>32,778.30</b>	<b>5,080.33</b>	<b>2,835.18</b>	<b>35.74</b>	<b>46.07</b>	<b>-</b>	<b>7,833.70</b>	<b>24,944.60</b>	

The amount of Contractual commitments for the acquisition of Property plant and equipment is disclosed in Note 34 (b).

Part of the above assets are offered as collateral towards borrowings (Refer Note 43)

**Note 4 B : Right of Use assets**

Following are the changes in the carrying value of Right of Use (ROU) assets for the year ended March 31, 2021:

Particulars	Category of ROU assets			(₹ in lakhs)
	Leasehold Land	Premises	Vehicle	Total
<b>Balance as at April 1, 2020</b>	<b>2,054.70</b>	<b>445.71</b>	<b>31.28</b>	<b>2,531.69</b>
Additions during the year	13.33	24.93	23.58	61.84
Deletion during the year*	20.49	-	-	20.49
Transferred to Investment Property (Refer Note 4 B)	248.09	-	-	248.09
Transferred to Assets held for Sale (Refer Note 13)	15.45	-	-	15.45
Depreciation / Amortisation for the year	22.58	121.21	19.83	163.62
<b>Balance as at March 31, 2021</b>	<b>1,761.42</b>	<b>349.43</b>	<b>35.03</b>	<b>2,145.88</b>

\* During the year, the rights to leasehold land held at Sarigam was transferred alongwith the building and profit thereon is included in exceptional item. (Refer Note 31)

Following are the changes in the carrying value of Right of Use (ROU) assets for the year ended March 31, 2020:

Particulars	Category of ROU assets			(₹ in lakhs)
	Leasehold Land	Premises	Vehicle	Total
<b>Balance on adoption of Ind AS 116 as at April 1, 2019</b>	<b>22.64</b>	<b>509.04</b>	<b>36.76</b>	<b>568.44</b>
WDV reclassified on adoption of Ind AS 116 (Refer Note 4A)	2,054.70	-	-	2,054.70
<b>Balance as at April 1, 2019</b>	<b>2,077.34</b>	<b>509.04</b>	<b>36.76</b>	<b>2,623.14</b>
Additions during the year	-	45.57	9.18	54.75
Deletion during the year	-	-	-	-
Depreciation/Amortisation for the year	22.64	108.90	14.66	146.20
<b>Balance as at March 31, 2020</b>	<b>2,054.70</b>	<b>445.71</b>	<b>31.28</b>	<b>2,531.69</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss. (Refer Note 29)

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Particulars	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	135.63	113.39
Non-current lease liabilities	284.05	381.95
<b>Total</b>	<b>419.68</b>	<b>495.34</b>

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance as at April 1, 2020	495.34	553.97
Addition during the year	47.66	44.28
Finance cost accrued during the year	41.77	42.82
Deletions during the year	-	-
Payment of lease liabilities during the year	135.50	145.73
Lease Rent Waiver	29.59	-
<b>Balance as at March 31, 2021</b>	<b>419.68</b>	<b>495.34</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Less than one year	167.10	152.87
One to five year	289.42	398.86
More than five year	204.38	205.64
<b>Total</b>	<b>660.89</b>	<b>757.37</b>

Rental expense recorded for short-term leases for the year ended March 31, 2021 ₹ 1.34 lakhs (Previous Year Rs. 11.74 Lakh).

**Note 4 C : Investment Property**

(₹ in lakhs)

	Gross Carrying Amount					Depreciation/ Amortisation					Closing Carrying Amount
	As at 01.04.2020	Additions during the year	Deductions/ adjustments	Reclassified from Property Plant Equipment / Right use of asset	As at 31.03.2021	As at 01.04.2020	Additions / Amortization during the year	Deductions/ adjustments	Reclassified from Property Plant Equipment / Right use of asset	As at 31.03.2021	As at 31.03.2021
Freehold Land	41.50	-	41.50	-	-	-	-	-	-	-	-
Leasehold Land	-	-	-	265.51	265.51	-	-	-	17.42	17.42	248.09
Building	90.98	-	90.98	761.00	761.00	19.78	2.69	22.47	224.23	224.23	536.77
<b>Total</b>	<b>132.48</b>	<b>-</b>	<b>132.48</b>	<b>1,026.51</b>	<b>1,026.51</b>	<b>19.78</b>	<b>2.69</b>	<b>22.47</b>	<b>241.65</b>	<b>241.65</b>	<b>784.86</b>

(Previous Year)

(₹ in lakhs)

	Gross Carrying Amount					Depreciation/ Amortisation					Closing Carrying Amount
	As at 01.04.2019	Additions during the year	Deductions/ adjustments	Reclassified from Property Plant Equipment / Right use of asset	As at 31.03.2020	As at 01.04.2019	Additions / Amortization during the year	Deductions/ adjustments	Reclassified from Property Plant Equipment / Right use of asset	As at 31.03.2020	As at 31.03.2020
Freehold Land	41.50	-	-	-	41.50	-	-	-	-	-	41.50
Building	90.98	-	-	-	90.98	15.27	4.51	-	-	19.78	71.20
<b>Total</b>	<b>132.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132.48</b>	<b>15.27</b>	<b>4.51</b>	<b>-</b>	<b>-</b>	<b>19.78</b>	<b>112.70</b>

(₹ in lakhs)

	Fair Value				
	As at 01.04.2020	Change during the year	Deductions / adjustments	Reclassified from Property Plant Equipment / Right use of asset	As at 31.03.2021
Freehold Land	105.81	-	105.81	-	-
Leasehold Land	-	-	-	306.49	306.49
Building	133.61	-	133.61	730.01	730.01
<b>Total</b>	<b>239.42</b>	<b>-</b>	<b>239.42</b>	<b>1,036.50</b>	<b>1,036.50</b>

(Previous year)

(₹ in lakhs)

	Fair Value				
	As at 01.04.2019	Change during the year	Deductions / adjustments	Reclassified from Property, Plant & Equipment	As at 31.03.2020
Freehold Land	99.87	5.94	-	-	105.81
Building	133.61	-	-	-	133.61
<b>Total</b>	<b>233.48</b>	<b>5.94</b>	<b>-</b>	<b>-</b>	<b>239.42</b>

**Note 4 C : Investment Property (Contd .....)****Notes:**

1. Information regarding income and expenditure of Investment Property
  - a. The Company had entered into an agreement to give its factory building along with freehold land situated at Dadra on operating lease effective April 1, 2019. The said lease was terminated from November 1, 2020 and the property was sold in January 2021. The profit on sale of property amounting to Rs. 269.15 lakhs is included under exceptional item.
  - b. Amount recognised in profit or loss are as under:

	Year ended March 31, 2021	Year ended March 31, 2020
Rental income derived from Investment Property	16.22	27.81
Less: Direct operating expenses	3.43	8.19
<b>Profits arising from investment property before depreciation</b>	<b>12.80</b>	19.62
Less: Depreciation	2.69	4.51
<b>Profit arising from Investment Property</b>	<b>10.11</b>	15.11

- c. During the year, the operations at the manufacturing facility of the Company situated at Sitarganj (Uttarakhand) has been discontinued with effect from October 2020, as a part of strategy to rationalise the production facilities towards profitable products and optimise the cost. The plant and machinery have been shifted to other manufacturing facilities whereas leasehold land and building has been reclassified to investment property as on March 31, 2021 and held for capital appreciation.
2. 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.
3. The fair valuation is based on current prices in the active market for similar properties and has been valued by an independent valuer. The main input used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.
4. The Company has no restriction on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

**Note 4 D : Other Intangible Assets**

	Gross Carrying Amount				Depreciation/ Amortisation				Closing Carrying Amount
	As at 01.04.2020	Additions during the Year	Deductions / adjustments	As at 31.03.2021	As at 01.04.2020	Additions / Amortization during the Year	Deductions / adjustments	As at 31.03.2021	As at 31.03.2021
Software	64.31	26.28	1.42	89.17	50.38	10.93	1.42	59.89	29.28
Patent	0.01	-	-	0.01	-	-	-	-	0.01
<b>Total</b>	<b>64.32</b>	<b>26.28</b>	<b>1.42</b>	<b>89.18</b>	<b>50.38</b>	<b>10.93</b>	<b>1.42</b>	<b>59.89</b>	<b>29.29</b>

(Previous Year)

	Gross Carrying Amount				Depreciation/ Amortisation				Closing Carrying Amount
	As at 01.04.2019	Additions during the Year	Deductions / adjustments	As at 31.03.2020	As at 01.04.2019	Additions / Amortization during the Year	Deductions / adjustments	As at 31.03.2020	As at 31.03.2020
Software	64.31	-	-	64.31	39.48	10.90	-	50.38	13.93
Patent	0.01	-	-	0.01	-	-	-	-	0.01
<b>Total</b>	<b>64.32</b>	<b>-</b>	<b>-</b>	<b>64.32</b>	<b>39.48</b>	<b>10.90</b>	<b>-</b>	<b>50.38</b>	<b>13.94</b>



	(₹ in lakhs)	
<b>Note 5 : Investments</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Non Current</b>		
<b><u>Unquoted, fully paid up:</u></b>		
<b><i>At Fair Value through Profit or Loss</i></b>		
Investment in Equity Instruments		
11,000 (March 31, 2020: 11,000) Equity Shares of ₹100/- each fully paid up in HO Plast Pvt Ltd	11.00	11.00
Less: Impairment in value of investment	(11.00)	(11.00)
<b>Total</b>	<b>-</b>	<b>-</b>
Aggregate amount of Unquoted Investments	11.00	11.00
Aggregate amount of Quoted Investments	-	-
Aggregate Market Value of Quoted Investments	-	-
Aggregate amount of Impairment in Value of Investments	11.00	11.00

	(₹ in lakhs)	
<b>Note 6 : Loans</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Non Current</b>		
<b>Unsecured :</b>		
Security Deposits		
Considered Good	448.24	534.25
Security deposits which are credit impaired	1.00	2.66
	449.24	536.91
Less: Loss Allowance	(1.00)	(2.66)
<b>Total</b>	<b>448.24</b>	<b>534.25</b>

	(₹ in lakhs)	
<b>Note 7 : Other Financial Assets</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Non-Current</b>		
Fixed Deposits with original maturity of more than 12 months	24.80	24.26
Subsidy receivable from State Government	172.14	108.06
<b>Total</b>	<b>196.94</b>	<b>132.32</b>
<b>Current</b>		
Quantity discount receivable	90.17	329.06
Subsidy Receivable From State Government	-	74.26
Accrued interest on Security Deposits	13.70	17.23
<b>Total</b>	<b>103.87</b>	<b>420.55</b>
<b>Note:</b>		
(a) Of the above deposits under lien with sales tax authorities	5.00	2.50

(b) The Company was eligible for Industrial Promotion Subsidy under the Package Scheme of Incentive (PSI) 2007 upto March 31, 2019. The movement in the amount receivable is as under:

	(₹ in lakhs)	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Opening balance of subsidy receivable	182.32	225.03
Less: (Deductions) / Additional claimed	(10.18)	1.85
Less : Subsidy received in cash	-	44.56
Closing balance of subsidy receivable	<b>172.14</b>	<b>182.32</b>

(₹ in lakhs)		
<b>Note 8 : Non Current Tax Assets (Net)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Advance Income Tax (net of provision for taxation)	<b>675.83</b>	671.34
<b>Total</b>	<b>675.83</b>	<b>671.34</b>

(₹ in lakhs)		
<b>Note 9 : Other Assets</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Non-Current</b>		
Capital Advances (Considered good unless otherwise stated)	<b>552.59</b>	84.20
Prepaid expenses	<b>21.47</b>	26.84
Balances with government authorities		
Considered Good	<b>278.78</b>	469.07
Considered Doubtful	<b>190.06</b>	61.06
	<b>468.84</b>	530.13
Less: Allowance for doubtful advances	<b>190.06</b>	61.06
	<b>278.78</b>	469.07
<b>Total</b>	<b>852.84</b>	<b>580.11</b>
<b>Current</b>		
Balances with government authorities	<b>3.74</b>	127.18
Insurance claim receivable	-	5.00
Advance recoverable in cash or kind		
Considered Good	<b>60.66</b>	246.93
Considered Doubtful	<b>6.49</b>	-
	<b>67.15</b>	246.93
Less: Allowance for doubtful advances	<b>6.49</b>	-
	<b>60.66</b>	246.93
Prepaid expenses	<b>174.41</b>	189.49
Advance to employees	<b>1.62</b>	2.44
<b>Total</b>	<b>240.42</b>	<b>571.04</b>

(₹ in lakhs)		
<b>Note 10 : Inventories</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
(Valued at lower of cost and net realizable value)		
Raw Materials (including Goods in Transit ₹ 9.50 lakhs (March 31, 2020: ₹ 25.96 lakhs))	<b>2,182.94</b>	1,630.96
Packing Materials	<b>90.80</b>	100.22
Work-in-Progress	<b>1,451.67</b>	1,519.21
Finished Goods (including Goods in Transit ₹ 55.82 lakhs (March 31, 2020: ₹ 11.91 lakhs))	<b>116.69</b>	189.96
Stores and Spares	<b>28.19</b>	41.62
<b>Total</b>	<b>3,870.29</b>	<b>3,481.97</b>

(a) Inventory hypothecated against secured borrowings (Refer Note 43).

(b) The cost of inventories recognised as an expense during the year is disclosed in Note 25 and 26.

(c) The cost of inventories recognised as an expense includes ₹ 5.33 lakhs (Previous year ₹ 38.67 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).

(₹ in lakhs)

<b>Note 11 : Trade Receivables</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Current</b>		
<b>Unsecured:</b>		
Considered Good	<b>4,415.11</b>	4,321.32
Considered Doubtful	<b>553.92</b>	545.50
	<b>4,969.03</b>	4,866.82
Less: Allowances for credit losses	<b>553.92</b>	545.50
<b>Total</b>	<b>4,415.11</b>	4,321.32
(a) Receivables subject to invoice discounting facility included above	-	537.06

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 43)  
(c) Movement in Allowance for doubtful receivables

(₹ in lakhs)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Balance at the beginning of the year	<b>545.50</b>	613.87
Amounts written off / recovered during the year (net)	<b>(48.16)</b>	(136.39)
Changes in allowance for doubtful receivables	<b>56.58</b>	68.02
<b>Balance at the end of the year</b>	<b>553.92</b>	545.50

The Company has provided allowance for doubtful receivables based on historical experience and the ageing analysis of the receivables.

(₹ in lakhs)

<b>Note 12 A : Cash &amp; Cash Equivalent</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Balances with Banks		
On Current accounts	<b>53.40</b>	47.52
Cash on Hand	<b>2.86</b>	4.25
<b>Total</b>	<b>56.26</b>	51.77

(₹ in lakhs)

<b>Note 12 B : Other Bank Balances</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Deposits with more than 3 months but less than 12 months maturity	<b>11.65</b>	10.67
For Unpaid Dividend*	<b>18.51</b>	21.80
<b>Total</b>	<b>30.16</b>	32.47
<b>Note</b>		
(a) Deposits under lien with sales tax authorities included in above	4.75	2.85
(b) *The Company can utilise these balances only towards settlement of unclaimed dividend		

(₹ in lakhs)

<b>Note 13: Non Current Assets held for sale</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Freehold land (Refer Note 4 A)	511.03	-
Leasehold land (Refer Note 4 B)	15.45	-
Building (Refer Note 4 A)	29.21	-
	<b>555.69</b>	<b>-</b>

Note : The Company intends to dispose off Land & Building in the next 12 months, which is vacant and unutilised. No impairment loss has been recognised on reclassification of such assets as held for sale, as the Company expects that the fair value less costs are higher than the related carrying amounts.

(₹ in lakhs)

<b>Note 14 : Equity Share Capital</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Authorised Share Capital</b>		
2,90,00,000 (March 31, 2020 : 2,90,00,000) Equity Shares of ₹ 10/- each	2,900.00	2,900.00
3,10,00,000 (March 31, 2020 : 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, 2020 : 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, 2020 : 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 period**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	No. of Shares	No. of Shares
At the beginning of the year	1,71,75,700	1,71,75,700
Add : Issued during the year	-	-
At the end of the year	<b>1,71,75,700</b>	<b>1,71,75,700</b>

**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**

<b>Name of Shareholder</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No of Shares</b>	<b>% holding in Equity</b>	<b>No of Shares</b>	<b>% holding in Equity</b>
Geetanjali Trading & Investments Private Limited (Holding Company)	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**

	(₹ in lakhs)	
<b>Note 15 : Other Equity</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Capital Redemption Reserve</b>		
Balance as per last financial statements	<b>1,319.90</b>	1,319.90
(+) Transfer on Redemption of preference shares (Refer note below)	<b>1,490.48</b>	-
Closing Balance	<b>2,810.38</b>	1,319.90
<b>Securities Premium Account</b>		
Balance as per last financial statements	<b>1,880.00</b>	1,880.00
<b>General Reserve</b>		
Balance as per last financial statements	<b>133.80</b>	133.80
<b>Retained Earnings</b>		
Balance as per last financial statements	<b>11,481.70</b>	11,391.73
(+) Net Profit for the Year	<b>1,695.90</b>	235.93
(+) Re-measurement of defined benefit plans	<b>(21.31)</b>	40.40
(-) Dividend paid on equity shares	-	(154.58)
(-) Tax on distributed profit	-	(31.77)
(-) Transfer to Capital Redemption Reserve (Refer note below)	<b>(1,490.48)</b>	-
Closing Balance	<b>11,665.81</b>	11,481.70
<b>Total</b>	<b>16,489.99</b>	14,815.40

**Note:**

During the year, the Company redeemed 1,49,04,772, 9% Non-Convertible Redeemable Cumulative Preference shares of ₹ 10 each aggregating to ₹ 1,490.48 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 has been created to the extent of the value of preference share capital redeemed.

**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.

	(₹ in lakhs)	
<b>Note 16 : Borrowings</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Non-Current</b>		
<b>A. Secured</b>		
<b>Term Loans (Refer Note i)</b>		
Rupee Loan (Refer note (i) below)	<b>8,185.34</b>	9,250.00
Working Capital Loan under Emergency Credit Line Guarantee Scheme (Refer note (ii) below)	<b>1,000.00</b>	-
<b>B. Unsecured</b>		
<b>a) Preference Shares (Refer Note ii)</b>		
74,52,387 (March 31, 2020 : 223,57,159) 9% Non Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each issued towards consideration to shareholders of Clear Mipak Packaging Solutions Limited on amalgamation. (Refer note (iii) below)	<b>745.24</b>	2,235.72
	<b>9,930.58</b>	11,485.72
Current Maturities of Long Term Debts (Refer Note 17)	<b>(2,875.00)</b>	(2,125.00)
Preference shares due for redemption (Refer Note 17)	<b>(745.24)</b>	-
<b>Total</b>	<b>6,310.34</b>	9,360.72

**Note 16 : Borrowings (Contd .....)**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>A. Secured</b>		
<b>Repayable on demand</b>		
Cash Credit from Banks	204.25	564.06
Working Capital Demand loan	4,000.00	4,726.00
Packing Credit	-	300.00
	<b>4,204.25</b>	<b>5,590.06</b>
<b>B. Unsecured</b>		
Invoice discounting	-	537.06
Corporate card	236.59	179.43
	<b>236.59</b>	<b>716.49</b>
<b>Total</b>	<b>4,440.84</b>	<b>6,306.55</b>

**Note:****i) Term Loans :****a) Rupee Term Loan from Bank ₹ 1,810 lakhs (March 31, 2020 : ₹ 2,250 lakhs)**

Term loan from HDFC Bank is repayable in 16 quarterly instalments over a period of five years including a moratorium of one year commencing from the date of first draw down. The loan carries interest based on One year Marginal Cost of Lending Rate (MCLR) (adjustable annually) plus nil spread. The present effective rate of interest is 8.10 % p.a. (Previous year 8.74 % p.a.). The loan is secured by exclusive first charge on plant & machinery and on immovable fixed assets comprising of land and building at Rohtak.

During the year, pursuant to Reserve Bank of India Covid-19 regulatory package, the bank had sanctioned moratorium aggregating ₹ 500 lakhs (including ₹ 125 lakhs for the period ended March 31, 2020). The repayment schedule for this loan as also the residual tenor has been shifted by six months after the moratorium period. Further, interest amounting to ₹ 60.34 lakh has been treated as Funded Interest Term Loan by the bank and is repayable on maturity of the loan.

**b) Rupee Term Loan from Bank ₹ 3,375 lakhs (March 31, 2020: ₹ 4,500 lakhs)**

Term loan from Kotak Mahindra Bank is repayable in 16 quarterly instalments over a period of six years including a moratorium of two years commencing from the date of initial draw down. The draw down up to April 2018, of ₹ 2,700 lakhs is at fixed interest rate of 8.35 % p.a whereas the subsequent tranches are based on MCLR rates which averaged to 7.71 % p.a. (Previous year 8.63 % p.a.). The loan is secured by exclusive first charge on present and future movable fixed assets and mortgage of land and building situated at Mysuru.

**c) Rupee Term Loan from Bank ₹ 3,000 lakhs (March 31, 2020: ₹ 2,500 lakhs)**

Term loan from HDFC Bank is repayable in 16 quarterly instalments over a period of six years including a moratorium of two year commencing from the date of draw down. The loan carries interest based on One year Marginal Cost of Lending Rate (MCLR) (adjustable annually) plus nil spread. The present effective rate of interest is 8.24 % p.a. (Previous year 8.76% ). The loan is secured by exclusive first charge on plant & machinery and charge on immovable fixed assets comprising of land and building at Vizag.

**ii) Working Capital Loan under Emergency Credit line Guarantee Scheme from Bank ₹ 1,000 lakhs ( March 31, 2020: ₹ Nil )**

Working capital loan from HDFC Bank under Emergency Credit Line Guarantee Scheme (ECLGS) announced by the Government of India is repayable over 5 years in 48 monthly instalments (including moratorium of one year). The loan carries interest of 6.50% based on External Benchmark Lending Rate (EBLR) (adjustable every 3 months or at such intervals as permissible under RBI guidelines) plus 0.25% spread. The present effective rate of interest is 6.75% p.a. The facility is covered by 100% guarantee from National Credit Guarantee Trustee Company Ltd (Ministry of Finance, Government of India) and an extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the bank.

**iii) 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.

During the year, the Company has partially redeemed 1,49,04,772, 9% Convertible Redeemable Preference shares of ₹ 10/- each at par amounting to ₹ 1,490.48 lakhs out of distributable profits of the Company after obtaining mutual consent from the preference shareholders. The balance 7,45,237 preference shares have also been redeemed subsequently in April 2021. The dividend on the preference shares has been paid upto the date of redemption.

**Note 16 : Borrowings (Contd .....)**

Of the above preference shares 96.44% have been held by Geetanjali Trading & Investments Private Limited as under :

	As at March 31, 2021	As at March 31, 2020
Name of Shareholder		
<b>Geetanjali Trading and Investments Private Limited (No. of Shares)</b>	<b>7,187,127</b>	21,561,381
(₹ in lakhs)	<b>718.71</b>	2,156.14

**iv) Other Borrowings - Secured**

- 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 @ 6.75% to 10.80 % p.a. ( Previous year 7.95% to 11.70 % p.a.).
- b) The packing credit is granted by bank for purchase of trade merchandise against confirmed orders up to 90% of its value for a maximum tenure of 90 days. This facility was not availed during the year. (Previous year: 9.50% p.a.).

**v) Other Borrowings - Unsecured**

- a) Invoice discounting relate to customer sales invoices discounted by banks for a period not exceeding 120 days. This facility was not availed during the year. ( Previous year 8.55% p.a. to 8.95% p.a.).
  - b) Corporate card is unsecured facility provided by the banker repayable within 51 days for a convenience fee @ 1.15%. The facility is used for making vendor and tax payments.
- vi) There is no default in repayment of principal and interest as on balance sheet date. (Previous year: One packing credit loan, which was due for repayment on March 31, 2020, the Company's request for a 15 day roll over was not executed by the bank due to the lockdown, and the said amount was repaid on April 8, 2020 as instructed by the bank. The penal interest charged by the bank was also waived.)
- vii) For carrying amount of assets offered as collateral against the above borrowings (Refer Note 43).

	As at March 31, 2021	As at March 31, 2020
(₹ in lakhs)		
<b>Note 17 : Other Financial Liabilities</b>		
<b>Non-Current</b>		
Security deposit received	-	6.14
<b>Total</b>	-	6.14
<b>Current</b>		
Current Maturities of Long Term Debts (Refer Note 16)	<b>2,875.00</b>	2,125.00
Interest Accrued but not Due on Borrowings	-	2.79
Unpaid Dividends	<b>18.51</b>	21.80
Vendors for Capital Expenditure	<b>61.39</b>	384.56
Dividend accrued on preference shares	<b>67.07</b>	201.21
Preference shares due for redemption (Refer Note 16)	<b>745.24</b>	-
Payable to employees	<b>345.78</b>	294.81
Other Payables	<b>36.13</b>	37.33
<b>Total</b>	<b>4,149.12</b>	<b>3,067.50</b>

**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.

	As at March 31, 2021	As at March 31, 2020
(₹ in lakhs)		
<b>Note 18 : Provisions</b>		
<b>Non-Current</b>		
a) Provision for Employee Benefits		
- Provision for gratuity	<b>174.55</b>	85.32
- Provision for compensated absences	<b>172.31</b>	137.17
	<b>346.86</b>	222.49

**Note 18 : Provisions (Contd .....)**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
a) Provision for Employee Benefits		
- Provision for gratuity	90.04	93.18
- Provision for compensated absences	45.53	47.36
b) Others		
Provision for indirect taxes and other matters (Refer note below)	96.40	87.42
<b>Total</b>	<b>231.97</b>	<b>227.96</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 indirect tax and other matters. The disclosure relating the aforesaid provisions made in the accounts for the year ended March 31, 2021 is as follows:

	As at March 31, 2021	As at March 31, 2020
<b>Opening Balance</b>	87.42	112.01
Addition	19.43	24.82
Utilisations	(0.85)	(2.33)
Reversals	(9.60)	(47.08)
<b>Closing Balance</b>	<b>96.40</b>	<b>87.42</b>

**Note 19 : Income taxes**

**A. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:**

**As at March 31, 2021**

(₹ in lakhs)

Particulars	Balance as at April 1, 2020	Profit & Loss 2020-21	Balance as at March 31, 2021
a) Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961.	(1,186.32)	345.38	(840.94)
b) Provision for expense allowed for tax purpose on payment basis	236.72	4.71	241.43
c) Allowance for doubtful debts and advances	109.13	(27.19)	81.94
d) Indexed cost of acquisition on land held for sale	-	99.77	99.77
	(840.47)	422.67	(417.80)
e) Minimum Alternative Tax (MAT) Credit Entitlement	226.79	(226.79)	-
<b>Net Deferred Tax Liabilities</b>	<b>(613.68)</b>	<b>195.88</b>	<b>(417.80)</b>

**As at March 31, 2020**

(₹ in lakhs)

Particulars	Balance as at April 1, 2019	Profit & Loss 2019-20	Balance as at March 31, 2020
a) Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961.	(1,079.20)	(107.12)	(1,186.32)
b) Provision for expense allowed for tax purpose on payment basis	226.67	10.05	236.72
c) Allowance for doubtful debts and advances	150.10	(40.97)	109.13
	(702.43)	(138.04)	(840.47)
d) Minimum Alternative Tax (MAT) Credit Entitlement	139.40	87.39	226.79
<b>Net Deferred Tax Liabilities</b>	<b>(563.03)</b>	<b>(50.65)</b>	<b>(613.68)</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.



**Note 19 : Income taxes (Contd .....)**
**B. The major components of income tax expense for the year are as under :**

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>(i) Income recognised in the Statement of Profit and Loss</b>		
<b>Current tax:</b>		
In respect of current year	733.86	68.88
In respect of prior years	-	3.00
<b>Deferred tax:</b>		
In respect of current year	(451.54)	138.04
In respect of prior years	28.87	(29.65)
Minimum Alternative Tax (MAT) Credit Utilised / (Entitlement)	226.79	(57.74)
<b>Income tax expenses recognised in the Statement of Profit and Loss</b>	<b>537.98</b>	<b>122.53</b>
<b>(ii) Income tax expense recognised in Other Comprehensive Income (OCI)</b>		
Net gain / (loss) on remeasurements of defined benefit plans	11.47	(17.08)
<b>Income tax (expense)/credit recognised in OCI</b>	<b>11.47</b>	<b>(17.08)</b>

**C. Reconciliation of tax expense and accounting profit for the year is as under:**

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Profit before tax</b>	<b>2,233.88</b>	358.46
Indian Statutory Income Tax rate	<b>34.94%</b>	33.38%
Expected Income tax expense	<b>780.61</b>	119.67
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Tax effect on non-deductible expenses	<b>87.67</b>	65.40
Tax impact of income not subject to tax	<b>3.56</b>	(0.62)
Incentive tax credits	<b>1.32</b>	(93.01)
Tax effect on loss carry forward as per income tax act, adjusted	<b>(23.69)</b>	-
Deferred tax asset on index cost of acquisition on land held for sale	<b>(99.77)</b>	-
Additional tax on book profit	-	57.74
Effect of net income subjected to lower tax rate	<b>(39.61)</b>	-
Impact on account of change in statutory tax rate (Refer Note d)	<b>(200.98)</b>	-
Tax pertaining to prior years	<b>28.87</b>	(26.65)
<b>Tax expense as per Statement of Profit and Loss</b>	<b>537.98</b>	<b>122.53</b>

- (a) The tax rate used for above reconciliation is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under Indian tax law.
- (b) 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.
- (c) The Company has evaluated the option of lower tax rate allowed under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Considering the Minimum Alternative Tax credit available, the Company has elected not to exercise the option permitted under Section 115 BAA for the year ended March 31, 2021.
- (d) The Company has re-measured deferred tax balance using the lower tax rate as allowed under section 115BAA of the Income Tax Act which is expected to be prevalent in the period in which the deferred tax balances are expected to reverse. Consequently, the Company has reversed deferred tax liabilities amounting to ₹ 200.98 lakhs for the year ended March 31, 2021.
- (e) The Minimum Alternative Tax Credit (MAT) of ₹ 252.61 lakhs (including additional MAT credit of ₹ 25.82 lakhs for the year ended March 31, 2020 based on the income tax return filed) has been utilised during year ended March 31, 2021. Balance carry forward to next year is ₹ Nil. (Previous Year ₹ 226.79 lakhs).

(₹ in lakhs)

<b>Note 20 : Trade Payables</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
(a) Total outstanding dues of micro and small enterprises (Refer note 37)	<b>301.53</b>	178.64
(b) Total outstanding due of creditors other than micro and small enterprises	<b>1,528.67</b>	1,454.41
<b>Total</b>	<b>1,830.20</b>	1,633.05

(₹ in lakhs)

<b>Note 21 : Other Current Liabilities</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Advance from customer	-	14.28
Payable towards statutory dues	<b>308.57</b>	59.50
Other payable	-	7.08
<b>Total</b>	<b>308.57</b>	80.86

(₹ in lakhs)

<b>Note 22 : Current Tax Liabilities (Net)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Provision for Income tax (Net of advance tax)	<b>189.06</b>	17.84
<b>Total</b>	<b>189.06</b>	17.84

(₹ in lakhs)

<b>Note 23 : Revenue from operations</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
<b>A. Revenue from Contracts with Customers</b>		
Revenue from sale of product		
Domestic	<b>44,355.26</b>	45,543.44
Exports	<b>112.19</b>	221.87
	<b>44,467.45</b>	45,765.31
<b>B. Other Operating Revenues</b>		
Scrap Sales	<b>189.63</b>	153.98
Wind Mill Income	<b>51.28</b>	81.67
Subsidy from State Government	-	7.75
	<b>240.91</b>	243.40
<b>Total</b>	<b>44,708.36</b>	46,008.71
<b>C. Reconciliation of Revenue from sale of products with the contracted price</b>		
Revenue as per contracted price	<b>44,467.45</b>	45,765.31
Less: Trade discount	-	-
Net Revenue recognised from contracts with customers	<b>44,467.45</b>	45,765.31

The amounts receivable from customers become due after expiry of credit period which on an average is 90 days. There is no significant financing component in any transaction with the customers.

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

<b>D. Contract Balances</b>		
Trade Receivable (Refer Note 11)	<b>4,415.11</b>	4,321.32
Contract Assets	-	-
Contract Liabilities (Refer Note 21)	-	14.28
<b>E. Significant changes in contract assets and liabilities during the period</b>		
Revenue recognised that was included in the contract liability balance at the beginning of the period	<b>14.28</b>	10.57

(₹ in lakhs)

<b>Note 24 : Other Income</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
a) Interest Income		
- Deposits with banks	4.20	1.64
- On Other Financial assets carried at amortised cost	25.62	20.60
b) Profit on sale of Property Plant & Equipment (Net) (Excluding Exceptional item - Refer Note 31)	56.40	-
c) Sundry Balances Written back (Net)	1.20	1.49
d) Rental Income		
- Rental income from Investment property	16.22	27.81
- Operating Lease Rental income	7.50	-
e) Other Non-Operating Income	4.45	3.29
f) Gain on Lease Rent Wavier (Refer Note (i) below)	29.59	-
<b>Total</b>	<b>145.18</b>	<b>54.83</b>

- (i) During the year ended 31 March 2021, the Company has negotiated with landlord for one of its premises on the rent reduction/ waiver due to Covid 19 pandemic. The Management believes that such reduction / waiver in rent is short term in nature and also meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24 July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1 April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the reduction/ waiver does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income". Accordingly, the Company has recognised ₹ 29.59 lakhs in the statement of profit and loss.

(₹ in lakhs)

<b>Note 25 : Cost of Materials Consumed</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Opening Inventory	1,731.18	2,089.80
Add: Purchases (Net)	26,934.60	26,938.59
	28,665.78	29,028.39
Less: Closing Inventory	2,273.74	1,731.18
<b>Total</b>	<b>26,392.04</b>	<b>27,297.21</b>

(₹ in lakhs)

<b>Note 26 : Changes in inventories of Finished Goods And Work-in-Progress</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
<b>Opening Inventory</b>		
Finished Goods	189.96	523.05
Work-in-Progress	1,519.21	1,353.18
	1,709.17	1,876.23
<b>Less: Closing Inventory</b>		
Finished Goods	116.69	189.96
Work-in-Progress	1,451.67	1,519.21
	1,568.36	1,709.17
<b>Decrease in Inventories</b>	<b>140.81</b>	<b>167.06</b>

(₹ in lakhs)

<b>Note 27 : Employee Benefits Expenses</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Salaries and Wages	2,423.32	2,624.20
Contribution to Provident and Other Funds	143.33	174.84
Defined Benefit Plan – Gratuity (Refer note 40)	43.17	48.76
Staff Welfare Expenses	251.41	232.90
<b>Total</b>	<b>2,861.23</b>	<b>3,080.70</b>

(₹ in lakhs)

<b>Note 28 : Finance Cost</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Interest on Long term borrowings	750.55	835.97
Interest on Short term borrowings	395.20	505.74
Interest on bill discounting	519.68	731.14
Dividend on preference shares	191.84	201.21
Interest on net defined benefit liability	11.14	13.03
Interest on lease liability	41.77	42.82
Interest on others including finance charges	22.39	26.50
<b>Total</b>	<b>1,932.57</b>	<b>2,356.41</b>

(₹ in lakhs)

<b>Note 29 : Depreciation and Amortisation</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Depreciation on Property, plant and equipment	2,774.16	2,835.18
Depreciation on Right of use assets	163.62	146.20
Depreciation on Investment Property	2.69	4.51
Amortisation of Intangible assets	10.93	10.90
<b>Total</b>	<b>2,951.40</b>	<b>2,996.79</b>

(₹ in lakhs)

<b>Note 30 : Other Expenses</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Consumption of Stores and Spare Parts	553.97	613.99
Water, Power and Fuel	2,562.92	2,955.27
Processing Charges	785.41	900.95
Material Handling Charges	2,212.90	2,323.18
Repairs and Maintenance		
Buildings	16.93	37.94
Plant and Equipment	172.76	173.75
Others	117.01	88.44
Freight	970.61	910.30
Lease Rent (Refer Note 4 B)	1.34	32.22
Rates and taxes	86.19	53.68
Sales tax expenses	37.34	19.45
Insurance	240.68	202.25
Security charges	217.59	214.29
House keeping expenses	79.78	92.19
Travelling and Conveyance	191.26	278.37
Directors' sitting fees	13.35	16.75
Payment to Auditors (Refer Note (i) below )	22.26	22.80
Commission to non-executive directors	10.20	4.37
Bad debts written off	51.12	160.13
Provision for doubtful debts (net)	8.42	(68.37)
Loans and Advances written off	-	7.27
Provision for doubtful Loans and Advances (net)	133.83	(19.73)
Legal and Professional Expenses	249.46	210.66
Net Loss on Foreign Currency Transactions and Translations (other than considered as finance cost)	3.69	9.70
Loss on sale of Property, Plant and Equipment (net)	-	2.61
Corporate Social Responsibility expenses (Refer Note (ii) below )	27.68	35.84
Miscellaneous expenses	139.22	206.46
<b>Total</b>	<b>8,905.92</b>	<b>9,484.76</b>

**Note 30 : Other Expenses (Contd .....)**
**Note**

(₹ in lakhs)

i) Payment to Auditors	Year ended March 31, 2021	Year ended March 31, 2020
As Auditor:		
- Audit Fees	16.00	16.00
- Tax Audit Fees	2.50	2.50
- Certification and other services	2.45	3.75
Reimbursement of expenses	1.31	0.55
	<b>22.26</b>	<b>22.80</b>

**ii) Corporate Social Responsibility expenses**

The Company has spent ₹ 27.68 lakhs during the financial year (March 31, 2020 ₹ 35.84 lakhs) as per the provisions of section 135 of the Companies Act 2013, towards Corporate Social Responsibility (CSR) activities.

a) Gross Amount required to be spent by the Company during the financial year ₹ 27.68 lakhs (March 31, 2020 ₹ 35.84 lakhs).

(₹ in lakhs)

b) Details of amount spent during the year	Year ended March 31, 2021	Year ended March 31, 2020
i) Construction/ Acquisition of any assets	Nil	Nil
ii) Purpose other than (i) above		
Paid through Bank transfer *	27.68	35.84
Yet to be paid	-	-
Total	<b>27.68</b>	<b>35.84</b>
* Represent actual outflow during the year		
c) Related party transaction in relation to CSR Expenditure	Nil	Nil

(₹ in lakhs)

Note 31 : Exceptional Items	Year ended March 31, 2021	Year ended March 31, 2020
a) Gain on Sale of Property	564.31	-
b) Loss by flood (Net of realisation of damaged inventories ₹ 44.75 lakhs)	-	(213.67)
c) Employee separation compensation	-	(108.48)
<b>Total Exceptional Items Credit / (Charge)</b>	<b>564.31</b>	<b>(322.15)</b>

a. During the year ended March 31, 2021, the Company sold land and building at Dadra and Sarigam. The said plants were vacant and the operations had been shifted to other plants in earlier years. The profit on sale of property being a non-recurring event has been considered as an exceptional item.

b. The loss by flood represents the value of damaged stock and repair costs incurred, net of salvage value at the manufacturing facility at Baddi (Himachal Pradesh) during the previous year. The final survey report with claim amount of Rs. 198 lakh has been submitted to the insurance Company, however pending their final approval the claim has not been accounted as income in accordance with IND AS 37 "Provision, Contingent Liabilities and Contingent Assets", which requires 'virtual certainty' for recognition of the insurance claim receivable and the same has been disclosed as a contingent asset.

c. Employee separation compensation was paid during the previous year at the time of closure of operations at unit in Sarigam (Gujarat).

**Note 32 : Financial Instruments****Note 32A : Categorywise classification of Financial Instruments**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>a Financial Assets</b>		
<b>Measured at Amortised Cost</b>		
<b>Non current</b>		
(i) Investments	-	-
(ii) Loans	448.24	534.25
(ii) Other Financial Assets	196.94	132.32
<b>Total Non Current Financial Assets</b>	<b>645.18</b>	<b>666.57</b>
<b>Current</b>		
(i) Trade Receivables (Excluding measured at FVTPL)	4,415.11	4,321.32
(ii) Cash and Cash Equivalents	56.26	51.77
(iii) Other Bank Balances	30.16	32.47
(iv) Other financial assets	103.87	420.55
<b>Total Current Financial Assets</b>	<b>4,605.39</b>	<b>4,826.11</b>
<b>Total Financial Assets</b>	<b>5,250.57</b>	<b>5,492.68</b>
<b>Measured at Fair Value through Profit and loss (FVTPL)</b>		
(i) Investment (Fully impaired)	-	-
<b>b Financial Liabilities</b>		
<b>Measured at Amortised Cost</b>		
<b>Non Current</b>		
(i) Borrowings	6,310.34	9,360.72
(ii) Lease Liabilities	284.05	381.95
(iii) Other financial liabilities	-	6.14
<b>Total Non Current Financial Liabilities</b>	<b>6,594.39</b>	<b>9,748.81</b>
<b>Current</b>		
(i) Borrowings	4,440.84	6,306.55
(ii) Lease Liabilities	135.63	113.39
(iii) Trade Payables	1,830.20	1,633.05
(iv) Other financial liabilities	4,149.12	3,067.50
<b>Total Current Financial Liabilities</b>	<b>10,555.79</b>	<b>11,120.49</b>
<b>Total Financial Liabilities</b>	<b>17,150.18</b>	<b>20,869.30</b>

**Note 32B : 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.

**Note 32B : Financial Risk Management Objectives and Policies (Contd .....)**

The carrying amounts of the Company's foreign currency denominated exposure as at the end of the reporting periods are as follows:

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Liabilities</b>		
<b>Payables</b>		
USD	-	-
<b>Receivables</b>		
USD	12.36	21.90
<b>Net Exposure</b>		
USD	12.36	21.90
<b>Rates</b>		
USD	73.50	75.39

**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.

	(₹ in lakhs)	
<b>Change in USD Rate</b>	As at March 31, 2021	As at March 31, 2020
Effect on PBT		
+10%	1.24	2.19
- 10%	(1.24)	(2.19)

**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:

	(₹ in lakhs)	
<b>Particulars</b>	As at March 31, 2021	As at March 31, 2020
More than 180 days	651.46	671.61
Others	4,317.57	4,195.21
	4,969.03	4,866.82
Less: Allowances for credit losses	553.92	545.50
	4,415.11	4,321.32

**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. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive cost of funding.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest bearing financial instruments is as follows:

	(₹ in lakhs)	
<b>Borrowings</b>	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings	12,342.17	14,203.21
Variable rate borrowings	2,029.25	3,589.06
<b>Total</b>	14,371.42	17,792.27

**Note 32B : Financial Risk Management Objectives and Policies (Contd .....)****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.

	(₹ in lakhs)	
	100 BPS Increase	100 BPS Decrease
<b>Year ended March 31,2021</b>		
<b>Financial Liabilities</b>		
Variable Rate Borrowings	10.26	(10.26)
<b>Cash Flow Sensitivity(Net)</b>	<b>10.26</b>	<b>(10.26)</b>
<b>Year ended March 31,2020</b>		
<b>Financial Liabilities</b>		
Variable Rate Borrowings	24.24	(24.24)
<b>Cash Flow Sensitivity(Net)</b>	<b>24.24</b>	<b>(24.24)</b>

The Company does not have any additional impact on equity other than impact on retained earnings.

**d Liquidity 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 :

	(₹ in lakhs)				
	Contractual Cash Flows				
	Carrying Values	Total	Less than 1 year	1 to 5 years	More Than 5 years
<b>As at March 31, 2021</b>					
(i) Borrowings	14,371.42	15,690.43	8,758.28	6,932.15	-
(ii) Trade Payables	1,830.20	1,830.20	1,830.20	-	-
(iii) Other financial liabilities	461.81	461.81	461.81	-	-
<b>As at March 31, 2020</b>					
(i) Borrowings	17,792.27	19,542.43	9,224.48	10,317.95	-
(ii) Trade Payables	1,633.05	1,633.05	1,633.05	-	-
(iii) Other financial liabilities	942.50	1,948.57	942.50	1,006.07	-

**Note 32C : 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, 2021 the Company had equity shares, preference shares and borrowings. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain and achieve optimal capital structure the Company redeploys the earnings into the business based on its long term financial plans.



**Note 32C : Capital Management (Contd .....)**

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 :

Particulars	(₹ in lakhs)	
	March 31, 2021	March 31, 2020
Net Debt	13,626.18	15,556.55
Total Equity	18,952.80	18,768.69
<b>Net Debt to Equity Ratio</b>	<b>0.72</b>	0.83

**Note 33 : Dividend**

Dividend on equity shares paid during the year	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Final dividend ₹ Nil (Previous year @ ₹ 0.90) per equity share of ₹ 10/- each	-	154.58
Dividend Distribution Tax	-	31.77
<b>Proposed Dividend</b>		
The Board of Directors at its meeting held on May 21, 2021 have recommended payment of dividend of ₹ 1.00 (10%) per equity share of ₹ 10 each for the financial year ended March 31, 2021, the same amounts to ₹ 171.76 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 34 : Contingent Liabilities and Commitments**

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>a) Contingent Liabilities</b>		
1) Claims against the Company not acknowledged as debts		
-Direct Tax matters in dispute under appeal	798.14	798.14
-Indirect Tax matters in dispute under appeal	34.86	68.32
- Others	21.84	-
2) Bills of exchange discounted with banks (since realized ₹ 1417.96 lakhs till May 21, 2021 (March 31, 2020: ₹ 4834.38 lakhs))	2,562.79	5,191.69
3) Bank guarantees	80.29	104.96
<b>b) Commitments</b>		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for. (Gross of advances March 31, 2021 ₹ 2022.45 lakhs, March 31, 2020 ₹ 224.90 lakhs)	1,469.86	147.59
<b>c) Contingent Assets</b>		
Insurance claim receivable (Refer Note 31)	198.00	-
<b>d) Other Matters</b>		
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India, however, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.		

**Note 35 : 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 (Unit- Technology Centre) up to 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, 2021	Year ended March 31, 2020
a) Revenue Expenditure	208.60	453.64
b) Capital Expenditure	49.23	-
<b>Total</b>	<b>257.83</b>	<b>453.64</b>

**Note 36 : Impact of Covid-19**

Due to Covid-19 pandemic and the consequent lockdown across the country, the Company's operations and financial results for the year have been impacted. The operations of the Company for the first quarter was disrupted, however thereafter the Company continued to operate at normal levels. In view of recent surge in Covid-19 cases, few states reintroduced some restrictions from March-21 which currently is not expected to have any significant impact on the Company's operations / results. The Company continues to be vigilant and cautious and is taking all necessary steps to secure the health and safety of our employees and the extended eco-system. The Company has taken into account external and internal information for assessing the possible impact of Covid-19 on the various elements of financial results including of its assets and liquidity position. The Company will continue to monitor changes to the future economic conditions for any material impact as the situation evolves.

**Note 37 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2020-21, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.**

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
(a) Principal amount remaining unpaid at the end of the financial year	301.53	178.64
(b) Interest due thereon remaining unpaid	0.46	Nil
(c) The amount of interest paid u/s 16 of MSMED Act , along with the amounts of payments made to the supplier beyond the appointed day during each accounting year		
Principal paid beyond the appointed date	Nil	Nil
Interest paid in terms of section 16 of the Act	Nil	Nil
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	Nil	Nil
(e) The amount accrued and remaining unpaid at the end of each accounting period	0.46	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.	0.46	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 38 : 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.

The Company has not entered into any forward exchange contract during the current year and during the previous years.

The foreign currency (FC) exposure not hedged as at March 31, 2021 are as under :

Currency	(in FC)		(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Payable</b>				
USD	-	-	-	-
<b>Receivable</b>				
USD	16,818	29,057	12.36	21.90

**Note 39 : Disclosure pursuant to Indian Accounting Standard (IndAS-116) Leases****Assets given on operating lease**

- The Company had entered into an agreement to give its factory building along with freehold land situated at Dadra on operating lease effective April 1, 2019. The said lease was terminated from November 1, 2020.
- Future minimum lease rentals receivable as at March 31, 2021 as per the lease agreement:

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Not later than one year	-	27.00
Later than one year but not more than five years	-	116.10
Later than five years	-	124.96
	-	268.06

**Note 40 : 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 ₹ 136.47 lakhs (March 31, 2020: ₹ 164.24 lakhs) has been included under Contribution to Provident and Other Funds in Note 27 'Employee Benefit Expenses'.

**ii Defined Benefit Plan**

Gratuity cost amounting to ₹ 43.17 Lakhs (March 31, 2020 : ₹ 48.76 lakhs) has been included in Note 27 'Employee Benefit Expenses'.

**d The amounts recognised in the Company's financial statements as at year end are as under**

Particulars	(₹ in lakhs)	
	Gratuity (Funded Plan)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>i Change in Present Value of Obligation</b>		
<b>Opening defined benefit obligation as at April 1</b>	<b>561.85</b>	618.96
Current Service Cost	<b>43.17</b>	48.76
Interest Cost	<b>35.06</b>	46.29
Actuarial (Gain)/Loss on obligations due to change in Demographic Assumption	-	(20.24)
Actuarial (Gain)/Loss on obligations due to change in Financial Assumption	<b>45.98</b>	(31.59)
Actuarial (Gain)/Loss on obligations due to experience	<b>(13.44)</b>	6.79
Benefits Paid	<b>(53.79)</b>	(107.12)
<b>Closing defined benefit obligation as at March 31</b>	<b>618.83</b>	561.85
<b>ii Change in fair value of assets :</b>		
<b>Opening fair value of plan assets as at April 1</b>	<b>383.35</b>	444.77
Return on Plan Assets excluding Interest Income	<b>(0.24)</b>	12.44
Interest Income	<b>23.92</b>	33.27
Contributions by employer	<b>1.00</b>	-
Benefits Paid from the fund	<b>(53.79)</b>	(107.12)
<b>Closing Fair Value of Plan Assets as at March 31</b>	<b>354.24</b>	383.35
<b>iii Amounts recognised in the Balance Sheet</b>		
Present value of benefit obligation at the end of the year	<b>(618.83)</b>	(561.85)
Fair Value of Plan Assets	<b>354.24</b>	383.35
Funded Status {Surplus/ (Deficit)}	<b>(264.58)</b>	(178.49)
<b>Net (Liability) / Asset recognised in the Balance Sheet</b>	<b>(264.58)</b>	(178.49)
<b>iv Amount recognised in the Statement of Profit &amp; Loss</b>		
Current Service Cost	<b>43.17</b>	48.76
Interest on defined benefit obligation	<b>11.14</b>	13.03
<b>Total</b>	<b>54.31</b>	61.79

**Note 40 : Employee benefits (Contd .....)**

(₹ in lakhs)

Particulars	Gratuity (Funded Plan)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>v Amount recognised in Other Comprehensive Income (OCI)</b>		
Actuarial (Gains)/ Losses on the Obligation for the year	32.54	(45.04)
Return on Plan Assets, excluding Interest Income	0.24	(12.44)
<b>Net (Income) / Expense For the Period Recognised in OCI</b>	<b>32.78</b>	<b>(57.48)</b>
<b>vi Balance Sheet Reconciliation</b>		
Opening Net Liability	178.50	174.19
Expenses Recognized in Statement of Profit or Loss	54.31	61.79
Expenses Recognized in OCI	32.78	(57.48)
Employer's Contribution	(1.00)	-
<b>Net Liability / (Asset) Recognized in the Balance Sheet</b>	<b>264.59</b>	<b>178.50</b>
<b>vii Estimated contribution to be made in next financial year</b>	<b>62.33</b>	54.31
<b>viii Weighted Average Duration of Projected Benefit Obligation</b>	<b>6 years</b>	6 years
<b>ix Major categories of Plan Assets as a % of total Plan Assets</b>	<b>100%</b>	100%
Insurer Managed Funds		
<b>x Assumptions :</b>		
Discounted Rate (per annum)	6.06%	6.24%
Estimated Rate of return on Plan Assets (per annum)	6.06%	6.24%
Mortality for domestic plan	<b>Indian Assured Lives Mortality</b>	Indian Assured Lives Mortality
Rate of Escalation in Salary (per annum)	<b>9.00%</b>	5% for next 3 years and from 4th year 9.5%

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.

<b>xi 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, 2021</b>	<b>As at March 31, 2020</b>	
Within the next 12 months	88.30	96.39	
2nd Following Year	82.55	70.78	
3rd Following Year	74.24	71.46	
4th Following Year	73.32	61.22	
5th Following Year	65.96	56.94	
Sum of Years 6 To 10	262.50	221.09	
11 and above	221.47	217.41	

**Note 40 : Employee benefits (Contd .....)**
**xii Sensitivity analysis**

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, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(27.96)	30.84	(24.87)	27.49
Future salary growth (1% movement)	29.29	(27.19)	26.59	(24.62)
Employee Turnover (1% movement)	(4.91)	5.32	(3.96)	4.37

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**xiii 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, 2021, based on actuarial valuation carried out by using the Projected Unit Credit Method amounting to ₹ 61.21 lakhs (March 31, 2020 : ₹ 28.44 lakhs ) has been recognised in the Statement of Profit and Loss.

**Note 41 : Earnings per Share (EPS)**

	Year ended March 31, 2021	Year ended March 31, 2020
Profit after tax as per Statement of Profit and Loss (₹ in Lakhs)	1,695.90	235.93
Weighted average number of Equity Shares outstanding	17,175,700	17,175,700
Earnings per share (₹)—Basic [Face value of ₹ 10/- per share]	9.87	1.37
Earnings per share (₹)—Diluted [Face value of ₹ 10/- per share]	9.87	1.37

**Note 42 : 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, 2020	Cash Flows	Foreign Exchange (Gain) /Loss (Non- Cash)	As at March 31, 2021
Long term borrowings	11,485.72	(1,555.13)	-	9,930.58
Short term borrowings (excluding cash credits)	5,742.49	(1,505.90)	-	4,236.59
<b>Total liabilities from financing activities</b>	<b>17,228.21</b>	<b>(3,061.03)</b>	-	<b>14,167.17</b>

Particulars	(₹ in lakhs)			
	As at March 31, 2019	Cash Flows	Foreign Exchange (Gain) /Loss (Non- Cash)	As at March 31, 2020
Long term borrowings	11,985.72	(499.99)	-	11,485.72
Short term borrowings (excluding cash credits)	5,637.37	105.12	-	5,742.49
<b>Total liabilities from financing activities</b>	<b>17,623.08</b>	<b>(394.87)</b>	-	<b>17,228.21</b>

**Note 43 : Carrying value of Assets offered as collateral**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Current Assets</b>		
<b>Floating Charge</b>		
<b>Financial Assets</b>		
Trade Receivables (Other than Invoice discounting)	4,415.11	3,784.25
<b>Non Financial Assets</b>		
Inventories	3,870.29	3,481.97
<b>Total Current assets hypothecated as collateral</b>	<b>8,285.40</b>	<b>7,266.22</b>
<b>Non Current Assets</b>		
<b>Floating Charge</b>		
Plant and Machinery	6,160.64	6,801.61
Capital work in progress (Plant & Machinery)	97.53	115.29
<b>Fixed Charge</b>		
Land	4,150.19	4,891.74
Building	9,511.06	10,910.61
<b>Total non current assets mortgaged as collateral security</b>	<b>19,919.42</b>	<b>22,719.25</b>
<b>Total asset offered as Security including collateral</b>	<b>28,204.82</b>	<b>29,985.48</b>

**Note 44 : 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. 'Rigid Plastic Containers'.

Amount of the Company's revenue from external customers is shown in the table below

Revenue from External Customers		(₹ in lakhs)
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rigid Plastic Containers	44,708.36	46,008.71
<b>Total operations</b>	<b>44,708.36</b>	<b>46,008.71</b>

The Company's revenue from external customer attributed to country other than India are not material.

Revenue aggregating to ₹ 32,243.62 lakhs is derived from one customer for year ended March 31, 2021 (Previous year: ₹ 33,053.26 lakhs is derived from two external customers).

**Note 45 :Information on related party transactions as required by Indian Accounting Standard (IndAS – 24) for the year ended March 31, 2021.**

**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)(up to 2nd July, 2019)  
Mrs. Avan R Chaina (Chief Financial officer)(w.e.f.3rd July, 2019)  
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.  
Cannes Venatici Trading Pvt. Ltd.  
Homevilla Yoga Pvt Ltd

**(v) Entities over which KMP along with Relatives exercise significant influence:**

Asian Paints Limited  
Paladin Paints and Chemicals Private Limited

**(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	
	20-21	19-20	20-21	19-20	20-21	19-20	20-21	19-20	20-21	19-20
Sale of Goods	-	-	-	0.03	-	-	<b>32,243.62</b>	29,657.39	-	-
Remuneration	-	-	-	-	<b>*77.37</b>	125.88	-	-	-	-
Retiral benefits (Long Term)	-	-	-	-	<b>3.37</b>	1.55	-	-	-	-
Retiral benefits (Short Term)	-	-	-	-	<b>2.92</b>	(0.37)	-	-	-	-
Sitting Fees	-	-	-	-	<b>1.55</b>	2.80	-	-	-	-
Commission	-	-	-	-	-	1.10	-	-	-	-
Reimbursement of Expenses	-	-	-	-	-	4.36	-	-	-	-
Dividend on Preference Shares	<b>185.01</b>	194.05	<b>6.83</b>	7.16	-	-	-	-	-	-
Preference Shares Redeemed Partially	<b>1,437.43</b>	-	<b>53.05</b>	-	-	-	-	-	-	-
Preference Dividend paid	<b>314.39</b>	194.05	<b>11.60</b>	7.16	-	-	-	-	-	-
Contributions made to Fund	-	-	-	-	-	-	-	-	<b>1.00</b>	-
<b>Outstanding</b>										
Receivables	-	-	-	-	-	-	<b>805.01</b>	176.50	-	-
<b>Payables</b>										
Bonus Payable	-	-	-	-	<b>6.28</b>	6.28	-	-	-	-
Preference Dividend Payable	<b>64.68</b>	194.05	<b>2.39</b>	7.16	-	-	-	-	-	-
Preference Share due for Redemption	<b>718.71</b>	-	<b>26.53</b>	-	-	-	-	-	-	-
Commission Payable	-	-	-	-	<b>0.90</b>	-	-	-	-	-
Contribution Payable to Fund	-	-	-	-	-	-	-	-	<b>264.59</b>	<b>178.50</b>

\*On request of Mr. Malav Dani, the Nomination and Remuneration Committee had approved drawing salary of Re.1 p.a only during the pandemic situation.

**Note 46 : Approval of financial statements**

The financial statements are approved for issue by the Board of Directors in their meeting dated May 21, 2021.

**Note 47 : 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. 104607WW100166

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

Mumbai, May 21, 2021

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

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

**Avan R. Chaina**  
Chief Financial Officer

Mumbai, May 21, 2021

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

**Namita R. Tiwari**  
Company Secretary

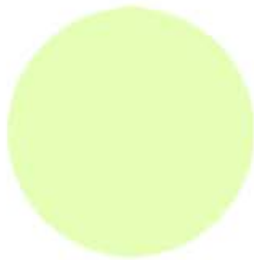












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