



ANNUAL REPORT 2023



From the Desk of the Managing Director

Dear Partners,

I would like to take this opportunity to address you and provide an overall performance of the Company over the past year.

The FY23 fiscal came hard on the heels of an exceptional preceding financial year. While FY22 was a stupendous year for listed companies across India, including us, its exuberance did not endure through FY23. The first half showed some buoyancy despite tremendous volatility in crude and associated raw material prices. An extended monsoon and a shortened festival season precipitated in significant headwinds in the third quarter. Vulnerable to these, our customers experienced affected volumes and profitability. Our revenue for the year was at Rs 558.67 crores reflecting around 5% decrease compared to the previous year. Our profitability reduced mainly due to lower tonnage by 3% coupled with reduction in sales price by 2% due to fall in polymer prices.

We have already initiated strategic measures to navigate these challenges and position ourselves for sustainable growth. We have reached out to newer markets in food and beverage like dairy and ice-creams, construction chemicals and personal care to diversify our product portfolio and explore new market areas. We have increased our focus on Research and Development to explore and introduce innovative packaging solutions that minimise environmental impact.

Looking forward, we are focusing on three areas.

Firstly, we are strengthening our **sustainability goals**. Trials have been underway across all our facilities to use lesser raw material to manufacture products that test same or better on the given performance parameters. We have further challenged ourselves to use greater quantities of not only recycled polymers but also natural materials, again without compromising on quality. We are determined to reduce our carbon footprint by way of modernizing our fleet of machines that will be powered by solar electricity. We are also identifying methods to curtail the use of wasteful packaging material by largely reusing the polybags, sacks and cling films. These are arduous goals, but we are steadfast in our perseverance to meet decarbonization objectives laid out for the next few years.

Secondly, we are reinforcing our **customer engagement**. Our customer centricity continues to drive our innovations almanac. With the country's population skewed largely towards a younger, rapidly urbanizing population with growing disposable income, the food & beverage and consumer goods industries are nearing imminence of greater proportions. These are followed closely by agricultural chemicals. Evolving preferences will lead to globalized supply chains and therefor greater focus on retail and bulk packaging with enabling technologies. We are very optimistic on these growth industries and are determined to partner with them from the ground up.

Thirdly, we continue to improve our standards of **operational excellence**. We have always cultivated a culture around six sigma. It has led to not only improvements in cost optimization but also greater quality outputs. We continue to concentrate on lowering our internal rejections and obtaining Green Channel certifications across all our manufacturing plants. For new developments, we are aligning our Department of Scientific and Industrial Research certified Centre of Excellence to produce various moulds that are right first time. We have planned machine modernisation and mould manufacturing capability enhancement in our strategic initiatives which will propel our growth to meet increasing requirements of customers.

Our CSR efforts continue to dynamically drive our efforts to democratise yoga training. Our resolution to train children at orphanages yielded remarkable results this year. It was evident in their exemplary performances at the celebration of the 8th Annual International Day of Yoga in June 2022. The event itself was a grand celebration graced by our Honourable Prime Minister Shri Narendra Modi in Mysuru. Needless to say, we feel proud as well as honoured to have been a part of this momentous event.

I express my sincere gratitude to all stakeholders for their continued trust and unwavering support during these challenging times and wish that you continue to partner with us in our journey to meet our ambitions for the future.

I am confident that our strategic initiatives and commitment to sustainability will position the Company as a leader in the evolving packaging industry.

With Regards,

Malav Dani



BOARD OF DIRECTORS

Ashwin S. Dani
Chairman

Bomi P. Chinoy
Independent Director

Malav A. Dani
Managing Director

Jayendra R. Shah
Vice Chairman

Aditya M. Sheth
Independent Director

Mehernosh A. Mehta
Whole Time Director

Harish N. Motiwalla
Independent Director

Kalpana V. Merchant
Independent Director

Chief Financial Officer
Avan R. Chaina

Company Secretary
Namita Tiwari
(Till May 31, 2023)

Company Secretary
Ashish Roongta
(w.e.f. June 01, 2023)

STATUTORY AUDITORS

Kalyaniwalla & Mistry LLP
Chartered Accountants

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NOTICE TO MEMBERS

NOTICE is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING** of **HITECH CORPORATION LIMITED** (‘the Company’) will be held on **Saturday, 8th day of July, 2023 at 10.30 a.m.** (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), organized by the Company to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Unit No. 201, 2nd 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, 2023 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, 2023.
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. **Approval for continuation of Directorship of Mr. Ashwin S. Dani (DIN:00009126) as a Non-Executive Director.**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment thereof for the time being in force and pursuant to the recommendation of the Nomination & Remuneration Committee and Board of Directors, 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 liable to retire by rotation.

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

5. **Approval for payment of remuneration to the Non-Executive Directors.**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory amendment(s) or modification(s) or substitution(s) or re-enactment(s) made thereof for the time being in force) and pursuant to recommendation of Board of Directors, consent of the members be and is hereby accorded for payment to and distribution amongst the Directors other than the Managing Director or Whole-Time Director of the Company or some or any of them, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, in such amounts or proportions and in such manner

and in all respects, as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each financial year, for a period of five financial years commencing from April 1, 2024.

RESOLVED FURTHER THAT the above remuneration shall be in addition to fees payable to the director(s) for attending the meetings of the Board or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other Meetings.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

6. **Approval for transaction with Related Party:**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company’s Policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members be and is hereby accorded to enter into/proposed to be entered into contracts /arrangements /agreements/ transactions for sale of packaging material to Asian Paints Limited, a ‘Related Party’ as defined under Section 2 (76) of the Companies Act, 2013 for sales / purchase upto ₹ 800 (eight hundred) Crores per financial year starting from April 01, 2024 for 3 (three) financial years, as per the terms and conditions mutually agreed from time to time and as set out in the Explanatory Statement annexed to the Notice convening this meeting, which are in the ordinary course of business of the Company and all the terms and conditions including pricing are at arm’s length basis.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, any Director and/or the Company Secretary of the Company be and are hereby authorized, jointly and/or severally, to agree, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as they may deem fit and execute all agreements, addendum agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as the Board in its absolute discretion may deem fit.”

Registered Office:

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

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

**Namita Tiwari
Company Secretary
Membership No. A24964
Mumbai, May 17, 2023**

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 to 6 above and the relevant details of the Director as mentioned under Item No.3 and 4 above as required by Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 hereto.
2. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular no. 10/2022 dated 28th December, 2022 and other relevant circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time read with circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/4 dated January 05, 2023 and other relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), Companies are allowed to hold AGM through Video Conference ("VC") or Other Audio Visual Means ("OAVM") upto September 30, 2023 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.
3. 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.
4. 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.

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

5. In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 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 2022-23 will also be available on the Company's website www.hitechgroup.com, websites of the Stock Exchanges i.e. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) and on the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com>.

In case any member is desirous of obtaining physical copy of the Annual Report for the financial year 2022-23 and Notice of the 32nd AGM of the Company, he/she may send a request to the Company by writing at investor.help@hitechgroup.com or Link Intime India Private Limited (RTA), Company's Registrar and Transfer Agents at mt.helpdesk@linkintime.co.in mentioning their DP ID and Client ID/folio no.
6. 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 address with the relevant Depository Participants.

7. Process for registration of e-mail addresses for obtaining Notice of the AGM along with Annual Report for FY 2022-23, user id / password for e-voting and updation of bank account mandate for receipt of dividend.

A. Process for registration of email id

| | |
|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical Holding | Members are requested to register their e-mail address with Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html and follow the registration process as guided therein. Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number, e-mail ID, and also upload the image of share certificate and a duly signed request letter (upto 1 MB) in PDF or JPEG format. |
| For Permanent Registration for Demat shareholders | Members are requested to register their e-mail address with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant. |
| For Temporary Registration for Demat shareholders | Members are requested to register their e-mail address with Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html and follow the registration process as guided therein. Members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail ID, and also to upload a duly signed request letter (upto 1 MB) in PDF or JPEG format. |

Alternatively, Members whose e-mail ids are not registered may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned above.

B. Process for registration of Bank Account Details

| | |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical Holding | Members are requested to register their e-mail address with Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html and follow the registration process as guided therein. Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e-mail id along with the copy of the cheque leaf with the first named members name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code and a duly signed request letter in PDF or JPEG format. |
| Demat Holding | Members are requested to register their bank details with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant. |

On submission of the details for registration of email id / bank account an OTP will be received by the Member which needs to be entered in the link for verification. In case of any query, a Member may send an e-mail to RTA at mt.helpdesk@linkintime.co.in

8. 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
19. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

Procedure for joining the 32nd AGM through VC / OAVM

9. NSDL will be providing facility for voting through remote e-Voting, for participation in the 32nd AGM through VC/OAVM facility and e-Voting during the 32nd AGM.
10. 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. are allowed to attend the AGM without restriction on account of first come first served basis.
11. Members 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.20(d) for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN (124150) 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.
12. 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.
13. Members who need assistance before and during the AGM, can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. 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.
16. Participants Connecting from Mobile Devices or Tablets or through Laptop connected 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 32nd AGM:

17. 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. Questions / queries received by the Company till 5.00 p.m. (IST) on July 3, 2023 shall only be considered and responded during the AGM.
18. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker, by sending an email to investor.help@hitechgroup.com between July 1, 2023 to July 6, 2023.


20. 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 Regulations, (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 **Wednesday, July 5, 2023 at 9.00 a.m.** (IST) and will end on **Friday, July 7, 2023 at 5.00 p.m.** (IST) During this period, Members holding shares either in physical form or in dematerialized form, as on **Saturday, July 01, 2023** 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 5, 2023 to July 7, 2023 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. | <ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. 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 & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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 (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. 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 & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div data-bbox="491 856 807 1050" style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on company name or e-Voting service provider i.e. 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 & voting during the meeting. |

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 |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholder/Member" section.
3. 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.
4. 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.
5. 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 from evoting@nsdl.com. 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.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 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 (124150)" 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 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 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. 20(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 with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.
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 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 or call on 022 4886 7000 and 022 2499 7000 or send a request to Mr. Amit Vishal, Assistant Vice President, NSDL or Ms. Pallavi Mhatre, Senior Manager, NSDL at 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. July 01, 2023.

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 sent through e-mail and holding shares as of the cut-off date i.e. July 01, 2023, may obtain the user ID and password by sending a request at evoting@nsdl.co.in or to the Company at 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 or call on 022-4886 7000 and 022-2499 7000. In case of Individual Shareholders holding shares 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. July 01, 2023 may follow steps mentioned in the Notice of the AGM under point 20(d) "Access to NSDL e-Voting system".

7. Mr. Hemanshu Kapadia (FCS: 3477 and CP: 2285), Proprietor of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, failing him, Ms Preeti Bhangle (FCS: 8303 and CP: 9134), Partner of M/s. VPP & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-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 two 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 and on the website of NSDL 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.

21. Documents open for inspection:

- a. Relevant documents referred to in the accompanying Notice and the Explanatory Statement pursuant to Section 102(1) of the Act shall be available for inspection through electronic mode. Members are requested to write to the Company at investor.help@hitechgroup.com for inspection of the said documents; and

- b. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act will be available for inspection by the members during the AGM by following the steps mentioned at note no. 20(d) "Step 1: Access to NSDL e-Voting system". After successful login members will be able to view the documents for inspection by clicking on the link available against the EVEN (124150) of the Company.

Dividend related information

22. The Company has fixed Saturday, July 01, 2023 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2023, if approved at the AGM.
23. Dividend for the financial year ended March 31, 2023, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or after Saturday July 8, 2023, to those members whose names appear on the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on July 01, 2023.
24. 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.
25. 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, self attested copy of the Pan Card along with following documents:

- Original Cancelled cheque leaf bearing the name of the first shareholder; or
- 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.

26. 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 dispatch the dividend warrants to such shareholder by post.
27. 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. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.

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. July 01, 2023.

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:

- Valid Permanent Account Number (PAN)*.
- Residential status as per the Income Tax Act, 1961 i.e. Resident or Non-Resident for FY 2023-24.
- 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.
- Email Address.
- 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 2023-24 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 2023-24;
 - 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 2023-24.
- 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 June 23, 2023 to enable the Company to determine the appropriate TDS/withholding tax rate applicable.

Any communication on the tax determination/deduction received post June 23, 2023 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

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

These documents should reach us on or before Friday June 23, 2023 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 June 23, 2023.

- 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 aforementioned 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 will be sent to the shareholders 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.

28. 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 7 (seven) 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 2022-23, 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 2014-15 | 2,52,420 | 9,064 |

- 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 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).

Others

29. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023, in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details.

As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, inter alia, furnish PAN, KYC, and nomination details. Physical folios wherein the PAN, KYC, and nomination details were not available on or after April 01, 2023, were to be frozen by the RTA and would be eligible for lodging grievance or any service request only after registering the required details. The said timeline of April 01, 2023 for freezing of folios has been extended to October 01, 2023.

Any payments including dividend in respect of such frozen folios shall only be made electronically with effect from April 01, 2024, upon registering the required details. The said physical folios shall be referred by the Company or RTA to the administering

authority under the Prohibition of Benami Property Transactions Act, 1988 and/or Prevention of Money-Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

30. In case of any change in relation to the name, registered address, email id, mobile no., PAN, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, nomination, power of attorney, etc., the members are required to intimate the same:
 - a. for shares held in electronic form: to their respective DP; and
 - b. for shares held in physical form: to the Company/RTA in prescribed Form No. ISR-1 and other forms pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021. Further, the Company has sent letters to the members holding shares in physical form to furnish the abovementioned details which are not registered in their respective folio no(s).
31. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing certain prescribed service requests. Accordingly, the members are requested to make service request by submitting a duly filled and signed Form No. ISR-4, the format of which is available on the Company's website at <https://hitechgroup.com/investor/Display/miscellaneous>. Members are requested to note that any service request would only be processed after the folio is KYC Compliant.
32. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, the members are advised to dematerialise their holdings.
33. In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at <https://hitechgroup.com/investor/Display/miscellaneous>. Members are requested to submit the said details to their respective DP, in case the shares are held by them in dematerialised form and to the Company/RTA, in case the shares are held by them in physical form.

EXPLANATORY STATEMENT

The following Explanatory Statement sets out all material facts relating to the Special Business of the Notice in accordance with Section 102 of Companies Act, 2013.

Resolution No. 4

Mr. Ashwin S. Dani, Non-Executive Director & Chairman of the Company, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible seeks re-appointment under Item No. 3 of this Notice.

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 S. Dani, Non-Executive Director of the Company has attained the age of 80 (eighty) 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.

The Shareholders based on the recommendation of Nomination & Remuneration Committee had earlier approved the continuation of directorship of Mr. Ashwin S. Dani beyond 75 years of age by passing a Special Resolution at the Annual General Meeting of the Company held on July 29, 2021 and also vide postal ballot on December 22, 2018.

Mr. Ashwin S. Dani is the founder Promoter & Non-Executive Chairman of the Company and has vast and rich experience in the field of paints and packaging industry. His knowledge of the industry and business environment 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.

Relevant details relating to continuation of Directorship of Mr. Ashwin S. Dani, including his profile, as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

Mr. Ashwin S. Dani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has consented to act as Director of the Company.

Based on the recommendation of Nomination & Remuneration Committee the Board of Directors recommends passing of the Special Resolution as set out at Item No. 4 of this Notice for continuation of Directorship of Mr. Ashwin S. 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 S. 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.

Resolution No. 5

The members of the Company on December 22, 2018 vide postal ballot had approved the payment of remuneration to the Non-Executive Directors of the Company, of a sum not exceeding one percent (1%) per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013, for a period of 5 (five) years commencing from April 1, 2019.

Upon expiry of 5 (five) financial years on March 31, 2024 and considering the roles and responsibilities of the Directors and based on performance evaluation for the F.Y. 2022-23 and recognising the contribution made by the Non-Executive Directors and to reward them for their contribution and valuable inputs during Board process it is proposed to pay remuneration to the Non-Executive Directors of the Company not exceeding one percent of the net profits of the Company, for each of the five financial years commencing from April 1, 2024. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013.

This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and Committee meetings.

Accordingly, a fresh approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Directors of the Company other than Managing Director and Whole-time Directors, for a period of 5 (five) years commencing from April 1, 2024 as set out in the Resolution at Item No. 5 of the Notice.

Except Non-Executive Directors of the Company and Mr. Malav Dani being relative of Mr. Ashwin Dani, none of the other Directors and Key Managerial Personnel and their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolution as mentioned in Item No. 5 of the Notice.

Resolution No. 6

The Company has entered into/proposed to enter into contracts /arrangements /agreements/ transactions for sale of packaging material to Asian Paints Limited as per the terms and conditions mutually agreed from time to time, which are in the ordinary course of business and terms and conditions including pricing are at arm's length basis and the same are reviewed by the Audit Committee on quarterly basis.

The transactions entered into/proposed to be entered for sale of packaging material to Asian Paints Limited constitutes 'material' as per Related Party Transactions Policy of the Company and Regulation 23(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Pursuant to the amended Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the threshold limit for determination of material Related Party Transactions is the lower of ₹1,000 crores (Rupees One thousand crores) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements and such material related party transactions exceeding the limits, would require prior approval of Members by means of a ordinary resolution.

Information pursuant to SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November 2021 and the particulars of the contracts / arrangements / transactions are as under:

| Particulars | Information |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Related Party | Asian Paints Limited |
| Nature of relationship with the Company including nature of its concern or interest (financial or otherwise) | Both the entities are related parties under section 2(76) of the Companies Act, 2013 and regulation 2 of SEBI Listing Regulations as amended. |
| Type of transactions ("RPTs") | Sale / purchase of goods at the prevailing market prices which varies from time to time and not exceeding ₹ 800 crores per financial year starting from April 01, 2024 for a period of 3 financial years. These transactions are in the ordinary course of business and are conducted on an arm's length basis. |
| Material terms of the contracts / arrangements / Transactions | Terms and conditions for transaction in ordinary course of business and at arm's length <ul style="list-style-type: none"> ▪ Delivery of Materials – As per the Purchase Order ▪ Payment terms – upto 90 days ▪ Indirect Taxes as applicable ▪ Currency – INR ▪ Such other conditions customary to the context of the contract/agreement/ arrangement. |
| Tenure of the Transactions / contracts / arrangements for which Members' approval is sought | For three financial years starting from April 01, 2024 till March 31, 2027 |
| Estimated aggregate value of the transactions | Not exceeding ₹ 800 crores per financial year |
| Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed RPTs | Approx. 71.4% in F.Y. 2022-23 Approx. 78.2% in F.Y. 2021-22 |
| If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiaries | Not Applicable, as the proposed RPTs does not relate to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiaries. Correspondingly, further details required vide SEBI Circular dated November 22, 2021 are also not applicable. |
| Justification as to why the RPT is in the interest of the Company | Hitech's certain pail product lines are uniquely suited for the specifications of architectural paint packaging. The related party being the leader in the architectural paints and coatings segment in India, it is in the interest of the Company to cater to related party's packaging requirements. The proposed RPT is necessary, normal and incidental to the business as it plays a significant role in achieving business objectives of the Company These transactions have been undertaken by the Company in the past since its inception. |

| Particulars | Information |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| A statement that the the valuation or other external party report, if any such report has been relied upon | Not applicable |
| Total aggregate value of RPTs in last 2 years | INR 39,785.40 lacs and INR 43,503.92 lacs during FY 2022-23 and FY 2021-22 respectively. |
| Whether the transactions have been approved by the Audit Committee | Yes. The proposed RPTs are in accordance with the Company's Policy on Related Party Transactions. |
| Any other information relevant or important for the members to make a decision on the proposed Transaction | All relevant information forms a part of this Statement setting out material facts. |

The copy of respective documents entered/ to be entered containing broad terms and conditions are open for inspection during business hours between 11.00 a.m. to 1.00 pm on all days except Saturday(s), Sunday(s) and Public Holiday(s) at the Registered Office of the Company upto and including the date of Annual General Meeting and same is also available for inspection by members at the Annual General Meeting.

The Board of Directors, therefore, recommends to the members the passing of the Ordinary Resolution for the contract/ arrangement/ transaction with Asian Paints Limited entered/ to be entered as mentioned at Item No. 6 of the accompanying Notice.

No Directors, Key Managerial Personnel or their relatives, except Mr. Ashwin Dani, and Mr. Malav Dani and their respective relatives, are concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 6 of the accompanying Notice.

The Members may note that as per the provisions of the Listing Regulations, all related parties (whether such related party is a party to the above-mentioned proposal or not), shall not vote to approve the resolutions set out at Item Nos. 6.

Registered Office:

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

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

**Namita Tiwari
Company Secretary
Membership No. A24964**

Mumbai, 17th May, 2023

ANNEXURE TO AGM NOTICE

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

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director | Mr. Ashwin S. Dani (DIN : 00009126) |
| Age (years) | 80 |
| Qualification | <ul style="list-style-type: none"> • BSc. (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. • Masters Degree in Polymer Science from University of Acron, (USA) • Diploma in Colour Science (USA). |
| Brief Profile of the Director | <p>Mr. Ashwin S. Dani is the founder Promoter and Non-Executive Chairman of the Company. Mr. Dani started his career in 1967, as a Development Chemist with Inmont Corp, (now known as BASF) Detroit USA, an Industrial coatings manufacturer. He joined Asian Paints in 1968 as Senior Executive and moved through successive senior positions like Director - R & D, Works Director, Whole-time Director. and Vice Chairman. He has served on the Board of Asian Paints Limited in various capacities like Vice Chairman & Managing Director, Non-Executive Vice Chairman and Non-Executive Chairman. He is presently a Non-Executive Director on the Board of Asian Paints Limited.</p> <p>He pioneered the idea of computerised colour matching in the Indian industry. This concept is now widely used across industries in the field of paints, plastics, printing inks and textiles.</p> <p>Mr. Dani is a technocrat and drives strong focus on Research & Development initiatives in line with consumer requirements. He also played an important role in shifting the packaging of water thinnable paints for decorative purpose from metal to plastic containers. His vast & rich knowledge and experience of the packaging industry, business environment, and general management has been an asset to the Company.</p> <p>He was also the founder promoter of Loctite India Private Limited which is now known as Henkel Adhesives Technologies India Private Limited. Throughout his career, he has been associated with various government and trade bodies like the President's Advisory Council of the University of Akron, Akron, Ohio, USA, The Central Board of Trustees – Employees Provident Fund of the Government of India, Vice President of the Federation of Indian Chambers of Commerce & Industry ("FICCI"), Board of Governors of the UDCT {now known as the Institute of Chemical Technology ("ICT")} Alumni Association, Board of Management of ICT, Mumbai.</p> <p>Mr. Ashwin Dani is the recipient of several awards and recognitions for his work. To name a few, 'Lifetime Achievement Award' by CNBC-TV18's India Business Leader Awards ("ILBA") in April, 2022, 'The B. Krishnamurthy Award of Excellence' by the Hyderabad Management Association and Centre for Organisational Development in September, 2017, 'Businessman of the Year' award in 2015 by Business India magazine, 'Lifetime Achievement Award' by Indian Paint Association ("IPA") in 2011, 'Achiever of the year award – chemical industry' by the Chemtech foundation in 2003, Ernst & Young Entrepreneur of the year award in the 'Manufacturing' category in November, 2003 and the 'Cheminor Award' from the Indian Institute of Materials Management for excellence in Supply Chain Management in 2002.</p> <p>He has held Independent directorships on the Board of several leading listed Indian companies and practices yoga regularly.</p> |
| Expertise in specific functional area | Mr. Ashwin Dani has developed expertise across all functions and specifically in the fields of Polymers, Paints & Plastic business, Research & Technology, Sales & Marketing, Strategy, Supply Chain Management and Business Management. |
| Date of first appointment in the current designation | 13 th January, 1992 |
| Shareholding in the Company | 2,30,095 equity shares of Rs. 10/- each (1.34% of the paid-up share capital of the Company) |
| Terms & Condition of Appointment/ Re-Appointment | Non-Executive Director liable to retire by rotation |
| Other Companies in which he / she is a Director excluding Directorships in Private and Section 8 Companies. | <ul style="list-style-type: none"> • Asian Paints Limited • Resins & Plastics Limited • Hitech Specialities Solutions Limited |
| Listed Entities from which he/she has resigned as Director in past 3 years | Nil |
| 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. | Resins & Plastics Ltd. Stakeholders Relationship Committee – Chairman Nomination and Remuneration Committee – Member |
| Inter-se relationship between Directors and other Key Managerial Personnel | Father of Mr. Malav A. Dani, Managing Director of the Company. |
| Number of Meetings of the Board attended | 4 of 4 |
| Details of remuneration last drawn (₹) (F.Y. 2022-23) | Rs. 4,30,000 including commission for the year 2022-23 |
| Details of remuneration proposed | Sitting Fees and commission in accordance with the provisions of the law. |

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Second (32nd) Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2023.

FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2023 is summarized below:

| | (₹ in lakhs) | |
|----------------------------------------------------------------------------------|------------------|-----------|
| | 2022-23 | 2021-22 |
| Sales Revenue | 55,867.42 | 58,845.52 |
| Other Income | 173.74 | 79.12 |
| Total Revenue | 56,041.16 | 58,924.64 |
| Earnings Before Insurance Claim, Interest, Depreciation & Tax (EBIDT) | 7,592.58 | 8,659.16 |
| Less: Interest and Financing Charges | 1,376.79 | 1,613.43 |
| Less: Depreciation | 2,860.27 | 3,001.14 |
| Add: Exceptional item | 380.61 | 994.09 |
| Profit Before Tax | 3,736.13 | 5,038.68 |
| Less: Tax Expenses | 903.21 | 1,299.02 |
| Net Profit After Tax | 2,832.92 | 3,739.66 |
| Attributable to: | | |
| Shareholders of the Company | 2,832.92 | 3,739.66 |
| Non-controlling interest | - | - |
| Other Comprehensive Income | (35.31) | (80.30) |
| Total Comprehensive Income for the year | 2,797.61 | 3,659.36 |
| Attributable to: | | |
| Shareholders of the Company | 2,797.61 | 3,659.36 |
| Non-controlling interest | - | - |
| Opening Balance in Retained Earnings | 14,408.17 | 11,665.81 |
| Amount available for Appropriation | 17,205.78 | 15,325.17 |
| Dividend on Equity Shares(for previous financial year) | 171.76 | 171.76 |
| Transfer to Capital Redemption Reserve | - | 745.24 |
| Transfer to General Reserve | - | - |
| Transfer to Other Reserve | - | - |
| Closing Balance in Retained Earnings | 17,034.02 | 14,408.17 |

OVERVIEW OF FINANCIAL PERFORMANCE

During the financial year 2022-23,

- Operating revenue was ₹ 55,867.42 lakhs as against ₹ 58,845.52 lakhs in the previous year, a 5% decrease.
- EBIDT is ₹ 7,592.58 lakhs as against ₹ 8,659.16 lakhs in the previous year, a decrease by 12.3%.
- Exceptional Item (charge)/credit includes Profit of ₹ 380.61 lakhs on compulsory acquisition of property at Naroli (vacant land) by the Gujarat government for bullet train project (Previous year figures represent sale of balance property at Naroli which was vacant land). The profit on sale of property being a non-recurring event has been considered as an exceptional item.

- Net Profit after tax was ₹ 2,832.92 lakhs as against ₹ 3,739.66 lakhs in the previous year a reduction of approximately 24%.
- 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, choosing to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) since MAT credit is now fully utilized.

SALE OF IMMOVABLE PROPERTY

Vacant land admeasuring 4020 square meters situated at T VILLAGE Naroli Union territory of Dadra and Nagar Haveli and Daman & Diu which was lying idle and unemployed with the company was acquired by the Government for bullet train project for a consideration of ₹ 485.98 lakhs and the same has been received by the Company as on the date of this report.

DIVIDEND

The Board of Directors at its meeting held on May 17, 2023 have recommended payment of dividend of ₹1/- (Rupee One only) per Equity Share of ₹ 10/- each for the financial year ended March 31, 2023, 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.

TRANSFER TO RESERVES

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) DIRECTORS

Appointment of Vice Chairman of the Board:

The Board of Directors of the Company at its meeting held on February 11, 2023 had appointed Mr. Jayendra R. Shah, Non-Executive Independent Director of the Company as Vice Chairman of the Board.

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), Chairman and Non-Executive Promoter Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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 32nd Annual General Meeting and the relevant Resolutions are recommended for your approval therein.

(b) 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.

Details of Changes in KMP

- i) The term of Mrs. Avan R. Chaina, Chief Financial Officer of the Company which got expired on February 11, 2023 was extended by one year till February 11, 2024 by the Board of Directors at its meeting held on February 11, 2023 based on the recommendations of Nomination and Remuneration Committee.
- ii) Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 17, 2023, approved the appointment of Mr. Ashish V. Roongta, a member of Institute of Company Secretaries of India (**ACS Membership No. 35999**) as Company Secretary and Compliance Officer of the Company w.e.f. June 01, 2023 in place of Ms. Namita Tiwari who ceases to be the Company Secretary and Compliance Officer of the Company w.e.f. closing of business hours of May 31, 2023.

(c) DECLARATION BY INDEPENDENT DIRECTORS

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

- a) 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.
- b) 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.
- c) 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.

(d) PERFORMANCE EVALUATION OF BOARD

The Nomination & Remuneration Committee of the Company has formulated process and parameters for the evaluation of the Directors individually, Committees of the Board and 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
- Risk Management Committee (non-mandatory)
- Executive Committee
- Investment Committee

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

There were 4(four) 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 2022-23 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 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 & SHARE CAPITAL

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 2023-24 have been paid to the respective Stock Exchange(s).

During the financial year 2022-23, there was no change in the authorised, issued, subscribed and paid-up share capital of the Company.

AUDITORS AND THEIR REPORT

a. Statutory Auditors

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Reg. No: 104607W/W100166), were re-appointed as Statutory Auditors of the Company at the 31st Annual General Meeting held on July 16, 2022, to hold office till the conclusion of the ensuing 35th Annual General Meeting.

The statutory auditor's report for the financial year ended March 31, 2023 do not contain any qualifications, reservations, or adverse remarks or disclaimer.

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 2022-23.

c. Internal Auditors

M/s. Shashank Patki and Associates, Chartered Accountants, Pune and M/s. Jasuja Kapoor & Associates, Chartered Accountants, Noida were the Internal Auditors of the Company for the financial year 2022-23.

The Board of Director of the Company based on the recommendations of Audit Committee have appointed M/s. G. M Kapadia & Co, Chartered Accountants, Mumbai as the Internal Auditor of the Company for the financial year 2023-24.

The Internal Auditor attends the meeting of the Audit Committee periodically and their internal audit findings and corrective actions taken are regularly reviewed by the Audit Committee and the Statutory Auditors.

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 2022-23. The Secretarial Auditors have submitted their Report for the financial year ended March 31, 2023, in the prescribed Form MR-3 of the Companies Act, 2013 and is annexed to this report as **Annexure A**.

The Secretarial Audit Report and Secretarial Compliance Audit Report does not contain any material qualification or reservation.

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 2023-24.

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 2022-23, the Company has spent ₹ 41.65 lakhs towards CSR. The Annual Report on CSR activities undertaken by the Company during the financial year 2022-23, 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 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 2022-23 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 year 2015-16 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/Unclaimed_UnpaidDividend

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, 2023.

RELATED PARTY TRANSACTIONS

All Related Party Transactions which were entered during the financial year 2022-23 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 29th 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 43 to the financial statements forming part of this Annual Report.

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

Employees, who are relatives of Director/Director of holding company, holding an office or place of profit in the Company pursuant to section 188 of the Companies Act, 2013 read with the rules framed thereunder:

The following are details of remuneration paid during F.Y. 2022-23 to the employees of the Company who are relatives of director of holding company, holding an office or place of profit in the Company as on March 31, 2023.

| Name of employee | Nature of relationship with the Director of holding company | Remuneration (₹ in lakhs) |
|---------------------------------------------------------|-------------------------------------------------------------|---------------------------|
| Mr. Chirag B. Gosalia (appointed w.e.f. June 10, 2022). | Son of Mr. Bharat Gosalia, Director of Holding Company | 17.18 |

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, 2023:

- 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;
- has not issued Shares having differential rights as to dividend, voting or otherwise;
- does not have any ESOP Scheme for its employees / Directors;
- has not issued Sweat Equity Shares;
- 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;
- There was no revision of financial statements and Boards report of the Company, during the year under review;
- during the year under review, the Company has not provided any loan or given any guarantee or made any investment;
- 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;
- The Company does not have any subsidiary company, Joint Venture or Associate Company;
- There was no application made or no proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under review; and
- 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:

- in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures from the same;
- 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, 2023 and of the

profit and loss of the Company for the financial year ended March 31, 2023;

- 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 17, 2023

Ashwin S. Dani
Chairman
(DIN: 00009126)

ANNEXURE A TO BOARD'S REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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
Unit No. 201, 2nd 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, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2023, 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; (No Events during the year)
- (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 (in addition to the above mentioned Laws (i to v) and applicable to the Company) and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

We have also examined compliance with the applicable clauses of:

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

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

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

Based on the information provided by the Company, we report that during the financial year under report, the Company has substantially 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.

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 composition of the Board of Directors has not changed during the year under review.

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.

There were no events / actions having major bearing on the Company's affairs during the financial year under review.

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: F004554E000327525

Date : May 17, 2023
Place: Mumbai

'ANNEXURE A'

To
The Members,
Hitech Corporation Limited
Unit No. 201, 2nd 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 records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and we rely on Auditors Independent Assessment on the same.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Nilesh Shah & Associates
Company Secretaries

Nilesh Shah
(Partner)

FCS : 4554 C.P. : 2631
Peer Review No. 698/2020
UDIN: F004554E000327525

Date : May 17, 2023
Place: Mumbai

ANNEXURE B TO BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY

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 directly 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 yoga teaching, 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 lifechanging 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. Jayendra R. Shah | Independent Director | Chairman* | 1 | 1 |
| 2 | Mr. Malav A. Dani | Managing Director | Member** | 1 | 1 |
| 3 | Mr. Bomi P. Chinoy | Independent Director | Member | 1 | 1 |
| 4 | Mr. Aditya Sheth | Independent Director | Member | 1 | 1 |

*Redesignated from Member to Chairman w.e.f. May 15, 2022

**Redesignated from Chairman to Member w.e.f. May 15, 2022

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**

| Sr. No. | Particulars | Amount (₹ in lakhs) |
|---------|-----------------------------------------------------------------------------------------------------|---------------------|
| (a) | Average net profit of the company as per section 135(5) | 2,134.70 |
| (b) | Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013 | 42.69 |
| (c) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil |
| (d) | Amount required to be set off for the financial year, if any | 1.04 |
| | Total CSR obligation for the financial year (7a+7b-7c) | 41.65 |

6. (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 |
| ₹ 41.65 | -- | -- | -- | -- | -- |

(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 | 18.65 | No | Sab Ka Mangal Ho Foundation (SKMH) | CSR00012303 |
| 2 | Skill Development of Teacher | Promoting education including special education, employment enhancing vocational skills especially among children, women elderly and the differently abled and lively hood enhancement projects | Yes | Karnataka | Bengaluru | 5.00 | No | Caring With Colours | CSR00005909 |
| 3 | Cancer treatment and related expenses | 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 | Pune | 7.00 | No | Nag Foundation | CSR00003508 |
| 4 | Development work at School | Promoting education including special education, employment enhancing vocational skills especially among children, women elderly and the differently abled and lively hood enhancement projects | Yes | Tamil Nadu | Chennai | 11.00 | No | Sri Ramakrishna Mission Sarada Vidyalaya | CSR00006101 |

- (d) Amount spent in Administrative Overheads NIL
- (e) Amount spent on Impact Assessment, if applicable --
- (f) Total amount spent for the Financial Year (8a+ 8b+8c+8d+8e) **₹ 41.65** lakhs
- (g) Excess amount for set off, if any --

7. (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**
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub section (5) of section 135 of the Companies Act, 2013: **Not Applicable**

For and on behalf of the CSR Committee

Jayendra R. Shah
Independent Director & Chairman - CSR Committee
(DIN: 00132613)

Date: May 17, 2023
Place: Mumbai

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

Date: May 17, 2023
Place: Mumbai

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:

We continue to make efforts for conservation of energy in Company's day to day operations. At all manufacturing facilities, our primary focus is on improving efficiency at all levels with an emphasis on energy conservation. We examine the machinery requirement with respect to articles to be produced and optimized selection for the least energy consumption options with precision in output. All these efforts resulted in energy saving by 14% and Productivity increase by 12% on average. Our proximity to customer locations also contributes to reducing the energy footprints in transportation.

During the year under review the Company has focused more on:

- optimized selections of machinery and equipment for least energy consumption.
- improving technology for energy conservation.
- improving efficiency of production with a view to conserving energy.
- Energy Audit at our major plants.

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

- Installation of new Servo & All electric Injection Moulding Machines to save energy.
- Control on energy inputs to machines.
- Exploring replacement of hydro motors with servo motors.
- Monitoring and analysis of energy consumption on daily basis. All new Injection machines installed with auto Energy monitoring.
- Replacement of old conventional moulding machines with new ones, which are always either servo controlled or hybrid 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. These measures are likely to result into reduction in usage of conventional energy sources / saving in energy cost and environmental benefits in the vicinity.

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 was partly completed upto 175 KW and balance to be completed in the coming financial year. 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.

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

The Company has entered into an agreement for installation of an Energy Conservation equipment at Company's Naroli Plant wherein 175 KW is installed and for balance 100 KW, the project is completed in May 23. We are in the process of evaluating the offer for Offsite Solar energy contract sign off for 15 Years for our Mysuru Plant and for roof top Solar projects for our other key plants is at finalization and approval stage.

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 (DSIR), New Delhi. New product design as per customer requirement, RPT development with selection of correct grade of polymer, supporting sustainability initiatives within the company and a 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 upgradation: Efforts are taken to go for all electric machines where no oil is permitted in the moulding environment and cycle time is below 12 seconds and above which shall be justified with all Electric/ Servo with Hybrid technology/ or Complete Servo Machine. Two platen machines are also of Servo hydraulic which will help reduce cycle time.
- Efficient conversion by selection of customized blow molding machine specifications to ensure higher customer satisfaction.
- Technology upgradation through Identify correct EBM Multilayer Machines to meet Sustainable /PCR Grade material use in middle layer.
- Selection of Multilayer EBM (more than 3 Layer) for Food and Beverages and Pharma Application is under process for new business requirement.
- 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 bare minimal. Analysis is on to convert High volume bottles from EBM to IBM as much as possible to eliminate manpower for rework. Similarly, installation of ROBO on major Injection machine will help reduce manpower.
- b) Specific areas in which R & D was carried out by the Company includes:**
- Technology upgradation in product and mould design.
 - New Product designs for Caps and Closure and EBM & ISBM products.
 - Product design proposals to major OEMS for products other than pails.
 - Cooling efficiency: Identify New cooling systems like use of mould standard cooling accessories are being implemented in Caps and Closure.
 - Cycle time reduction in moulding through inhouse mould design for majority of our business other than pails.
 - Product and process development: Complete development cycle is in house.
- c) The Benefits derived like product improvement, cost reduction, product development or import substitution:**
- Introduction of Value type gate on all Food and aesthetic products.

- Enhanced competitiveness due to cost reduction and product development.
- Lower production cycle time improved productivity.
- Less molding rejections.

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 | 22.3 |
| (b) Revenue | 443.0 |
| Total | 465.3 |

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned in terms of actual inflows during the year 2022-23 was ₹ 93.25 lakhs (equivalent value of various currencies).

Foreign exchange outgo in terms of actual outflows during the year 2022-23 was ₹ 215.88 lakhs (equivalent value of various currencies).

ANNEXURE D TO DIRECTORS' 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 2022-23 is 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 | 4,30,000 | 1.43 | 38.71 |
| 2 | Mr. Malav A. Dani* | Managing Director | 85,38,009 | 28.35 | 0.45 |
| 3 | Mr. Harish N. Motiwalla | Director | 10,90,000 | 3.62 | 4.81 |
| 4 | Mr. Jayendra R. Shah | Vice Chairman | 8,00,000 | 2.66 | 3.90 |
| 5 | Mr. Mehernosh A. Mehta | Whole Time Director | 26,66,089 | 8.85 | -6.29 |
| 6 | Mr. Bomi P. Chinoy | Director | 7,60,000 | 2.52 | - |
| 7 | Mr. Aditya M. Sheth | Director | 2,60,000 | 0.86 | -23.53 |
| 8 | Ms. Kalpana V. Merchant | Director | 7,30,000 | 2.42 | 19.67 |
| 9 | Mrs. Avan R. Chaina | Chief Financial Officer | 35,79,820 | 11.89 | 3.04 |
| 10 | Mrs. Namita Tiwari | Company Secretary | 24,21,921 | 8.04 | 30.89 |

Notes:

- *Remuneration to Mr. Malav Dani includes the salary paid for the year as approved by the Nomination & Remuneration Committee and a performance bonus of ₹ 35 lakhs to be paid for the F.Y. 2022-23 which is in line with the managerial remuneration limit as approved by the Board.
- The aforesaid details are calculated on the basis of remuneration paid during the financial year 2022-23.
- The remuneration to Non-Executive Directors includes sitting fees paid during the year and commission payable for the financial year 2022-23.
- #The median remuneration of all employees per annum was ₹ 3,01,167/- and ₹ 2,89,536/- for the financial year 2022-23 and 2021-22 respectively. The increase in median remuneration of employees for the financial year 2022-23, as compared to financial year 2021-22 is 4.02%.
- The average salary of all employees (other than Key Managerial Personnel) per annum was ₹ 4,16,876/- and ₹ 3,79,773/- for the financial year 2022-23 and 2021-22 respectively. The increase in average salary of employees for the financial year 2022-23 as compared to financial year 2021-22 is 9.77%.
- The remuneration to Directors is within the overall limits approved by the shareholders of the Company.

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

| | |
|-------------------|------------|
| Executive & Staff | 397 |
| Workers | 243 |
| Total | 640 |

- 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.
- The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of this Report is open for inspection by the members through electronic mode. Any member interested in obtaining a copy of the same may write to the Company Secretary.
- 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 2022-23; 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 2022-23.

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 01, 2021 upto March 31, 2024. (The Arrangement has been renewed after the approval of the Shareholders at the AGM held on September 26, 2020 for a term of three years commencing from April 01, 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 ₹ 700 crores per year. |
| (e) | Date(s) of approval by the Board, if any | August 24, 2020. |
| (f) | Amount paid as advances, if any | Nil |

For and on Behalf of the Board of Directors

Date: May 17, 2023
Place: Mumbai

Ashwin S. Dani
Chairman
(DIN: 00009126)

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE COMPANY

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, agrochemicals, personal care, home care, pharmaceuticals, food & beverage and oils & lubricants. While it operates in a highly competitive space, its emphasis on sustainability, quality and innovation remains unwavering. Hitech serves marquee customers and industry leaders in each industry segment above.

With expertise in injection moulding, blow moulding, extrusion, the Company offers varied products at large-scale production volumes, with the ability to scale up to meet additional requirements at any of its 12 manufacturing locations across India.

The in-house Design and Development Centre provides innovative solutions and hand holds the customer from design to delivery of the product. Hitech is committed to maintain highest quality standards in its manufacturing processes which involves rigorous inspections and testing, getting it "Right First Time" and resulting in delivery of zero defect products to customers.

GLOBAL ECONOMY

The global GDP in FY 2023 was affected by geopolitical uncertainty caused by the prolonged Russia-Ukraine war and resultant dislocations in supply chains, leading to production disruptions and higher costs for businesses in various sectors. As a result, the global GDP is estimated to have grown at a more subdued 3.4% in 2022, versus 5.9% in the prior year. Analysts estimate that in the coming year, the slowdown in economic growth will continue, however there might be a recovery in the second half of 2023 with lowering of inflation rates.

INDIAN ECONOMY

India, despite of significant challenges in the global environment, was one of the fastest growing economies in the world. India's domestic growth prospects remain robust. The Indian economy expanded at 7.2 percent in FY 2023, with capital expenditure being a robust driver on the back of government infra push and private capex cycle. However due to increased inflation in the Indian economy with increase in crude oil prices, interest rate hikes were done by the Reserve Bank of India to control inflation. The weakening of the Indian Rupee against the US dollar also added to the inflationary pressures.

The GDP growth forecast of India for FY 2024 is 6.5 percent with inflation being under control, strong domestic demand and healthy consumption growth. Crude oil which drives the polymer prices is also expected to be range bound without any major shocks on the supply front.

BUSINESS SEGMENTS

Hitech has a robust business model serving the packaging needs of some of the most promising sectors of the Indian economy. Given below is the outlook for the industries it serves.

Paint Industry

The Indian Paint Industry is today worth over ₹ 62,000 crores. Both the decorative and industrial paints and coatings segments are projected to grow at a healthy CAGR for the next few years, on the back of rising discretionary incomes, trend of nuclear families and house constructions, increased frequency of redecorating the houses, increase in manufacturing activity and usage of construction chemicals such as waterproofing.

FMCG

FMCG market in India is projected to grow at a CAGR of 14.9% to USD 220 billion in the next couple of years with the packaged food market growth upto USD 70 billion. This is composed of several consumption driven segments such as foods and beverages, personal care, home care, fabric care and so on. In each segment, a young population with rising participation of women in the workforce and demographic changes have led to an increased use of packaged foods/beverages and consumption of detergents/soaps/shampoos/fragrances and so on. This is a secular and structural growth trend where needs for sustainable and attractive packaging solutions play a big role in a brand's marketing strategy and hence a high involvement decision from the brand point of view. The scope to offer aesthetically, technologically advanced and sustainable packaging solutions is immense in this segment. Hitech's operational stature will allow it to meet the industry's rising packaging standards and needs.

Agro Chemical

The India agrochemicals market is driven by the rising population within the country, which has led to maintaining sufficiency in agricultural practices, further boosting the use of Indian agrochemical products for farming activities. Packaging plays a crucial role in the agriculture industry, as agrochemical products such as fertilizers and pesticides are toxic. Hence, they need advanced packaging solutions, which can reduce the risk of handling, storing, and transporting these chemical products. High demand for the pest resistance across the globe and the advancement of biodegradable packaging solutions is fuelling the growth of packaging market of agro chemicals. Recycling and environmental concerns are vital challenges for this market. Hitech is set up to be not only enterprising but also dexterous to resolve the packaging challenges that will come with this expansion.

Lubricants

The India Industrial Lubricants Market is segmented by Product Type (Engine Oil, Transmission and Hydraulic Fluid, Metalworking Fluid, etc.) and End-user Industry (Power Generation, Heavy Equipments etc). The global lubricant packaging market is estimated to reach US\$ 15.5 billion in 2029, exhibiting growth at CAGR of 5.2%. With the focus on clean environment, there are opportunities in this segment to address the Diesel Exhaust Fluid usage which is becoming commonplace with newer emission norms kicking in.

Hitech with its proven abilities, vast experience and customer centric focus is confident of increasing its market share in the Lubricant packaging market gradually.

CAPITAL EXPENDITURE & EXPANSION PLANS

New projects using newer technologies with high volume demands are expected in the fiscal year 2024. The corporate thrust will be on three major areas:

- a. To improve our standards of **operational excellence**: Projects to improve efficiency at various manufacturing facilities are ongoing and will be completed as per plan. These include the systematic replacement of older machines with newer technology as well as the augmentation of existing machinery to support newer products and customer requirements. We will continue to concentrate on lowering our internal rejections and obtaining Green Channel certifications across all our manufacturing facilities.
- b. To strengthen our **sustainability goals**: We have challenged ourselves to use greater quantities of not only recycled polymers but also natural materials, without compromising on quality and durability of our products. We are determined to reduce our carbon footprint by modernizing our fleet of machines that will be powered by solar electricity.
- c. To reinforce **customer engagement**: With the rapidly urbanizing population having increased disposable income, the food & beverage and consumer goods industries are seeing good momentum. We have reached out to newer markets like dairy, ice-creams, construction chemicals and personal care to diversify our product portfolio and explore new market areas. We have increased our focus on Research and Development to explore and introduce innovative packaging solutions that minimise environmental impact. Evolving preferences will lead to globalized supply chains and therefore we will have greater focus on retail and bulk packaging with enabling technologies. We are very optimistic on these growth industries and are determined to partner with them from the initial stage.

OPPORTUNITIES, RISKS AND THREATS

Our biggest strength is our Pan India presence by having 12 manufacturing facilities across the country. The biggest opportunity for us is to take a lead in sustainable packaging and we are working with experts from the industry and academia to offer the most cost-effective alternatives to our customers. Industry 4.0 provides a leap in manufacturing sector evolution, and Hitech will leverage this fully to modernize its fleet of machines and improve operational efficiency. Hitech continues to focus on offering innovative solutions to our customers for their unique needs which could be better transportation and handling conditions, preventing counterfeiting, attractive labelling and so on. We are also strengthening our Design & Development team by inducting necessary software tools to offer new solutions to our customers. We aspire to be the partner of choice for our customers' unique requirements. General economic slowdown, that impacts our customer segments, as well as fluctuating polymer prices pose the most direct risks to us.

HUMAN RESOURCES

Every employee at Hitech is valued and respected for the myriad of contributions made. To nurture this environment of open exchange, each employee's wellbeing and continued knowledge and skill enhancement is our topmost priority. We have several on-going training programs at our manufacturing facilities and offices to enhance their learning and create an inclusive environment that values different perspectives, experiences and backgrounds.

ENVIRONMENT, HEALTH AND SAFETY

Health and safety continues to be one of the most important values at Hitech. The Company has a comprehensive approach to ensure that all employees, assets and the environment are protected from harm. It has adopted a proactive approach to health and safety management, which includes creating policies and procedures to promote safe working practices and providing appropriate training to employees. The Company accords very high priority to safety in all aspects of its operations and conducts regular fire and safety audits at all its manufacturing facilities. The Company also ensures that it has the right systems in place at all times to monitor performance and identify potential safety risks thus mitigating any potential hazard.

RESEARCH & DEVELOPMENT

Hitech's Design and Development Centre, accredited by the Department of Scientific and Industrial Research (DSIR) of the Government of India is at Sanaswadi. Mould design and development remains at the forefront of Hitech's technological enterprise, including other innovations ranging from low cost automation to process improvement complement its holistic approach towards providing customer delight. Our Design and Development Centre is working across several dimensions of creating better materials, using lesser materials without impacting the performance, using more sustainable alternatives and so on.

INTERNAL CONTROL SYSTEMS

Hitech's internal control system is commensurate with the nature business, size and complexity of its operations and is aligned with the requirement of the Companies Act, 2013. The management assessed the effectiveness of the Company's internal control over financial reporting requirements and the Statutory Auditors of the Company have issued an attestation report as required under section 143 of the Companies Act, 2013. The internal audit plan is prepared each year covering all manufacturing facilities and includes various aspects of our business like accounting and finance, procurement, IT processes etc, we periodically review our risk management systems covering various business processes to increase our profitability, efficiency and operational excellence.

FINANCIAL PERFORMANCE

The key highlights of our financial performance are given below.

Revenues and Profitability

| Particulars | FY 2023 | FY 2022 | Change | Remarks |
|-----------------------------------|---------|---------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operating revenue (₹ in lakhs) | 55,867 | 58,845 | 5% | Reduction was mainly due to reduction in tonnage and a fall in polymer prices as compared to the previous year. |
| EBITDA (₹ in lakhs) | 7,592 | 8,659 | 12.5% | As a percentage to sales the drop is 1.13% mainly because of increase in minimum wages. |
| Net profit after tax (₹ in lakhs) | 2,832 | 3,739 | 24% | The major drop is owing to lower exceptional income as compared to previous year (₹381 lakhs V/s ₹994 lakhs). As a percentage to sales, the drop is marginal. |

- Exceptional Item this year includes profit of ₹368 lakhs on compulsory acquisition of property at Naroli by the Gujarat government for bullet train project. This, profit on sale of property being a non-recurring event has been considered as an exceptional item.

Financial Ratios:

| Ratios | FY 2023 | FY 2022 | Remarks |
|--------------------------------------------------------------|---------|---------|-----------------------------------------------------------------|
| Debtors Turnover Ratio (in days) | 26 | 27 | Improved collection. |
| Inventory Turnover Ratio (on Cost of Goods Sold and in days) | 42 | 40.5 | Marginal change. |
| Interest Coverage Ratio | 5.8 | 6.0 | Improved owing to reduction in borrowings. |
| Current Ratio | 1.2 | 1.0 | Improved working capital management. |
| Debt Equity ratio | 0.3 | 0.4 | Improved because of repayment of borrowings. |
| Operating Margin Ratio | 9.2% | 11.3% | Reduced mainly because of increase in minimum wages. |
| Net Profit Margin | 5.1% | 6.4% | |
| Return on Net Worth (RONW) | 12.3% | 18.7% | Reduced mainly because of lower sales and its cascading effect. |
| Return on Capital Employed (RoCE) | 16.3% | 18.9% | |

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing our objective, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our Company operations include, among others, economic conditions affecting demand/supply and price conditions in the markets in which we operate, changes in government regulations, tax laws and other statutes and incidental factors.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an integral element in sustainable corporate growth and building confidence of various stakeholders. The epitome of Corporate Governance lies in cherishing and upholding integrity, transparency and accountability in the management's higher stratum. The Company believes in sustainable corporate growth which emanates from strong governance standards, focusing on fairness, transparency, accountability and responsibility. The Company has always focused on good Corporate Governance, which is a key driver of sustainable corporate growth and long term value creation for its stakeholders.

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. The Company continuously endeavours 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) & (t) 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 Listing Regulations is given below:

GOVERNANCE STRUCTURE

In order to have a robust governance, the Company has a multi-tiered governance structure which comprises of Board of Directors and various Committees of the Board at the apex level with Independent Directors forming majority and the Management structure at the operational level. The roles and responsibilities of every constituent of the system have been defined. The Board is the apex body constituted by the shareholders to oversee the company's overall functioning. They are responsible for providing strategic supervision, overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays a vital role in the oversight of the Company's affairs, while the Company's day to day affairs are managed by a competent management team under the overall supervision of the Board. The Board has constituted several Committees to focus on well-defined areas of responsibility, with a mandate to make time-bound recommendations.

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 paves the way to 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), Non-Executive Independent Vice Chairman and an optimum representation of Independent Directors on the Board.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven listed entities. Further none of them is a member of more than ten committees or 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, 2023, have been made by the Directors.

The composition of the Board of Directors of the Company as on March 31, 2023 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 |
| Total | 8 |

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, 2023 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 | Interse relationship | Date of joining the Board | Attendance | | As on 31 st March, 2023 | | | |
|----------------------------------------|-------------------------------------------------------|--------------------------|---------------------------|-----------------------|-----------------|------------------------------------------|--------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------|
| | | | | 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 | | No. of shares held in the Company along with % age to the paid-up share capital of the Company# |
| | | | | | | | Committee Member | Committee Chairman | |
| Mr. Ashwin S. Dani (DIN:00009126) | Non-Executive Chairman/ Promoter | Father of Mr. Malav Dani | 13.01.1992 | 4 | Yes | 3 | 1 | 1 | 2,30,095 (1.34%) |
| Mr. Jayendra R. Shah (DIN:00132613) | Non-Executive Vice-Chairman/ Independent ^s | * | 14.11.2013 | 4 | Yes | - | - | - | 1,800 (0.01%) |

| Name of the Director | Nature of Directorship | Intere relationship | Date of joining the Board | Attendance | | As on 31 st March, 2023 | | | No. of shares held in the Company along with % age to the paid-up share capital of the Company# |
|-----------------------------------------|-----------------------------|------------------------|---------------------------|------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------|--------------------|-----------------------|-------------------------------------------------------------------------------------------------|
| | | | | Director ships in other public companies | Membership and Chairmanship of the Committees of the Board of other public companies | Committee Member | Committee Chairman | | |
| | | | | | | | | At the Board Meetings | |
| Mr. Harish N. Motiwalla (DIN: 00029835) | Non-Executive/ Independent | * | 10.12.2004 | 4 | Yes | 6 | 6 | 4 | Nil |
| Mr. Malav A. Dani (DIN:01184336) | Managing Director/ Promoter | Son of Mr. Ashwin Dani | 01.02.2008 | 4 | Yes | 1 | - | - | 54,000 (0.31%) |
| Mr. Mehernosh 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 | 2 | Yes | - | - | - | Nil |
| Ms. Kalpana V. Merchant (DIN:00827907) | Non-Executive/ Independent | * | 27.02.2020 | 4 | No | 2 | - | - | Nil |

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

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, 2023.

\$ Mr. Jayendra R. Shah, Non-Executive Independent Director of the Company was also appointed as Vice-Chairman of the Board of the Company at the meeting of Board of Directors held on February 11, 2023.

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

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

| Name of the Director | Name of the Listed Company | Category of Directorship |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Ashwin S. Dani (DIN:00009126) | Asian Paints Limited | Non-Executive Non-Independent Director |
| Mr. Harish N. Motiwalla (DIN: 00029835) | Excel Industries Limited Ashapura Minechem Limited Multibase India Limited Orient Abrasives Limited | Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director |
| Mr. Malav A. Dani (DIN:01184336) | Asian Paints Limited | Non-Executive Non- Independent Director |

Board Diversity:

Board Diversity plays an important role in strengthening the Corporate Governance framework. It aims to nurture a broad gamut of demographic attributes and characteristics in the boardroom.

The Company believes that a diverse Board would enhance the quality of the decisions making process by utilizing the different skills, qualifications, professional experience, gender perspective, functional expertise, independence 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, 2023, four (4) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty (120) days. The dates on which the Board Meetings were held are as follows:

| | |
|----------------|-------------------|
| May 14, 2022 | November 8, 2022 |
| August 6, 2022 | February 11, 2023 |

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 Listing Regulations.

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 Listing Regulations 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 | ✓ | | ✓ | ✓ | ✓ | ✓ |

Note: 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 as amended from time to time. Based on confirmation / disclosures received from Directors and on evaluation of the same, all Independent 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, complies with 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 Listing Regulations, the Independent Directors had a separate meeting on March 25, 2023, 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 Listing Regulations, 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, 2023. 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, Risk Management Committee, Executive Committee and Investment 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. All the 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 Listing Regulations, as amended from time to time. The Committee consisted 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.

During the financial year ended March 31, 2023, four (4) meetings of the Audit Committee were held. The dates on which the said meetings were held are as follows:

| | |
|----------------|-------------------|
| May 14, 2022 | November 8, 2022 |
| August 6, 2022 | February 11, 2023 |

Mr. Harish N. Motiwalla, the Chairman of the said Committee, was present at the last Annual General Meeting held on July 16, 2022 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, 2023, are detailed below:

| Name | Category | Chairman/ Member | Meeting Details | |
|-------------------------|-------------------------------|---------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Harish N. Motiwalla | Non-Executive/ Independent | Chairman | 4 | 4 |
| 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 | 4 |

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

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. 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:
- a. 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;
 - a. Changes, if any, in accounting policies and practices and reasons for the same;
 - b. Major accounting entries involving estimates based on the exercise of judgment by management;
 - c. Significant adjustments made in the financial statements arising out of audit findings;
 - d. Compliance with listing and other legal requirements relating to financial statements;
 - e. Modified opinion(s) in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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;
 7. Review and monitor the auditors' independence and performance and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the Company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 11. Evaluation of the Company's internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company;
 13. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern relating to the Company;
 14. Looking into the reasons for substantial defaults (if any), in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 16. Discussion with internal auditors of any significant findings and follow up there on;
 17. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
 18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 19. To review the functioning of the Whistle Blower mechanism;
 20. Reviewing the 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;
 21. 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
 22. 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 ("NRC") 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 Listing Regulations, 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 following Directors:

| | |
|--------------------------|-------------------------------------|
| Mr. Harish N. Motiwalla | Non-Executive Independent, Chairman |
| Mr. Jayendra R. Shah | Non-Executive Independent, Member |
| Mr. Ashwin S. Dani* | Non-Executive Promoter, Member |
| Ms. Kalpana V. Merchant# | Non-Executive Independent, Member |

*Resigned w.e.f. 11th February 2023

#Appointed as Member w.e.f. 11th February 2023

During the financial year ended March 31, 2023, three (3) meetings of the Committee were held on the following dates.

| | |
|------------------|-------------------|
| May 14, 2022 | February 11, 2023 |
| November 7, 2022 | |

The details of the attendance of the members are as below:

| 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. Jayendra R. Shah | Non-Executive / Independent | Member | 3 | 3 |
| Mrs. Kalpana V. Merchant* | Non-Executive / Independent | Member | 3 | 0 |

*Since Ms. Kalpana V. Merchant was appointed as Member w.e.f. February 11, 2023, she was not entitled to attend any of the meetings held during the financial year.

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 July 16, 2022.

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 (DIN: 01184336), 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 reappointed 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 29th Annual General Meeting of the Company held on September 26, 2020.

Whole Time Director:

Mr. Mehernosh Mehta (DIN: 00372340), was appointed as the Wholetime Director for a period of 5 years till March 16, 2021. Further he was reappointed 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 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 December 22, 2018.

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/payable to the Directors of the Company for the financial year ended March 31, 2023 are as follows:

(Figures in ₹)

| Name of the Director | Salary@ | Others | Sitting Fees | Performance Linked Bonus | Commission | Total |
|----------------------|-----------|--------|--------------|--------------------------|------------|-----------|
| Ashwin S. Dani | -- | -- | 2,30,000 | -- | 2,00,000 | 4,30,000 |
| Harish N. Motiwalla | -- | -- | 4,40,000 | -- | 6,50,000 | 10,90,000 |
| Malav A. Dani*§ | 50,38,009 | -- | -- | 35,00,000 | -- | 85,38,009 |
| Jayendra R. Shah | -- | -- | 4,50,000 | -- | 3,50,000 | 8,00,000 |
| Mehernosh A. Mehta* | 23,88,385 | -- | -- | 2,77,704 | -- | 26,66,089 |
| Bomi P. Chinoy | -- | -- | 4,20,000 | -- | 3,40,000 | 7,60,000 |
| Aditya M. Sheth | -- | -- | 1,20,000 | -- | 1,40,000 | 2,60,000 |
| Kalpana V. Merchant | -- | -- | 4,10,000 | -- | 3,20,000 | 7,30,000 |

@ Salary includes perquisites.

* As per contract with the Company. Performance linked bonus pertains to the year 2022-23.

§ 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.

None of the Non-Executive Directors have been paid remuneration more than 50% (fifty percent) of the total remuneration paid to all the Non-Executive Directors taken together.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consisted of three (3) Members, viz, Mr. Ashwin S. Dani, as Chairman, Mr. Malav A. Dani*, Mr. Jayendra R. Shah** and Mr. Bomi P. Chinoy as the 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, 2023 is detailed below:

| Date(s) on which the Meeting(s) were held : | |
|---------------------------------------------|--------------------|
| April 18, 2022 | September 13, 2022 |
| June 10, 2022 | November 15, 2022 |
| June 16, 2022 | January 30, 2023 |
| July 11, 2022 | March 13, 2023 |
| July 21, 2022 | |

| Name | Category | Chairman/Member | Meeting Details | |
|----------------------|----------------------------|-----------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Ashwin S. Dani | Non-Executive /Promotor | Chairman | 9 | 9 |
| Mr. Malav A. Dani | Executive/ Promoter | Member* | 9 | 1 |
| Mr. Bomi P. Chinoy | Non-Executive /Independent | Member | 9 | 9 |
| Mr. Jayendra R. Shah | Non-Executive /Independent | Member** | 9 | 8 |

*Resigned w.e.f. May 14, 2022

**Appointed w.e.f. May 14, 2022

At the Board Meeting held on May 14, 2022, the Committee was reconstituted by inducting Mr. Jayendra R. Shah as member in place of Mr. Malav Dani who resigned from the membership of the Committee w.e.f. May 14, 2022. After reconstitution, the Committee consists of Mr. Ashwin S. Dani, as Chairman, Mr. Bomi P. Chinoy and Mr. Jayendra R. Shah, Independent Directors, as the Members.

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, subdivision, 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, 2023 are as follows:

| Nature of Complaints | Pending at the beginning of the year | Received during the year | Resolved during the year | Pending at the end of the year |
|--------------------------------------------------|--------------------------------------|--------------------------|--------------------------|--------------------------------|
| Non-receipt of shareholder documents. | - | - | - | - |
| Non-receipt of duplicate share certificate | - | - | - | - |
| Non-receipt of shares certificate after transfer | - | - | - | - |
| Total | - | - | - | - |

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. As on March 31, 2023, the Committee consists of Mr. Jayendra R. Shah as Chairman, Mr. Malav Dani, Mr. Bomi P. Chinoy and Mr. Aditya M. Sheth as members.

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, 2023 is detailed below:

| Date(s) on which the Meeting(s) were held : | | | | |
|---------------------------------------------|------------------------------|-----------------|-----------------|----------|
| May 14, 2022 | | | | |
| Name | Category | Chairman/Member | Meeting Details | |
| | | | Held | Attended |
| Mr. Jayendra R. Shah | Non-Executive/Independent | Chairman* | 1 | 1 |
| Mr. Malav A. Dani | Managing Director / Promoter | Member** | 1 | 1 |
| Mr. Bomi P. Chinoy | Non-Executive/Independent | Member | 1 | 1 |
| Mr. Aditya M. Sheth | Non-Executive/Independent | Member | 1 | 1 |

*Redesignated as Chairman w.e.f. May 15, 2022

** Redesignated as Member w.e.f. May 15, 2022

At the Board meeting held on May 14, 2022, the Committee was reconstituted by re-designating Mr. Jayendra R. Shah as Chairman of the Committee in place of Mr. Malav Dani who stepped down as Chairman with effect from May 15, 2022, but remain as member of the Committee.

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

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

1. To monitor the implementation of the CSR policy of the Company from time to time and to carry out suitable amendments as and when required, in compliance with the provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
3. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d) monitoring and reporting mechanism for the projects or programmes; and
 - e) details of need and impact assessment, if any, for the projects undertaken by the company.
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

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

5. RISK MANAGEMENT COMMITTEE (Non mandatory)

Although the provisions of Listing Regulations, 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.

As on March 31, 2023, 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.

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

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

The terms of reference of the Committee include the following:

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

6. EXECUTIVE COMMITTEE

The Board of Directors of the Company has constituted an 'Executive Committee' consisting of Mr. Malav Dani, Managing Director as Chairman, Mr. Mehernosh Mehta, Whole time Director, Mrs. Avan R. Chaina, Chief Financial Officer and Mr. Ketan Sarda, Head – Commercial as Members to deal with the matters relating to day-to-day operations of the Company.

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

During the year, One (1) meeting of the Committee was held on December 20, 2022 which was attended by all the Members.

The terms of reference of the Committee include the following:

1. 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;

2. Power to approve capital expenditure proposals exceeding ₹ 1,00,00,000/- (Rupees One Crore only) but not exceeding ₹ 3,00,00,000/- (Rupees Three Crore only);
3. Power to approve disposal of assets exceeding Written Down Value (WDV) of ₹ 5,00,000/- (Rupees Five Lakhs only) but not exceeding ₹ 25,00,000/- (Rupees Twenty Five Lakhs only);
4. 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;
5. 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 Rs 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.);
6. 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
7. Any other matters as may be delegated by the Board from time to time.

7. INVESTMENT COMMITTEE

The Board of Directors of the Company at its meeting held on February 11, 2023 has constituted an 'Investment Committee' consisting of all Independent Directors viz. Mr. Bomi P. Chinoy as Chairman and Mr. Harish N. Motiwala, Mr. Jayendra R. Shah & Ms. Kalapana V. Merchant as Members to oversee organization's strategic investments and whether they are managed in a way that aligns with the organization's goals and objectives.

As it is not a statutory committee, meetings are held as and when required and Minutes of the Meeting is placed before the ensuing Board Meeting. During the financial year no meeting of the said Committee was held.

The terms of reference of the Committee includes the following:

1. Reviewing and evaluating proposals for investments for expansions like mergers & amalgamation, demergers, acquisitions (including acquisitions through purchase of Shares or purchase of Assets), slump sale, divestments, joint ventures, strategic alliances/technological tie ups, spin offs etc.
2. Reviewing and evaluating proposals for large projects requiring capital expenditure based on strategic plans of the Company.
3. Authorizing executive committee to conduct due diligence.
4. Appointing valuers, lawyers, advocates and other independent professionals.
5. Obtaining valuation reports.
6. Authorizing Executive Committee for initiating negotiations.
7. Authorizing officials for signing certain documents like NDAs on behalf of the Company.
8. Making appropriate recommendations to the Board of Directors of the Company.

9. Finalizing the Memorandum of Understanding (MOUs)/Term Sheets,
10. Finalizing the scheme, before it is placed to the Board for its approval.
11. Reviewing the post transaction completion and integration processes.
12. Reviewing if the status is in line with the plans for acquisitions/strategical alliances/technological tie ups.

Related Party Transactions:

During the year under review, all the Related Party Transactions (RPTs) were undertaken in compliance with the provisions of Section 188 and Section 177 of Companies Act, 2013 and Regulation 23 of Listing Regulations. Further, all the related party transactions are in ordinary course of business and on arms' length basis. 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 prior 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). The details of the related party transactions are set out in the notes to financial statements forming part of this Annual Report. During the year, SEBI introduced substantial changes in the related party transactions framework, inter alia, by enhancing the purview of the definition of related party and overall scope of transactions with related parties. Considering the changes to the Listing Regulations relating to related party transactions, the Company's 'Policy on dealing with materiality of related party transactions' was suitably amended to align the same with the new requirements prescribed by SEBI. Consequently, the Company also amended the framework for Related Party Transactions which is followed for identifying, entering into and monitoring related party transactions. During the year, no materially significant transaction was entered into by the Company with its related parties that may have a potential conflict with the interests of the Company.

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 |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------|-----------------------------------------------|------------------------------|
| 2021-22 | 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 | July 16, 2022 | 11:00 a.m. | -- | -- |

| Year | Location | Meeting Date | Time | No. of Special Resolutions set out at the AGM | Subject Matter of Resolution |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| 2020-21 | 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 | July 29, 2021 | 2.00 p.m. | 1 | Approval for continuation of Directorship of Mr. Ashwin Dani (DIN: 00009126) as a Non-Executive Director of the Company |
| 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. | -- | -- |

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, no resolutions were passed through postal ballot.

Postal Ballots whenever conducted would be carried out as per the procedure mentioned in Rule 22 of Companies (Management and Administration) Rules, 2014, including any amendment thereof. There is no immediate proposal for passing any resolution through Postal Ballot.

The details of the previous postal ballots are available on the website of the Company at <https://hitechgroup.com/investor/Display/postalballot>

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 the provisions of the Act and Regulation 22 of Listing Regulations, your Company has adopted a Whistle Blower Policy with an objective to provide its employees and directors a mechanism whereby concerns including cases of leakage of unpublished price sensitive information and consequent non-compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI Insider Trading Regulations") 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 Listing Regulations 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 as per affirmations provided by the promoter(s), KMPs and Senior Management Personnel under Regulation 26(6) of the listing Regulations.

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

- The Non-Executive Chairman of the Company has been provided a Chairman's Office at the Registered Office of the Company.
- During the year under review, there is no audit qualification on the Company's financial statements. The Company ensures regime of unmodified audit opinion.
- The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.
- The Company has constituted a Risk Management Committee, the details of which has been provided elsewhere in the Report.

e) The Internal Auditors report to the Audit Committee of the Company and participates in the meeting of the Audit Committee and presents their internal audit observations.

f) The Company publishes audited standalone financial results every quarter.

5. Subsidiary Companies:

The Company does not have any subsidiary.

6. Policy for prevention of Sexual Harassment of Women at Workplace:

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 provide an environment which is free from 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 policy can be accessed through the following weblink <https://hitechgroup.com/investor/Display/codeofConduct>.

The details of complaints are stated hereunder:

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

7. Credit ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilisation of funds, whether in India or abroad:

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended March 31, 2023. CRISIL has rated the short-term borrowings and long-term borrowings of the Company as A1 and A/Stable. There was no revision in the said ratings during the year under review.

8. Miscellaneous:

- During the year there were no funds raised through preferential allotment or qualified institutional placement.
- There were no such instances during the financial year 2022-23 where Board had not accepted any recommendation of any committee of the Board, which is mandatorily required, in the relevant financial year.
- Total fees for all services paid by the listed entity 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 ₹ 27.49 lakhs.
- Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Nilesh Shah (CP No.2631), Partner of M/s Nilesh Shah & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at its meeting held on May 17, 2023 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.
- f) The auditors' report on financial statements of the Company are unmodified. Internal auditors of the Company make quarterly presentations to the Audit Committee on their reports.

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. 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) & NSE Digital Portal:

NEAPS and NSE digital portal 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 and NSE Digital Portal.

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.

Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are in a machine-readable format that allows users to find relevant information easily through a searching tool.

6. SEBI Complaints Redress System (SCORES):

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

7. Reminders to Investors:

Reminders to the shareholders are sent, *inter alia*, for claiming, unclaimed dividend and consequent transfer of shares thereto, for registering their PAN, email, KYC & Nomination details etc., electronically as well as in physical mode on regular basis.

8. Exclusive email id for investors:

The Company has a designated email id i.e. investor.help@hitechgroup.com exclusively for investor servicing, and the same is prominently displayed on the Company's website.

9. Institutional Investors:

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

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

Shareholders, who still continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the 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

32nd Annual General Meeting of the Company: -

| | |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Day and Date | Saturday July 8, 2023 |
| Venue | Annual General Meeting ("AGM") would be held through Video Conference / Other Audio Visual Means. [Deemed venue for meeting: Registered office of the Company at 201, Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013] |
| Time | 10.30 a.m. |

Financial Calendar:

Financial year : 1st April to 31st March

For the year ended March 31, 2023, quarterly financial results were announced on:

| | |
|-------------------|--------------------------------|
| August 8, 2022 | First Quarter |
| November 8, 2022 | Second Quarter and Half Yearly |
| February 11, 2023 | Third Quarter and Nine Months |
| May 17, 2023 | Fourth Quarter and Annual |

For the financial year ending on March 31, 2024, quarterly financial results will be announced as per the tentative schedule mentioned below:

| | |
|--------------------------------|--------------------------------|
| On or before August 15, 2023 | First Quarter |
| On or before November 15, 2023 | Second Quarter and Half Yearly |
| On or before February 15, 2024 | Third Quarter and Nine Months |
| On or before May 30, 2024 | Fourth Quarter and Annual |

Record Date : July 01, 2023

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 17, 2023 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 8, 2023.

- to those members whose names appear on the Company's Register of Members, in physical form as on July 01, 2023.
- 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 01 2023.

The Company provides the facility for remittance of dividend to members through DC (Direct Credit)/NACH (National Automated Clearing House)/NEFT (National Electronic Funds Transfer). In cases where the core banking account details are not available, the Company will issue the dividend warrants/demand drafts mentioning the existing bank details available with the Company. Members who have not opted for remittance of dividend through electronic mode and wish to avail the same are required to provide their bank details, including IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition), to their respective Depository Participants ("DPs") for shares held in electronic form or to the Company's RTA for shares held in physical form, as the case may be, in order to ensure safe and speedy credit of their dividend into their bank account. Dividend income is taxable in the hands of shareholders with effect from April 01, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Further details in this regard have been made available in the Notice for the Company's ensuing 32nd AGM forming part of this Annual Report.

The Company sends TDS certificate to the shareholders at their registered email id or postal address, as the case may be, post payment of the dividend in terms of applicable provisions of the law.

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) |
| 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 |
| 2020-2021 | 10 | 1.00 | 171.76 | 9 | 0.90 | 191.84 |
| 2021-2022 | 10 | 1.00 | 171.76 | -- | -- | -- |

Listing on Stock Exchanges:

The Company's equity shares are listed on:

- BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai 400 001.
Stock Code: 526217
- The National Stock Exchange of India Limited (NSE)
Exchange Plaza, 5th Floor, Plot No. C/1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.
Stock Code: HITECHCORP

Corporate Identification Number (CIN): L28992MH1991PLC168235

International Securities Identification Number (ISIN) : INE120D01012

Payment of Listing and Depository Fees

The Company has paid the Annual listing fees for the financial year 2023-24 to BSE and NSE.

Annual Custody / Issuer fees have being paid by the Company to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

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, 2023 are given as follows:

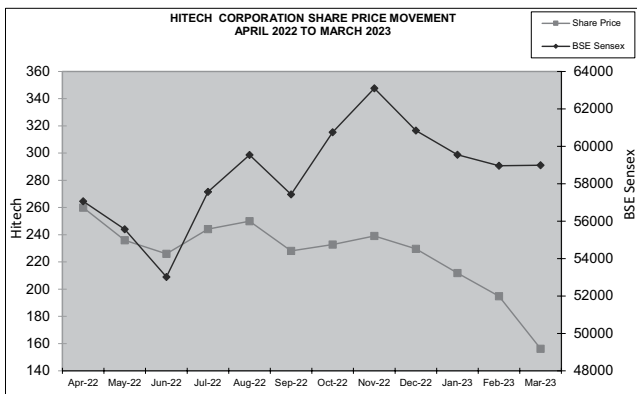
| Month | BSE | | | NSE | | |
|-------------|----------|---------|------------------------|----------|---------|------------------------|
| | High (₹) | Low (₹) | Volume (No. of Shares) | High (₹) | Low (₹) | Volume (No. of Shares) |
| 2022 | | | | | | |
| April | 337.50 | 226.20 | 97,214 | 338.00 | 224.00 | 9,57,076 |
| May | 265.50 | 220.15 | 37,080 | 264.75 | 221.60 | 1,41,999 |
| June | 284.65 | 213.00 | 72,197 | 287.55 | 212.60 | 1,76,214 |
| July | 262.95 | 221.25 | 57,157 | 257.00 | 216.40 | 1,71,463 |
| August | 270.00 | 233.00 | 70,515 | 271.95 | 239.00 | 2,52,460 |
| September | 264.00 | 217.75 | 30,836 | 260.00 | 213.30 | 1,49,496 |
| October | 275.00 | 219.85 | 87,366 | 278.25 | 221.00 | 3,25,628 |
| November | 265.00 | 223.95 | 92,373 | 267.60 | 226.00 | 2,56,661 |
| December | 257.00 | 205.60 | 64,170 | 253.00 | 210.00 | 1,65,281 |
| 2023 | | | | | | |
| January | 229.65 | 210.90 | 97,668 | 229.00 | 210.00 | 1,26,766 |
| February | 224.00 | 177.10 | 96,571 | 222.95 | 185.55 | 1,72,047 |
| March | 203.50 | 153.85 | 1,20,795 | 203.65 | 151.35 | 3,15,299 |

Source: BSE and NSE Website

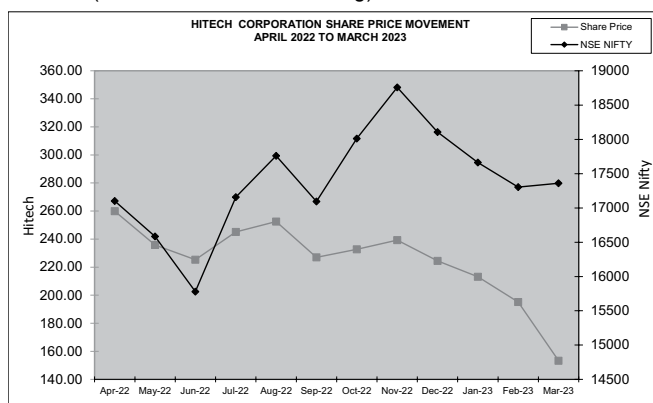
Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's Shares on BSE & NSE.

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 2022-23 (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 2022-23 (based on month end closing).

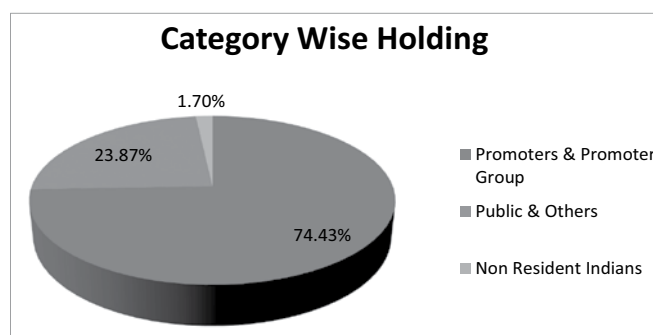


Share Transfer System:

In terms of the Listing Regulations, equity shares of the Company can only be transferred in dematerialised form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL), within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification.

Shareholding Pattern as on March 31, 2023: -

| Category of Shareholder(s) | Total No. of Equity Shares | Percentage of total no. of Equity shares |
|-----------------------------------------------------------------------------------|----------------------------|------------------------------------------|
| (A) Shareholding of Promoter and Promoter Group | | |
| (a) Individuals/Hindu Undivided Family | 4,77,185 | 2.78 |
| (b) Bodies Corporate | 1,23,07,295 | 71.65 |
| Total Shareholding of Promoter and Promoter Group (A) | 1,27,84,480 | 74.43 |
| (B) Public Shareholding | | |
| 1) Institutions | | |
| (a) Mutual Funds/UTI/Foreign Portfolio Investor | - | - |
| (b) Financial Institution / Banks/NBFC | 7,500 | 0.04 |
| Sub-Total (B) (1) | 7,500 | 0.04 |
| 2) Central Government / State Government(s)/IEPF | | |
| (a) Central Government / President of India | - | - |
| (b) State Government / Governor | 3,000 | 0.02 |
| (c) Investor Education and Protection Fund (IEPF) | 1,34,231 | 0.78 |
| Sub-Total (B) (2) | 1,37,231 | 0.80 |
| 3) Non Institutions | | |
| (a) Bodies Corporate | 3,97,739 | 2.32 |
| (b) Hindu Undivided Family | 2,99,676 | 1.75 |
| (c) Individuals | | |
| (i) Individual shareholders holding nominal share capital up to ₹ 2 Lakhs | 20,39,682 | 11.88 |
| (ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs | 12,15,048 | 7.07 |
| (d) Individual (Non-Resident Individuals) | 2,92,094 | 1.70 |
| (e) Directors and their relatives | 1,950 | 0.01 |
| (f) Unclaimed Shares Suspense account | 300 | 0.00 |
| Sub-Total (B) (3) | 42,46,489 | 24.73 |
| Total Public shareholding (B)=(B)(1) + (B)(2)+(B)(3) | 43,91,220 | 25.57 |
| Total (A) + (B) | 1,71,75,700 | 100.00 |



Updation of PAN, KYC and Nomination Details:

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/ CIR/2023/37 dated March 16, 2023, in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details.

As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, inter alia, furnish PAN, KYC, and nomination details. Physical folios wherein the PAN, KYC, and nomination details were not available on or after April 01, 2023, were to be frozen by the RTA and would be eligible for lodging grievance or any service request only after registering the required details. The said timeline of April 01, 2023 for freezing of folios has been extended to October 01, 2023.

Any payments including dividend in respect of such frozen folios shall only be made electronically with effect from April 01, 2024, upon registering the required details. The said physical folios shall be referred by the Company or RTA to the administering authority under the Prohibition of Benami Property Transactions Act, 1988 and/or Prevention of Money-Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

The Company has sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. The necessary forms in this regard have been made available on the website of the Company at <https://hitechgroup.com/investor/Display/miscellaneous> and its RTA at <https://linkintime.co.in/downloads.html>. Members are advised to register their details with the RTA, in compliance with the said Circular for smooth processing of their service requests.

Distribution of equity shareholding of the Company as on March 31, 2023 is as follows:

| No. of Equity Shares | Shareholders | | Shareholding | |
|----------------------|--------------|---------------|-----------------|---------------|
| | Number | % to Total | Number | % to Total |
| Upto 500 | 7102 | 90.01 | 714473 | 4.16 |
| 501 – 1000 | 312 | 3.95 | 248586 | 1.45 |
| 1001 – 2000 | 190 | 2.41 | 287866 | 1.68 |
| 2001 - 3000 | 67 | 0.85 | 174634 | 1.02 |
| 3001 – 4000 | 42 | 0.53 | 148585 | 0.87 |
| 4001 – 5000 | 53 | 0.67 | 255183 | 1.49 |
| 5001 – 10000 | 51 | 0.65 | 363992 | 2.12 |
| 10001 and above | 73 | 0.93 | 14982381 | 87.23 |
| Total | 7890 | 100.00 | 17175700 | 100.00 |

Details of the Company's dematerialised shares as on March 31, 2023:

| Type of shares | Number of shares | % to total shares | Number of shareholders | % to total shareholders |
|----------------|------------------|-------------------|------------------------|-------------------------|
| Equity Shares | 1,68,93,647 | 98.36 | 6,696 | 84.87 |

Break up of equity shares in physical and demat form as on March 31, 2023:

| | No of shares | % of shares |
|----------------------|--------------------|---------------|
| Physical Segment | 2,82,053 | 1.64 |
| Demat Segment | | |
| NSDL | 1,54,88,105 | 90.18 |
| CDSL | 14,05,542 | 8.18 |
| Total | 1,71,75,700 | 100.00 |

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, 2023.

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 dematerialized 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 98.36% 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 of shares:

In accordance with the provisions of Section 72 of the Companies Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the website of the Company at <https://hitechgroup.com/investor/Display/miscellaneous>

Permanent Account Number ("PAN"):

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN Card of the transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Updation of shareholders details:

1. Shareholders holding shares in physical form are requested to notify the changes to the Company/its RTA, promptly by a written request under the signatures of sole/first joint holder; and
2. Shareholders holding shares in electronic form are requested to send their instructions directly to their DPs.

Shareholders holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.

Non-resident shareholders:

Non-resident shareholders are requested to immediately notify:

1. Indian address for sending all communications, if not provided so far;
2. Change in their residential status on return to India for permanent settlement; and
3. Particulars of their Non-resident rupee account, whether repatriable or not, with a bank in India, if not furnished earlier.

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.

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 2022-23:

| Particulars | Amount of Dividend (in ₹) | No. of Equity Shares |
|-----------------------------------------------|---------------------------|----------------------|
| Final Dividend for the Financial Year 2014-15 | 2,52,420.00 | 9,064 |

Note:

Total number of shares outstanding in the demat account of the IEPF Authority as on March 31, 2023 stands at 1,34,231 shares in comparison to 1,25,267 shares as on March 31, 2022.

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 and sending a physical copy of the same, duly signed to the Company alongwith requisite documents.

In terms of 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 31.03.2023 (in ₹) | Due Date for transfer to IEPF |
|----------------|-------|---------------------------------------------------|-------------------------------|
| 2015-2016 | Final | 2,83,226.40 | 22.10.2023 |
| 2016-2017 | Final | 3,03,093.00 | 01.09.2024 |
| 2017-2018 | Final | 2,70,943.20 | 14.08.2025 |
| 2018-2019 | Final | 2,60,795.70 | 29.10.2026 |
| 2019-2020* | - | - | - |
| 2020-2021 | Final | 1,38,505.00 | 02.09.2028 |
| 2021-2022 | Final | 1,22,791.00 | 21.08.2029 |

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

During the financial year 2023-24, the Company would be transferring unclaimed final dividend for the financial year ended March 31, 2016 to IEPF within 30 days from the due date i.e. October 22, 2023.

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

Shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed. No claims shall lie against the Company in respect of the dividend/shares so transferred.

In accordance with the IEPF Rules, the Board of Directors of the Company have appointed Mrs. Namita Tiwari, Company Secretary & Compliance Officer of the Company as the Nodal Officer.

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:-

In accordance with the requirements of Regulations 34 and 39 read with Schedule V(F) of the Listing Regulations details of equity shares in Hitech Corporation Limited – Unclaimed Suspense Account are as follows:

| Particulars | Number of Shareholders | Number of Equity Shares |
|--------------------------------------------------------------------------------------------------------------|------------------------|-------------------------|
| Opening Balance: Aggregate number of shareholders and the unclaimed shares lying as on April 1, 2022. | 3 | 300 |
| Less: Number of shareholders who approached the Company for transfer of shares. | - | - |
| Less: Number of shareholders and aggregate number of shares transferred to the IEPF during the year. | - | - |
| Closing Balance: Aggregate number of shareholders and Unclaimed shares lying as on March 31, 2023 | 3 | 300 |

All the corporate benefits against those shares like bonus shares, split, etc., if any would also be transferred to Unclaimed Suspense Account of the Company. While the dividend for the shares which are lying in Unclaimed Suspense Account would be credited back to the relevant dividend accounts of the Company.

The voting rights on shares lying in Unclaimed Suspense Account shall remain frozen till the rightful owner claims the shares.

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, 2023 | | | 1,71,75,700 |

Registrar and Transfer Agents:

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

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

Link Intime India Private Limited

Unit: Hitech Corporation Limited

C-101, 247 Park, LBS Road, Vikhroli (West), Mumbai - 400 083.

Tel.: 022 4918 6000 Fax: 022 4918 6060

E-mail: rnt.helpdesk@linkintime.co.in

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

Manufacturing Plant locations:

Sanaswadi:

Manufacturing Facility and Technology Centre

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

Sriperumbudur:

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

Rohtak:

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

Khandala:

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

Naroli Unit I & II:

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

PPMF:

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

Baddi Unit I & II:

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

Umbergaon:

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

Mysuru:

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

Vizag:

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

Address for correspondence:

Registered Office:

HITECH CORPORATION LIMITED

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

Kamala City, Senapati Bapat Marg,

Lower Parel (W),

Mumbai - 400 013

E-mail : investor.help@hitechgroup.com

CODE OF CONDUCT 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 Listing Regulations, the Code of Conduct has been posted on the website of the Company in accordance with the requirement under Regulation 46(2)(d) of Listing Regulations and as per the requirement under Regulation 26(3) of Listing Regulations 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, 2023. A declaration to this effect signed by Mr. Malav A. Dani, Managing Director of the Company is annexed to this report as Annexure 'B'. The Code of Conduct is available on the website of the Company at <https://hitechgroup.com/investor/Display/codeofConduct>

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 Company from time to time conducts trainings and workshops with designated persons to create awareness on various aspects of prevention of insider trading code and the SEBI Insider Trading Regulations and to ensure that the internal controls are adequate and effective to ensure compliance.

The Code of Conduct to Regulate, Monitor and Report trading by Insiders and Code of Fair Disclosure & Practices is available on the website of the Company at <https://hitechgroup.com/investor/Display/codeofConduct>

CEO/CFO Certification:

As required by Regulation 17(8) of Listing Regulations, the CEO/CFO Certificate for the financial year ended March 31, 2023 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 17, 2023 is annexed to this Report as Annexure 'B'.

Auditor's Certificate on Corporate Governance:

As required by Schedule V of the Listing Regulations, the Auditor's Certificate on Corporate Governance forms part of the Annual Report.

ANNEXURE A TO REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2023 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
Unit No. 201, 2nd 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, 2023** 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 Motiwalla | 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: F004554E000327536

Date: May 17, 2023
Place: Mumbai

Annexure B to Report on Corporate Governance for the year ended March 31, 2023

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, 2023.

Place : Mumbai
Date : May 17, 2023

Malav A. Dani
Managing Director
(DIN:01184336)

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, 2023 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 17, 2023

Malav A. Dani
Managing Director
(DIN:01184336)

Avan R. Chaina
Chief Financial Officer

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This Certificate is issued in accordance with the terms of our engagement letter dated April 07, 2023.

This certificate is issued with regard to compliance of conditions of Corporate Governance by **Hitech Corporation Limited** ('the Company') for the year ended March 31, 2023 as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) 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 Company's Management, including the preparation and maintenance of all relevant supporting records and documents. 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 examination was limited to 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) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as applicable during the year ended March 31, 2023.

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.

Restriction on use

This certificate has been issued at the request of the Company solely for confirming the compliance of conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) 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 and is not to be used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Registration No: 104607W / W100166

Jamshed K. Udwadia

Membership No: 124658

UDIN: 23124658BGXLL9714

Mumbai, May 17, 2023

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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 Matters | How the matter was addressed in our audit |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Inventory Existence and Valuation</p> <p>As at March 31, 2023 the Company held Inventory amounting to ₹ 3,748.04 lakhs.</p> <p>Inventories are valued at lower of cost and Net realizable value. The Company's major part of inventory comprises raw materials and work-in-progress which are spread across multiple factories. These inventories are physically counted by Management on a periodical basis.</p> <p>There is significant management judgement involved in estimating the overhead costs allocation on inventories, assessing provision towards non-moving or obsolete inventories, as well as net realizable value of items held.</p> <p>The Management's estimates of net realizable 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 inventories.</p> <p>Based on above, existence and valuation of inventories have been identified as a key audit matters.</p> <p>Refer Notes 2.4 (9) and 9 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">- assessing the Company's accounting policy for inventory valuation.- assessing the inventory valuation processes and testing the key controls around inventory existence and valuation assertions.- verifying the existence and condition of inventory by attending inventory physical counts across various locations.- Challenging management judgements regarding estimates of net realizable value, the methodology used for overhead costs allocation on inventory and provisioning for non-moving or obsolete stock. |

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 and Report on Corporate Governance, 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, other comprehensive income, cash flows and changes in equity 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, Board of Directors 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, 2020 ("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 paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 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.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s)/ entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under iv(a) and iv(b) above, contain any material misstatement.
 - v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in Note 33 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
 - vi. As Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company only w.e.f April 01, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **KALYANIWALLA & MISTRY LLP**

CHARTERED ACCOUNTANTS

Firm Registration No. 104607W/W100166

Jamshed K. Udwadia

Partner

Membership No. 124658

UDIN: 23124658BGXLLD9334

Mumbai, May 17, 2023.

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2023.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020:

- i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets, Investment Property and Non-current Assets Held for Sale.
- B) The Company has maintained proper records showing full particulars of intangible assets.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a programme for physical verification of Property, Plant and Equipment 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. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the Management during the year. No material discrepancies were noticed on such verification.
- 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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following:

(₹ in Lakhs)

| Sr. No. | Description of property | Gross carrying value as on March 31, 2023 | Held in the name of | Whether promoter, director or their relative or employee | Period held- indicate range, where appropriate | Reason for not being held in the name of company |
|---------|-------------------------|-------------------------------------------|-----------------------------------------|----------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Freehold Land | 55.39 | Clear Mipak Packaging Solutions Limited | No | 18 to 19 years | The title deeds of the properties, which are undisputed, are in the name of erstwhile merged entity and the Company is in the process of transferring the properties in its name. |
| 2 | Building | 277.91 | Clear Mipak Packaging Solutions Limited | No | 18 to 19 years | |
| 3 | Building | 17.94 | Clear Mipak Packaging Solutions Limited | No | 27-28 years | |
| 4 | Leasehold Land | 7.50 | Clear Mipak Packaging Solutions Limited | No | 27-28 years | |
| 5 | Leasehold Land | 265.51 | Clear Mipak Packaging Solutions Limited | No | 11 to 16 years | |
| 6 | Building | 761.00 | Clear Mipak Packaging Solutions Limited | No | 15 to 16 years | |
| 7 | Leasehold Land | 16.30 | Clear Mipak Packaging Solutions Limited | No | 16 to 17 years | |
| 8 | Building | 25.03 | Clear Mipak Packaging Solutions Limited | No | 16 to 17 years | |

- d) According to the information and explanations given to us and based on records of the Company examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) According to the information and explanations given to us and based on records of the Company examined by us, no proceedings have been initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) a) The Management has conducted physical verification of inventories (excluding goods-in-transit and stocks with third parties) at reasonable intervals. In respect of inventories lying with third parties, these have substantially been confirmed by them. In our opinion, the coverage and procedure of such verification is appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate of each class of inventories.
- b) According to the information and explanations given to us and based on records of the Company examined by us, the Company has been sanctioned working capital limits in excess of ₹ five crore, in aggregate, during the year, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii) According to the information and explanations given to us and based on records of the Company examined by us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties during the year. Hence, reporting under clause 3(iii) of the Order is not applicable to the Company.
- iv) According to the information and explanations given to us and based on records of the Company examined by us, the Company has not granted any loans, made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Hence, reporting under clause 3 (iv) of the Order is not applicable to the Company.
- v) According to the information and explanations given to us and based on records of the Company examined by us, the Company has not accepted deposits or amounts which are deemed to be deposits during the year. Hence, the reporting under clause 3 (v) of the Order is not applicable to the Company.

- vi) According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii) a) According to the information and explanations given to us and based on records of the Company examined by us, the Company is 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, 2023, 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 involved (₹ in lakhs) | Period to which the Amount Relates | Forum where Dispute is pending |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------|--------------------------------------|
| Central Excise Act 1944, Central Sales tax Act 1956, and Value Added Tax Act | Excise duty disputes | 43.09 | FY 2015-16 | Commissioner Excise/CESTAT |
| | Sales Tax dues for Non submission of C Forms, Mismatch in VAT Input Credit and Penalty on Late payment | 9.55 | FY 2012-13 | Assessing Officer |
| Goods and Service tax. | Goods and Service tax (Including Interest and Penalty). | 23.19 | FY 2017-18 | Appellate Authority |
| | | 15.58 | FY 2018-19 | |
| 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 AY 2015-16 | Commissioner of Income Tax (Appeals) |
| | | 2.24 | AY 2010-11 | Income Tax Appellate Tribunal |
| | | 0.30 | AY 2003-04 | High Court, Mumbai |
| | | 4.88 | AY 2007-08, AY 2013-14, AY 2018-19 | Income Tax Officer |

- viii) According to the information and explanations given to us and based on records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) a) According to the information and explanations given to us and based on records of the Company examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Hence, reporting under clause 3(ix)(a) of the Order is not applicable.
- b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us and based on records of the Company examined by us, term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us and based on records of the Company examined by us, on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been utilised during the year for long-term purposes by the Company.
- e) The Company does not have any subsidiary, associate or joint venture and hence reporting under clause 3 (ix) (e) of the Order is not applicable.
- f) The Company does not have any subsidiary, associate or joint venture and hence reporting under clause 3 (ix) (f) of the Order is not applicable.
- x) a) According to the information and explanations given to us and based on records of the Company examined by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and based on records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) a) 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 fraud by the Company and no fraud on the Company, has been noticed or reported during the year.
- b) In view of what is reported above in clause xi(a), the reporting under clause xi(b) of the Order is not applicable.
- c) According to the information and explanations given to us and as represented to us by the Management, there are no whistle blower complaints received by the Company during the year.

- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, reporting under clause 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) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date.
- 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 its directors or persons connected with him. Accordingly, reporting under clause 3(xv) of the Order is not applicable.
- xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence reporting under clause 3(xvi)(a) of the Order is not applicable.
b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence reporting under clause 3(xvi)(b) of the Order is not applicable.
c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3 (xvi)(c) of the Order is not applicable.
d) According to the information and explanations given to us, the Group does not have more than one Core Investment Company (CIC). Hence, reporting under clause 3 (xvi)(d) of the Order is not applicable to the Company.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- xviii) There has been no resignation of statutory auditor of the Company during the year and hence reporting under clause 3 (xviii) of the Order is not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) a) There are no unspent amounts towards Corporate Social Responsibility (CSR) other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
b) There are no unspent amounts towards Corporate Social Responsibility (CSR) under section (5) of section 135 of the Act, pursuant to any ongoing projects requiring a transfer to special account in compliance with the provision of section 135(6) of the Act.
- xxi) The Company is not required to prepare consolidated financial statements and hence reporting under clause 3 (xxi) of the Order is not applicable.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W100166

Jamshed K. Udawadia
Partner
Membership No. 124658
UDIN: 23124658BGXLLD9334
Mumbai, May 17, 2023.

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2023.

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, 2023 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 prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls with reference to financial statements, 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, 2023, based on the criteria for internal financial control over financial reporting 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

Jamshed K. Udwardia
Partner
Membership No. 124658
UDIN: 23124658BGXLLD9334

Mumbai, May 17, 2023.

Balance Sheet as at March 31, 2023

| | Note No. | As at March 31, 2023 | (₹ in lakhs) As at March 31, 2022 |
|-----------------------------------------------------------------------------|----------|-------------------------|-----------------------------------------|
| ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 4 A | 20,232.94 | 21,749.58 |
| (b) Right of Use Assets | 4 B | 1,871.81 | 1,984.44 |
| (c) Capital Work-in-Progress | 4 C | 643.33 | 210.59 |
| (d) Investment Property | 4 D | 708.52 | 745.49 |
| (e) Other Intangible Assets | 4 E | 12.07 | 16.80 |
| (f) Financial Assets | | | |
| (i) Investments | 5 | - | - |
| (ii) Other Financial Assets | 6 | 607.29 | 546.53 |
| (g) Non Current Tax Assets (Net) | 7 | 829.84 | 679.51 |
| (h) Other Non-Current Assets | 8 | 419.82 | 167.41 |
| Total Non-Current Assets | | 25,325.62 | 26,100.35 |
| 2 Current Assets | | | |
| (a) Inventories | 9 | 3,748.04 | 4,358.74 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 10 | 3,657.08 | 4,303.06 |
| (ii) Cash and Cash Equivalents | 11 A | 235.39 | 71.94 |
| (iii) Bank balances other than (ii) above | 11 B | 19.88 | 23.98 |
| (iv) Others Financial Assets | 6 | 675.85 | 175.85 |
| (c) Other Current Assets | 8 | 326.75 | 223.14 |
| (d) Non Current Assets held for sale | 12 | 56.18 | 133.08 |
| Total Current Assets | | 8,719.17 | 9,289.79 |
| Total | | 34,044.79 | 35,390.14 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 13 | 1,717.57 | 1,717.57 |
| (b) Other Equity | 14 | 22,603.44 | 19,977.59 |
| Total Equity | | 24,321.01 | 21,695.16 |
| Liabilities | | | |
| 1 Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 1,504.28 | 3,783.18 |
| (ii) Lease Liabilities | 4 B | 49.93 | 154.41 |
| (b) Provisions | 16 | 563.44 | 432.50 |
| (c) Deferred tax liabilities (Net) | 17 | 257.70 | 294.56 |
| Total Non-Current Liabilities | | 2,375.35 | 4,664.65 |
| 2 Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 4,613.43 | 5,818.44 |
| (ii) Lease Liabilities | 4 B | 137.14 | 129.88 |
| (iii) Trade payables | 18 | | |
| - Total outstanding dues of Micro and Small Enterprise | | 297.44 | 356.16 |
| - Total outstanding dues of creditors other than Micro and Small Enterprise | | 1,404.82 | 1,595.48 |
| (iv) Other financial liabilities | 19 | 461.46 | 630.83 |
| (b) Other Current Liabilities | 20 | 94.01 | 171.93 |
| (c) Provisions | 16 | 304.84 | 292.32 |
| (d) Current tax liabilities (Net) | 21 | 35.29 | 35.29 |
| Total Current Liabilities | | 7,348.43 | 9,030.33 |
| Total | | 34,044.79 | 35,390.14 |
| 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

Jamshed K. Udawadia
Partner
Membership No. 124658

Mumbai, May 17, 2023

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 17, 2023

Malav A. Dani
Managing Director
DIN:01184336

Namita R. Tiwari
Company Secretary

Statement of Profit and Loss for the Year ended March 31, 2023

(₹ in lakhs)

| | Note No. | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------------------------------------------------------------------------|----------|------------------------------|------------------------------|
| I Revenue from Operations | 22 | 55,867.42 | 58,845.52 |
| II Other Income | 23 | 173.74 | 79.12 |
| III Total Income (I) + (II) | | 56,041.16 | 58,924.64 |
| IV Expenses | | | |
| Cost of Materials Consumed | 24 | 34,704.45 | 37,228.57 |
| Changes in Inventories of Finished Goods, Work-in-Progress | 25 | 304.66 | (116.32) |
| Employee Benefit Expenses | 26 | 3,563.06 | 3,140.56 |
| Finance Costs | 27 | 1,376.79 | 1,613.43 |
| Depreciation and Amortisation Expenses | 28 | 2,860.27 | 3,001.14 |
| Other Expenses | 29 | 9,876.41 | 10,012.67 |
| Total Expenses | | 52,685.64 | 54,880.05 |
| V Profit before Exceptional Items and Tax (III-IV) | | 3,355.52 | 4,044.59 |
| VI Exceptional Items Credit / (Charge) | 30 | 380.61 | 994.09 |
| VII Profit before tax (V+ VI) | | 3,736.13 | 5,038.68 |
| VIII Tax Expenses: | | | |
| (1) Current Tax | | 940.07 | 1,422.26 |
| (2) Deferred Tax | | (36.86) | (123.24) |
| Total Tax Expense | | 903.21 | 1,299.02 |
| IX Profit for the year (VII-VIII) | | 2,832.92 | 3,739.66 |
| X Other Comprehensive Income/(Loss) | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| - Remeasurement of defined benefit plans | | (47.85) | (107.08) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 12.54 | 26.78 |
| Total Other Comprehensive Income/(Loss) | | (35.31) | (80.30) |
| XI Total Comprehensive Income for the year (IX+X) | | 2,797.61 | 3,659.36 |
| XII Earnings per share (Face Value ₹ 10 per share) | | | |
| 1) Basic (₹) | | 16.49 | 21.77 |
| 2) Diluted (₹) | | 16.49 | 21.77 |
| 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

Jamshed K. Udawadia
Partner
Membership No. 124658

Mumbai, May 17, 2023

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 17, 2023

Malav A. Dani
Managing Director
DIN:01184336

Namita R. Tiwari
Company Secretary

Statement of Cash Flow for the year ended March 31, 2023

(₹ in lakhs)

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------------------------------------------------|------------------------------|------------------------------|
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 3,736.13 | 5,038.68 |
| Adjustments for : | | |
| Depreciation and amortization expense | 2,860.27 | 3,001.14 |
| (Profit) / Loss on Sale of Property, Plant and Equipment | (68.68) | (33.33) |
| Profit on Sale of Property (Refer Note 30) | (380.61) | (796.04) |
| Unrealised Foreign Exchange Loss / (Gain) | 0.50 | (0.50) |
| Bad Debts written off | 22.48 | 89.22 |
| Allowance for doubtful debts | (135.24) | (12.30) |
| (Reversal)/Allowance for doubtful Other Receivables | (38.08) | 137.03 |
| (Reversal)/Allowance for doubtful Loans and Advances | (147.57) | 34.45 |
| Loans and Advances written off | 147.57 | 106.14 |
| Finance costs | 1,376.79 | 1,610.67 |
| Dividend on preference shares | - | 2.76 |
| Interest Income | (53.60) | (16.28) |
| Gain on Lease Rent Wavier | - | (29.47) |
| Operating Profit before working capital changes | 7,319.96 | 9,132.17 |
| Adjustments for : | | |
| Decrease / (Increase) in Inventories | 610.70 | (488.45) |
| Decrease in Trade Receivables | 758.74 | 35.13 |
| (Increase) / Decrease in Financial Assets | (252.17) | 34.71 |
| (Increase) in Other assets | (40.08) | (17.21) |
| (Decrease) / Increase in Trade Payables | (249.38) | 121.44 |
| (Decrease) / Increase in Financial liabilities | (154.12) | 87.00 |
| (Decrease) in Other liabilities | (78.48) | (122.84) |
| Increase in Provisions | 95.61 | 38.91 |
| Cash generated from Operations | 8,010.78 | 8,820.86 |
| Income Tax paid (Net of Refund) | (1,077.86) | (1,552.93) |
| Net Cash generated from operating activities | 6,932.92 | 7,267.93 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant & Equipment | (1,867.06) | (1,911.00) |
| Sale of Property (Refer Note 30) | 160.96 | 1,264.28 |
| Sale of Property, Plant & Equipment | 68.86 | 41.34 |
| (Decrease) / Increase in fixed deposits | 19.38 | (0.71) |
| Interest Received | 25.73 | 15.12 |
| Net Cash (used in) investing activities | (1,592.13) | (590.97) |
| (C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Redemption of Preference Shares | - | (745.24) |
| Proceeds from Long Term Borrowings | - | 600.90 |
| Repayments of Long Term Borrowings | (3,079.83) | (2,925.00) |
| Proceeds / (Repayments) from Short Term Borrowings (Net) | (659.42) | (1,544.89) |
| Preference Dividend & Tax | - | (69.83) |
| Equity Dividend & Tax | (175.99) | (172.23) |
| Finance costs paid | (1,368.45) | (1,512.03) |
| Interest paid on lease payments | (19.85) | (31.47) |
| Principal payment of Lease Liability | (129.14) | (105.92) |
| Net Cash (used in) financing activities | (5,432.68) | (6,505.71) |

Statement of Cash Flow for the year ended March 31, 2023 (Contd.....)

| | (₹ in lakhs) | |
|-------------------------------------------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| (D) Net (Decrease) / Increase in Cash and Cash Equivalents | (91.89) | 171.25 |
| Cash and Cash Equivalents at the beginning of the year | 23.26 | (147.99) |
| Cash and Cash Equivalents at the end of the year | (68.63) | 23.26 |

Notes :

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

| | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------------------------------------|-------------------------|-------------------------|
| (b) Cash and Cash Equivalents comprises of : (Refer Note 11 A) | | |
| Cash on hand | 3.07 | 2.39 |
| Balances with bank | | |
| - Current Accounts | 232.32 | 69.55 |
| Less: Loan repayable on demand (Cash Credit / Overdraft Account) | (304.02) | (48.68) |
| Cash and Cash Equivalents at the end of the year | (68.63) | 23.26 |

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

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

Jamshed K. Udawadia
Partner
 Membership No. 124658

Mumbai, May 17, 2023

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 17, 2023

Malav A. Dani
 Managing Director
 DIN:01184336

Namita R. Tiwari
 Company Secretary

Statement of Changes in Equity for the Year ended March 31, 2023

A. Equity Share Capital

| | Note No | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------------------------------|---------|-------------------------|-------------------------|
| Balance as at the beginning of the year | 13 | 1,717.57 | 1,717.57 |
| Changes in Equity Share Capital due to prior period errors | | - | - |
| Restated balance as at beginning of the year | | 1,717.57 | 1,717.57 |
| Changes in Equity Share Capital during the year | | - | - |
| Balance as at the end of the year | | 1,717.57 | 1,717.57 |

B. Other Equity (Refer Note 14)

| Particulars | Reserves & Surplus | | | | Other Comprehensive Income | Total |
|---------------------------------------------------------------------------------------------------------|--------------------|----------------------------|-----------------|-------------------|---------------------------------------|------------------|
| | Securities Premium | Capital Redemption Reserve | General Reserve | Retained Earnings | Remeasurement of Defined benefit plan | |
| Balance as at April 1, 2021 | 1,880.00 | 2,810.38 | 133.80 | 11,702.27 | (36.46) | 16,489.99 |
| Profit for the year | - | - | - | 3,739.66 | - | 3,739.66 |
| Re-measurement of defined benefit plans (net of tax) | - | - | - | - | (80.30) | (80.30) |
| Total Comprehensive Income for the year | - | - | - | 3,739.66 | (80.30) | 3,659.36 |
| Transfer to Capital Redemption Reserve on Redemption of Preference Shares (Refer foot- note to Note 14) | - | 745.24 | - | (745.24) | - | - |
| Equity dividend | - | - | - | (171.76) | - | (171.76) |
| Tax on equity dividend | - | - | - | - | - | - |
| Balance as at March 31, 2022 | 1,880.00 | 3,555.62 | 133.80 | 14,524.93 | (116.76) | 19,977.59 |
| Balance as at April 1, 2022 | 1,880.00 | 3,555.62 | 133.80 | 14,524.93 | (116.76) | 19,977.59 |
| Profit for the year | - | - | - | 2,832.92 | - | 2,832.92 |
| Re-measurement of defined benefit plans (net of tax) | - | - | - | - | (35.31) | (35.31) |
| Total Comprehensive Income for the year | - | - | - | 2,832.92 | (35.31) | 2,797.61 |
| Equity dividend | - | - | - | (171.76) | - | (171.76) |
| Tax on equity dividend | - | - | - | - | - | - |
| Balance as at March 31, 2023 | 1,880.00 | 3,555.62 | 133.80 | 17,186.09 | (152.07) | 22,603.44 |

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

Jamshed K. Udawadia
Partner
 Membership No. 124658

Mumbai, May 17, 2023

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 17, 2023

Malav A. Dani
 Managing Director
 DIN:01184336

Namita R. Tiwari
 Company Secretary

Notes to the Financial Statements for the year ended March 31, 2023

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, 2nd floor, Kamala City, Lower Parel (W), Mumbai- 400 013. As at March 31, 2023, 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 in 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 38);
- iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources (Note 16);
- 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 17);
- 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 (*) | 15 to 40 years |
| Moulds (*) | 4 years |
| Plant & Machinery (*) | 5 to 19 years |
| Furniture & Fixture | 5 to 10 years |
| Computers (*) | 5 years |
| Vehicles (*) | 5 years |
| Office Equipment | 5 years |
| Leasehold improvements | Over lease term |

(*) 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 factory 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 assets 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 include 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 recognised 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 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 expenses 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 in respect of which 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.

iii. Other Long-Term Employee Benefit

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of 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.

iv. 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 comprises current tax expense and deferred tax expense. 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.

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.

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

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

Note 4 A : Property, Plant and Equipment

(₹ in lakhs)

| Particulars | Gross Carrying Amount | | | | | Depreciation | | | | | Closing Carrying Amount | |
|------------------------|-----------------------|---------------------------|-------------------------|--------------------------------------|------------------|------------------|---------------------------|--------------------------|--------------------------------------|------------------|-------------------------|--|
| | As at 01.04.2022 | Additions during the year | Deductions/ adjustments | Reclassified to Assets held for Sale | As at 31.03.2023 | As at 01.04.2022 | Additions during the year | Deductions / adjustments | Reclassified to Assets held for Sale | As at 31.03.2023 | As at 31.03.2023 | |
| Freehold Land | 2,520.37 | - | - | - | 2,520.37 | - | - | - | - | - | 2,520.37 | |
| Buildings | 14,685.90 | 71.55 | - | - | 14,757.45 | 4,035.63 | 845.81 | - | - | 4,881.44 | 9,876.01 | |
| Plant & Machinery | | | | | | | | | | | | |
| Moulds | 2,624.91 | 291.72 | 0.68 | - | 2,915.95 | 1,706.25 | 399.77 | 0.68 | - | 2,105.34 | 810.61 | |
| Other Machinery | 13,969.27 | 723.64 | 44.83 | - | 14,648.08 | 6,705.24 | 1,319.52 | 44.65 | - | 7,980.11 | 6,667.97 | |
| Furniture | 451.38 | 10.95 | - | - | 462.33 | 169.50 | 58.83 | - | - | 228.33 | 234.00 | |
| Leasehold Improvements | 4.74 | - | - | - | 4.74 | 4.74 | - | - | - | 4.74 | - | |
| Computers | 114.77 | 29.27 | - | - | 144.04 | 72.39 | 16.79 | - | - | 89.18 | 54.86 | |
| Office Equipment | 161.13 | 25.37 | - | - | 186.50 | 89.14 | 28.24 | - | - | 117.38 | 69.12 | |
| Vehicles | 76.06 | - | - | - | 76.06 | 76.06 | - | - | - | 76.06 | - | |
| Total | 34,608.53 | 1,152.50 | 45.51 | - | 35,715.52 | 12,858.95 | 2,668.96 | 45.33 | - | 15,482.58 | 20,232.94 | |

(Previous Year)

| Particulars | Gross Carrying Amount | | | | | Depreciation | | | | | Closing Carrying Amount | |
|------------------------|-----------------------|---------------------------|--------------------------|------------------------------------------------------|------------------|------------------|---------------------------|--------------------------|------------------------------------------------------|------------------|-------------------------|--|
| | As at 01.04.2021 | Additions during the year | Deductions / adjustments | Reclassified to Assets held for Sale (Refer Note 12) | As at 31.03.2022 | As at 01.04.2021 | Additions during the year | Deductions / adjustments | Reclassified to Assets held for Sale (Refer Note 12) | As at 31.03.2022 | As at 31.03.2022 | |
| Freehold Land | 2,520.37 | - | - | - | 2,520.37 | - | - | - | - | - | 2,520.37 | |
| Buildings | 14,694.15 | 53.36 | 2.72 | 58.89 | 14,685.90 | 3,133.28 | 918.78 | 1.14 | 15.29 | 4,035.63 | 10,650.27 | |
| Plant & Machinery | | | | | | | | | | | | |
| Moulds | 1,858.37 | 784.18 | 17.64 | - | 2,624.91 | 1,231.59 | 492.30 | 17.64 | - | 1,706.25 | 918.66 | |
| Other Machinery | 12,626.49 | 1,531.01 | 188.23 | - | 13,969.27 | 5,605.81 | 1,281.23 | 181.80 | - | 6,705.24 | 7,264.03 | |
| Furniture | 400.65 | 50.76 | 0.03 | - | 451.38 | 114.64 | 54.89 | 0.03 | - | 169.50 | 281.88 | |
| Leasehold Improvements | 4.74 | - | - | - | 4.74 | 4.74 | - | - | - | 4.74 | - | |
| Computers | 101.28 | 13.49 | - | - | 114.77 | 59.18 | 13.21 | - | - | 72.39 | 42.38 | |
| Office Equipment | 137.10 | 24.03 | - | - | 161.13 | 65.38 | 23.76 | - | - | 89.14 | 71.99 | |
| Vehicles | 76.06 | - | - | - | 76.06 | 72.40 | 3.66 | - | - | 76.06 | - | |
| Total | 32,419.22 | 2,456.83 | 208.62 | 58.89 | 34,608.53 | 10,287.02 | 2,787.83 | 200.61 | 15.29 | 12,858.95 | 21,749.58 | |

Note:

- (a) The amount of Contractual commitments for the acquisition of Property plant and equipment is disclosed in Note 34 (b).
 (b) Part of the above assets are offered as collateral towards borrowings (Refer Note 41)
 (c) The Company has not revalued any property, plant and equipment during the current and previous financial year.

The title deed of immovable properties are held in the name of Company except for following where in title deeds are still in name of the erstwhile merged entity and the Company has applied for transfer of the same.

| Sr. No. | Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value as on March 31, 2023 (₹ in lakhs) | Gross carrying value as on March 31, 2022 (₹ in lakhs) | As on March 31, 2023 title deeds are held in the name of | Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director | Property held since which date | Reason for not being held in the name of the company |
|---------|-----------------------------------------|---------------------------------|--------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Property, Plant & Equipment | Freehold land | 55.39 | 55.39 | Clear Mipack Packaging Solutions Limited | No | 29-Jul-04 | The title deeds of the properties are in the name of erstwhile merged entity and the Company is in the process of transferring the properties in its name. |
| 2 | Property, Plant & Equipment | Building | 277.91 | 277.91 | Clear Mipack Packaging Solutions Limited | No | 29-Jul-04 | |
| 3 | Property, Plant & Equipment | Building | 17.94 | 17.94 | Clear Mipack Packaging Solutions Limited | No | 09-Aug-95 | |
| 4 | Right to Use | Leasehold land | 7.50 | 7.50 | Clear Mipack Packaging Solutions Limited | No | 09-Aug-95 | |
| 5 | Investment Property | Leasehold land | 265.51 | 265.51 | Clear Mipack Packaging Solutions Limited | No | Apr-07 to Apr-11 | |
| 6 | Investment Property | Building | 761.00 | 761.00 | Clear Mipack Packaging Solutions Limited | No | 09-Apr-07 | |
| 7 | Non Current Asset held for sale | Leasehold land | 16.30 | 16.30 | Clear Mipack Packaging Solutions Limited | No | 30-May-06 | |
| 8 | Non Current Asset held for sale | Building | 25.03 | 25.03 | Clear Mipack Packaging Solutions Limited | No | 30-May-06 | |

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, 2023:

| Particulars | Category of ROU assets | | | Total |
|------------------------------------------|------------------------|---------------|--------------|-----------------|
| | Leasehold Land | Premises | Vehicle | |
| Balance as at April 1, 2022 | 1,742.58 | 223.03 | 18.83 | 1,984.44 |
| Additions during the year | - | 27.30 | 9.04 | 36.34 |
| Deletion during the year | - | 4.15 | - | 4.15 |
| Depreciation / Amortisation for the year | 18.83 | 115.51 | 10.48 | 144.82 |
| Balance as at March 31, 2023 | 1,723.75 | 130.67 | 17.39 | 1,871.81 |

Following are the changes in the carrying value of Right of Use (ROU) assets for the year ended March 31, 2022:

| Particulars | Category of ROU assets | | | Total |
|------------------------------------------|------------------------|---------------|--------------|-----------------|
| | Leasehold Land | Premises | Vehicle | |
| Balance as at April 1, 2021 | 1,761.42 | 349.43 | 35.03 | 2,145.88 |
| Additions during the year | - | - | - | - |
| Deletion during the year | - | - | - | - |
| Depreciation / Amortisation for the year | 18.84 | 126.40 | 16.20 | 161.44 |
| Balance as at March 31, 2022 | 1,742.58 | 223.03 | 18.83 | 1,984.44 |

The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss. (Refer Note 28)

The following is the break-up of current and non-current lease liabilities:

| Particulars | (₹ in lakhs) | |
|-------------------------------|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Current lease liabilities | 137.14 | 129.88 |
| Non-current lease liabilities | 49.93 | 154.41 |
| Total | 187.07 | 284.29 |

The following are the details of movement in lease liabilities:

| Particulars | (₹ in lakhs) | |
|----------------------------------------------|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Opening Balance | 284.29 | 419.68 |
| Addition during the year | 35.93 | - |
| Finance cost accrued during the year | 19.85 | 31.47 |
| Deletions during the year | 4.01 | - |
| Payment of lease liabilities during the year | 148.99 | 137.39 |
| Lease Rent Waiver | - | 29.47 |
| Closing Balance | 187.07 | 284.29 |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

| Particulars | (₹ in lakhs) | |
|---------------------|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Less than one year | 147.76 | 149.29 |
| One to five year | 31.98 | 141.42 |
| More than five year | 201.76 | 203.08 |
| Total | 381.50 | 493.79 |

Rental expense recorded for short-term leases for the year ended March 31, 2023 ₹ 24.80 lakhs (Previous Year ₹ 9.09 Lakhs).

Note 4 C : Capital Work in Progress

Capital Work in Progress ageing as on March 31, 2023

(₹ in lakhs)

| Particulars / Period | Less than 1 Year | 1-2 Years | 2-3 Years | Total |
|---------------------------|------------------|-------------|-----------|---------------|
| CWIP - Moulds | 597.52 | - | - | 597.52 |
| CWIP - Other Fixed Assets | 3.00 | - | - | 3.00 |
| CWIP - Plant & Machinery | 34.77 | 8.04 | - | 42.81 |
| Total | 635.29 | 8.04 | - | 643.33 |

Capital Work in Progress ageing as on March 31, 2022

(₹ in lakhs)

| Particulars / Period | Less than 1 Year | 1-2 Years | 2-3 Years | Total |
|---------------------------|------------------|-------------|-----------|---------------|
| CWIP - Moulds | 100.69 | 8.82 | - | 109.51 |
| CWIP - Other Fixed Assets | 0.16 | - | - | 0.16 |
| CWIP - Plant & Machinery | 100.92 | - | - | 100.92 |
| Total | 201.77 | 8.82 | - | 210.59 |

Note : There were no CWIP assets where completion was overdue against original planned timelines or where estimated cost exceeded its original cost as at March 31, 2023 and March 31, 2022.

Note 4 D : Investment Property

(₹ in lakhs)

| Particulars | Gross Carrying Amount | | | | Depreciation | | | | Closing Carrying Amount |
|----------------|-----------------------|-----------------------------|--------------------------|------------------|------------------|-----------------------------|--------------------------|------------------|-------------------------|
| | As at 01.04.2022 | Additions during the period | Deductions / adjustments | As at 31.03.2023 | As at 01.04.2022 | Additions during the period | Deductions / adjustments | As at 31.03.2023 | As at 31.03.2023 |
| Leasehold Land | 265.51 | - | - | 265.51 | 20.62 | 3.20 | - | 23.82 | 241.69 |
| Building | 761.00 | - | - | 761.00 | 260.41 | 33.76 | - | 294.17 | 466.83 |
| Total | 1,026.51 | - | - | 1,026.51 | 281.03 | 36.96 | - | 317.99 | 708.52 |

(Previous Year)

(₹ in lakhs)

| Particulars | Gross Carrying Amount | | | | Depreciation | | | | Closing Carrying Amount |
|----------------|-----------------------|-----------------------------|--------------------------|------------------|------------------|-----------------------------|--------------------------|------------------|-------------------------|
| | As at 01.04.2021 | Additions during the period | Deductions / adjustments | As at 31.03.2022 | As at 01.04.2021 | Additions during the period | Deductions / adjustments | As at 31.03.2022 | As at 31.03.2022 |
| Leasehold Land | 265.51 | - | - | 265.51 | 17.42 | 3.20 | - | 20.62 | 244.89 |
| Building | 761.00 | - | - | 761.00 | 224.23 | 36.18 | - | 260.41 | 500.60 |
| Total | 1,026.51 | - | - | 1,026.51 | 241.65 | 39.38 | - | 281.03 | 745.49 |

(₹ in lakhs)

| Particulars | Fair Value | | | |
|----------------|------------------|------------------------|--------------------------|------------------|
| | As at 01.04.2022 | Change during the year | Deductions / adjustments | As at 31.03.2023 |
| Leasehold Land | 324.52 | 45.07 | - | 369.59 |
| Building | 721.82 | - | 46.09 | 675.73 |
| Total | 1,046.34 | 45.07 | 46.09 | 1,045.32 |

(Previous year)

(₹ in lakhs)

| Particulars | Fair Value | | | |
|----------------|------------------|------------------------|--------------------------|------------------|
| | As at 01.04.2021 | Change during the year | Deductions / adjustments | As at 31.03.2022 |
| Leasehold Land | 306.49 | 18.03 | - | 324.52 |
| Building | 730.01 | - | 8.19 | 721.82 |
| Total | 1,036.50 | 18.03 | 8.19 | 1,046.34 |

Notes:

- The Management has determined that the investment property consists of two class of assets - Land and building - based on the nature, characteristics and risks of each property.
- The fair valuation is based on current prices in the active market for similar properties and has been valued by an independent registered valuer. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.
- The Company has no restriction on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.
- The Company has not earned any rental income from above investment property in current year and previous year.

Note 4 E : Other Intangible Assets

(₹ in lakhs)

| Particulars | Gross Carrying Amount | | | | Amortisation | | | | Closing Carrying Amount |
|--------------|-----------------------|---------------------------|--------------------------|------------------|------------------|---------------------------|--------------------------|------------------|-------------------------|
| | As at 01.04.2022 | Additions during the year | Deductions / adjustments | As at 31.03.2023 | As at 01.04.2022 | Additions during the year | Deductions / adjustments | As at 31.03.2023 | As at 31.03.2023 |
| Software | 89.17 | 4.80 | - | 93.97 | 72.38 | 9.53 | - | 81.91 | 12.06 |
| Patent | 0.01 | - | - | 0.01 | - | - | - | - | 0.01 |
| Total | 89.18 | 4.80 | - | 93.98 | 72.38 | 9.53 | - | 81.91 | 12.07 |

(Previous Year)

(₹ in lakhs)

| Particulars | Gross Carrying Amount | | | | Amortisation | | | | Closing Carrying Amount |
|--------------|-----------------------|---------------------------|--------------------------|------------------|------------------|---------------------------|-------------------------|------------------|-------------------------|
| | As at 01.04.2021 | Additions during the year | Deductions / adjustments | As at 31.03.2022 | As at 01.04.2021 | Additions during the year | Deductions/ adjustments | As at 31.03.2022 | As at 31.03.2022 |
| Software | 89.17 | - | - | 89.17 | 59.89 | 12.49 | - | 72.38 | 16.79 |
| Patent | 0.01 | - | - | 0.01 | - | - | - | - | 0.01 |
| Total | 89.18 | - | - | 89.18 | 59.89 | 12.49 | - | 72.38 | 16.80 |

The Company has not revalued any intangible assets during the current and previous financial year.

(₹ in lakhs)

Note 5 : Investments

| | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Non Current | | |
| <u>Unquoted, fully paid up:</u> | | |
| At Fair Value through Profit or Loss | | |
| Investment in Equity Instruments | | |
| 11,000 (March 31, 2022: 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) |
| Total | - | - |
| 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) | |
|-------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Note 6 : Other Financial Assets | As at March 31, 2023 | As at March 31, 2022 |
| Non-Current | | |
| Fixed Deposits with original maturity of more than 12 months (Refer Note (a) below) | 16.13 | 31.41 |
| Subsidy receivable from State Government (Refer Note (b) below) | | |
| Considered Good | 73.93 | 34.83 |
| Considered Doubtful | 99.23 | 137.31 |
| | 173.16 | 172.14 |
| Less: Allowances for doubtful receivables | 99.23 | 137.31 |
| | 73.93 | 34.83 |
| Unsecured : | | |
| Security Deposits | | |
| Considered Good | 517.23 | 480.29 |
| Security deposits which are credit impaired | 1.00 | 1.00 |
| | 518.23 | 481.29 |
| Less: Allowance for doubtful receivable | (1.00) | (1.00) |
| | 517.23 | 480.29 |
| Total | 607.29 | 546.53 |
| Current | | |
| Quantity discount receivable | 347.40 | 166.17 |
| Accrued interest on Security Deposits | 11.22 | 9.68 |
| Compensation Receivable on Land acquisition | 317.23 | - |
| Total | 675.85 | 175.85 |
| Note: | | |
| (a) Of the above, deposits under lien with sales tax authorities | 1.65 | 1.82 |

(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) | |
|-----------------------------------------------|---------------------------------|---------------------------------|
| Movement in Subsidy Receivable (gross) | As at March 31, 2023 | As at March 31, 2022 |
| Opening balance of subsidy receivable | 172.14 | 172.14 |
| Less: Additional claimed | 20.36 | - |
| | 192.50 | 172.14 |
| Less : Subsidy received | 19.34 | - |
| Closing balance of subsidy receivable (gross) | 173.16 | 172.14 |

| | (₹ in lakhs) | |
|--------------------------------------------------------------|---------------------------------|---------------------------------|
| Movement in allowance for doubtful Subsidy receivable | As at March 31, 2023 | As at March 31, 2022 |
| Opening allowance for doubtful receivable | 137.31 | - |
| Add: Provision during the year | - | 137.31 |
| Less: Reversal during the year (refer note 29) | 38.08 | - |
| Closing allowance for doubtful receivable | 99.23 | 137.31 |

| | (₹ in lakhs) | |
|------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Note 7 : Non Current Tax Assets (Net) | As at March 31, 2023 | As at March 31, 2022 |
| Advance Income Tax (Net of provision for tax March 31, 2023: ₹ 6,539.61 lakhs, March 31, 2022: ₹ 5,612.08 lakhs) | 829.84 | 679.51 |
| Total | 829.84 | 679.51 |

(₹ in lakhs)

| Note 8 : Other Assets | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------|---------------------------------|---------------------------------|
| Non-Current | | |
| Capital Advances (Considered good unless otherwise stated) | 388.15 | 110.29 |
| Prepaid expenses | 26.83 | 23.85 |
| Balances with government authorities (refer note (a) below) | | |
| Considered Good | 4.84 | 33.27 |
| Considered Doubtful | 76.94 | 224.51 |
| | 81.78 | 257.78 |
| Less: Allowance for doubtful advances | 76.94 | 224.51 |
| | 4.84 | 33.27 |
| Total | 419.82 | 167.41 |

(a) Movement in Allowance for doubtful advances

(₹ in lakhs)

| | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------|---------------------------------|---------------------------------|
| Balance at the beginning of the year | 224.51 | 190.06 |
| Addition during the year | - | 125.49 |
| Reversal during the year | (147.57) | (91.05) |
| Balance at the end of the year | 76.94 | 224.51 |
| Current | | |
| Balances with government authorities | 34.24 | 3.09 |
| Advance recoverable in cash or kind | | |
| Considered Good | 68.00 | 23.24 |
| Considered Doubtful | 6.49 | 6.49 |
| | 74.49 | 29.73 |
| Less: Allowance for doubtful advances | 6.49 | 6.49 |
| | 68.00 | 23.24 |
| Prepaid expenses | 222.73 | 192.42 |
| Advance to employees | 1.78 | 4.39 |
| Total | 326.75 | 223.14 |

(₹ in lakhs)

| Note 9 : Inventories | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| (Valued at lower of cost and net realizable value) | | |
| Raw Materials (including Goods in Transit ₹ Nil (March 31, 2022: ₹ Nil) | 2,262.17 | 2,544.50 |
| Packing Materials | 79.87 | 106.62 |
| Work-in-Progress | 1,223.66 | 1,542.53 |
| Finished Goods (including Goods in Transit ₹ 110.28 lakhs (March 31, 2022: ₹ 91.14 lakhs) | 156.36 | 142.15 |
| Stores and Spares | 25.98 | 22.94 |
| Total | 3,748.04 | 4,358.74 |

(a) Inventories are hypothecated against secured borrowings (Refer Note 41).

(b) The cost of inventories recognised as an expense during the year is disclosed in Note 24 and 25.

(c) The cost of inventories recognised as an expense includes ₹ 19.20 lakhs (Previous year ₹ 29.97 lakhs) in respect of write down of inventory to net realisable value.

(₹ in lakhs)

| Note 10 : Trade Receivables | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------|---------------------------------|---------------------------------|
| Current | | |
| Unsecured: | | |
| Trade Receivables - Considered Good | 3,682.28 | 4,377.08 |
| Less: Allowances for expected credit losses | 25.20 | 74.02 |
| Trade Receivables - Credit Impaired | 381.19 | 467.60 |
| Less: Allowances for credit impairment | 381.19 | 467.60 |
| Total | 3,657.08 | 4,303.06 |

Note 10 : Trade Receivables (Contd....)

- (a) Trade receivables are hypothecated against secured borrowings (Refer Note 41)
 (b) Movement in Allowance for doubtful receivables

(₹ in lakhs)

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 541.62 | 553.92 |
| Amounts written off / recovered during the year (net) | (188.72) | (182.81) |
| Changes in allowance for doubtful receivables | 53.49 | 170.51 |
| Balance at the end of the year | 406.39 | 541.62 |

Refer note 2.4(8) for accounting policy on financial instruments.

- (c) There are no unbilled receivables as at March 31, 2023 and March 31, 2022.
 (d) There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Trade Receivables ageing as on March 31, 2023

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------|---------------------|-------------|-------------|----------------------|-----------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 3,171.07 | 462.51 | 48.70 | - | - | - | 3,682.28 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | 6.21 | 0.01 | 6.73 | 5.08 | 30.76 | 48.79 |
| (iv) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – credit impaired | - | - | - | - | - | 332.40 | 332.40 |
| Total | 3,171.07 | 468.72 | 48.71 | 6.73 | 5.08 | 363.16 | 4,063.47 |
| Less: Allowances for expected credit losses | | | | | | | 25.20 |
| Less: Allowances for credit impairment | | | | | | | 381.19 |
| Total (Net) | | | | | | | 3,657.08 |

Trade Receivables ageing as on March 31, 2022

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------|---------------------|--------------|--------------|----------------------|-----------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 3,729.45 | 575.07 | 68.53 | 3.05 | 0.98 | - | 4,377.08 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | 12.30 | 4.31 | 28.11 | 33.83 | 56.65 | 135.20 |
| (iv) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – credit impaired | - | - | - | - | - | 332.40 | 332.40 |
| Total | 3,729.45 | 587.37 | 72.84 | 31.16 | 34.81 | 389.05 | 4,844.68 |
| Less: Allowances for expected credit losses | | | | | | | 74.02 |
| Less: Allowances for credit impairment | | | | | | | 467.60 |
| Total (Net) | | | | | | | 4,303.06 |

(₹ in lakhs)

| Note 11 A : Cash & Cash Equivalents | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------------------|---------------------------------|---------------------------------|
| Balances with Banks | | |
| On Current accounts | 232.32 | 69.55 |
| Cash on Hand | 3.07 | 2.39 |
| Total | 235.39 | 71.94 |

(₹ in lakhs)

| Note 11 B : Other Bank Balances | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------------|---------------------------------|---------------------------------|
| Deposits with more than 3 months but less than 12 months maturity | 6.09 | 5.95 |
| Unclaimed Dividend Accounts (Refer Note (a)) | 13.79 | 18.03 |
| Total | 19.88 | 23.98 |

Note

(a) The Company can utilise these balances only towards settlement of unclaimed dividend

(₹ in lakhs)

| Note 12: Non Current Assets held for sale | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------------------|---------------------------------|---------------------------------|
| Freehold land (Refer Note 30(a)) | 18.71 | 95.61 |
| Leasehold land | 15.45 | 15.45 |
| Building | 22.02 | 22.02 |
| Total | 56.18 | 133.08 |

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)

| Note 13 : Equity Share Capital | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Authorised Share Capital | | |
| 2,90,00,000 (March 31, 2022 : 2,90,00,000) Equity Shares of ₹ 10/- each | 2,900.00 | 2,900.00 |
| 3,10,00,000 (March 31, 2022 : 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, 2022 : 5,00,000) Unclassified shares of ₹ 10/- each | 50.00 | 50.00 |
| | 6,050.00 | 6,050.00 |
| Issued, Subscribed and Paid -up capital | | |
| 1,71,75,700 (March 31, 2022 : 1,71,75,700) Equity Shares of ₹ 10/- each fully paid | 1,717.57 | 1,717.57 |
| Total | 1,717.57 | 1,717.57 |

a. Reconciliation of the numbers of equity shares outstanding at the beginning and at the end of the year

| | As at March 31, 2023 No. of Shares | As at March 31, 2022 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 | 1,71,75,700 | 1,71,75,700 |

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% equity shares in the Company

| Name of Shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|-----------------------------------------------------------------------|-------------------------|------------------------|-------------------------|------------------------|
| | No of Shares | % holding in Equity | No of Shares | % holding in Equity |
| 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

g. Shares held by promoters at the end of the year

| Promoter name | As at March 31, 2023 | | As at March 31, 2022 | |
|----------------------------------------------------|-------------------------|------------------------|-------------------------|------------------------|
| | No of Shares | % holding in Equity | No of Shares | % holding in Equity |
| Ashwin Suryakant Dani | 2,30,095 | 1.34 | 2,30,095 | 1.34 |
| Ina A Dani | 61,200 | 0.36 | 61,200 | 0.36 |
| Malav A Dani | 54,000 | 0.31 | 54,000 | 0.31 |
| Jalaj A Dani | 41,100 | 0.24 | 41,100 | 0.24 |
| Vita Jalaj Dani | 32,700 | 0.19 | 32,700 | 0.19 |
| Hasit Ashwin Dani | 30,000 | 0.17 | 30,000 | 0.17 |
| Ashwin Ramanlal Gandhi | 15,500 | 0.09 | 15,500 | 0.09 |
| Hiren Ashwin Gandhi | 7,590 | 0.04 | 7,590 | 0.04 |
| Satyen Ashwin Gandhi | 5,000 | 0.03 | 5,000 | 0.03 |
| Geetanjali Trading And Investments Private Limited | 1,18,69,295 | 69.11 | 1,18,69,295 | 69.11 |
| Hiren Holdings Private Limited | 2,61,000 | 1.52 | 2,61,000 | 1.52 |
| Gujarat Organics Ltd | 1,77,000 | 1.03 | 1,77,000 | 1.03 |
| Total Promoters shares outstanding | 1,27,84,480 | 74.43 | 1,27,84,480 | 74.43 |

Note: There is no change in promoter's share holding in comparison with previous year.

(₹ in lakhs)

| Note 14 : Other Equity | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| Capital Redemption Reserve | | |
| Balance as per last financial statements | 3,555.62 | 2,810.38 |
| (+) Transfer on Redemption of preference shares (Refer note below) | - | 745.24 |
| Closing Balance | 3,555.62 | 3,555.62 |
| Securities Premium Account | | |
| Balance as per last financial statements | 1,880.00 | 1,880.00 |
| General Reserve | | |
| Balance as per last financial statements | 133.80 | 133.80 |
| Retained Earnings | | |
| Balance as per last financial statements | 14,524.93 | 11,702.27 |
| (+) Net Profit for the year | 2,832.92 | 3,739.66 |
| (-) Dividend paid on equity shares | (171.76) | (171.76) |
| (-) Transfer to Capital Redemption Reserve (Refer note below) | - | (745.24) |
| Closing Balance | 17,186.09 | 14,524.93 |
| Other Comprehensive Income | | |
| Balance as per last financial statements | (116.76) | (36.46) |
| Add: Re-measurement of defined benefit plans gain / (Loss) | (47.85) | (107.08) |
| Less: Tax Expense Credit / (Charge) | 12.54 | 26.78 |
| Closing Balance | (152.07) | (116.76) |
| Total | 22,603.44 | 19,977.59 |

Note 14 : Other Equity (Contd....)
Note:

During the previous year ended March 31, 2022, the Company redeemed 74,52,387, 9% Non-Convertible Redeemable Cumulative Preference shares of ₹ 10 each aggregating to ₹ 745.24 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) | |
|-------------------------------------------------------------------------------------------|---------------------------------|-------------------------|
| Note 15 : Borrowings | As at March 31, 2023 | As at March 31, 2022 |
| <u>Non-Current</u> | | |
| A. Secured | | |
| Term Loans | | |
| Rupee Loan (Refer note (i) below) | 2,725.00 | 5,461.24 |
| Working Capital Loan under Emergency Credit Line Guarantee Scheme (Refer note (ii) below) | 1,056.41 | 1,400.00 |
| | 3,781.41 | 6,861.24 |
| Current maturities of long term debts | (2,277.13) | (3,078.06) |
| Total | 1,504.28 | 3,783.18 |

| | (₹ in lakhs) | |
|------------------------------------------------------|---------------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| <u>Current</u> | | |
| A. Secured | | |
| Repayable on demand | | |
| Cash Credit from Banks (Refer note (iii) below) | 304.02 | 48.68 |
| Working Capital Demand loan (Refer note (iii) below) | 1,901.92 | 2,400.00 |
| | 2,205.94 | 2,448.68 |
| B. Unsecured | | |
| Corporate card (Refer note (iv) below) | 130.36 | 291.70 |
| Current Maturities of Long Term Debts | 2,277.13 | 3,078.06 |
| Total | 4,613.43 | 5,818.44 |

Note:
i) Term Loans :
a) Rupee Term Loan from Bank ₹ Nil lakhs (March 31, 2022 : ₹ 811.24 lakhs)

Term loan from HDFC Bank was 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 carried interest based on One year Marginal Cost of Lending Rate (MCLR) (adjustable annually) plus Nil spread. The effective rate of interest was 7.25 % p.a. (Previous year 7.20%). The loan has been repaid during the current year including the moratorium of loan and interest availed during the covid period based on RBI regulations.

b) Rupee Term Loan from Bank ₹ 1,125 lakhs (March 31, 2022: ₹ 2,250 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 8.05 % p.a. (Previous year 7.08 % 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.

Note 15 : Borrowings (Contd....)**c) Rupee Term Loan from Bank ₹ 1,600 lakhs (March 31, 2022: ₹ 2,400 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 7.25 % p.a. (Previous year 7.20%). 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 ₹ 1,056.41 lakhs (March 31, 2022: ₹ 1,400 lakhs)

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 based on External Benchmark Lending Rate (EBLR) (adjustable every 3 months or at such intervals as permissible under RBI guidelines) plus 2.75% spread. The present effective rate of interest is 9.00% p.a.(Previous year 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) Other Borrowings - Secured

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 8.70% p.a. (Previous year 6.75% to 8.25 % p.a.).

iv) Other Borrowings - Unsecured

(a) Corporate card is unsecured facility provided by the banks repayable within 45 days for a convenience fee 0.78 % and 51 days for a convenience fee 0.95% (previous year 0.95%) respectively. The facility is used for making vendor and tax payments.

v) There is no default in repayment of principal and interest as on balance sheet date.

vi) For carrying amount of assets offered as collateral against the above borrowings (Refer Note 41).

vii) The Company has utilised the loan from banks for specific purposes for which they have been obtained as at the balance sheet date.

viii) The quarterly returns / statements of net current assets filed by the Company are in agreement with the books of account and there are no material discrepancies.

ix) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(₹ in lakhs)

| Note 16 : Provisions | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------------------------------|---------------------------------|---------------------------------|
| <u>Non-Current</u> | | |
| a) Provision for Employee Benefits | | |
| - Provision for gratuity | 333.52 | 225.11 |
| - Provision for compensated absences | 229.92 | 207.39 |
| | 563.44 | 432.50 |
| <u>Current</u> | | |
| a) Provision for Employee Benefits | | |
| - Provision for gratuity | 128.98 | 108.88 |
| - Provision for compensated absences | 66.77 | 55.04 |
| b) Others | | |
| - Provision for indirect taxes and other matters (Refer note below) | 109.09 | 128.40 |
| Total | 304.84 | 292.32 |

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 to the aforesaid provisions made in the accounts is as follows:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------|---------------------------------|---------------------------------|
| Opening Balance | 128.40 | 96.40 |
| Addition | 16.97 | 55.19 |
| Utilisations | (19.91) | (1.77) |
| Reversals | (16.37) | (21.42) |
| Closing Balance | 109.09 | 128.40 |

Note 17 : Income taxes
A. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

| (₹ in lakhs) | | | |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------|---------------------------------|
| As at March 31, 2023 | | | |
| Particulars | Balance as at April 1, 2022 | Profit & Loss 2022-23 | Balance as at March 31, 2023 |
| a) Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961. | (739.29) | 93.68 | (645.61) |
| b) Provision for expense allowed for tax purpose on payment basis | 250.06 | 37.88 | 287.94 |
| c) Allowance for doubtful debts and advances | 169.84 | (81.85) | 87.99 |
| d) Indexed cost of acquisition on land held for sale | 24.83 | (12.85) | 11.98 |
| Net Deferred Tax Liabilities | (294.56) | 36.86 | (257.70) |

| (₹ in lakhs) | | | |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------|---------------------------------|
| As at March 31, 2022 | | | |
| Particulars | Balance as at April 1, 2021 | Profit & Loss 2021-22 | Balance as at March 31, 2022 |
| a) Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961. | (840.94) | 101.65 | (739.29) |
| b) Provision for expense allowed for tax purpose on payment basis | 193.59 | 56.47 | 250.06 |
| c) Allowance for doubtful debts and advances | 129.78 | 40.06 | 169.84 |
| d) Indexed cost of acquisition on land held for sale | 99.77 | (74.94) | 24.83 |
| Net Deferred Tax Liabilities | (417.79) | 123.24 | (294.56) |

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.

B. The major components of income tax expense for the year are as under :

| (₹ in lakhs) | | |
|-------------------------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (i) Income recognised in the Statement of Profit and Loss | | |
| Current tax: | | |
| In respect of current year | 940.07 | 1,422.26 |
| Deferred tax: | | |
| In respect of current year | (36.86) | (123.24) |
| Income tax expenses recognised in the Statement of Profit and Loss | 903.21 | 1,299.02 |
| (ii) Income tax expense recognised in Other Comprehensive Income (OCI) | | |
| Net gain / (loss) on remeasurements of defined benefit plans | 12.54 | 26.78 |
| Income tax (expense)/credit recognised in OCI | 12.54 | 26.78 |

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

| (₹ in lakhs) | | |
|-----------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Profit before tax | 3,736.13 | 5,038.68 |
| Indian Statutory Income Tax rate | 25.17% | 25.17% |
| Expected Income tax expense | 940.31 | 1,268.13 |
| Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense: | | |
| Tax effect on non-deductible expenses | 45.84 | 42.34 |
| Tax impact of income not subject to tax | (82.94) | - |
| Effect of net income subjected to lower tax rate | - | (11.45) |
| Tax expense as per Statement of Profit and Loss | 903.21 | 1,299.02 |

- (a) The tax rate used for above reconciliation is the corporate tax rate of 25.17% (Previous Year 25.17 %) 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.

(₹ in lakhs)

| Note 18 : Trade Payables | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| (a) Total outstanding dues of micro and small enterprises (Refer note 36) | 297.44 | 356.16 |
| (b) Total outstanding due of creditors other than micro and small enterprises | 1,404.82 | 1,595.48 |
| Total | 1,702.26 | 1,951.64 |

Trade Payables Ageing as at March 31, 2023

(₹ in lakhs)

| Particulars | Outstanding for following periods from date of transaction | | | | |
|------------------------|------------------------------------------------------------|-------------|-------------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | 297.44 | - | - | - | 297.44 |
| Others | 1,395.69 | 3.50 | 1.11 | 4.52 | 1,404.82 |
| Disputed dues (MSMEs) | - | - | - | - | - |
| Disputed dues (Others) | - | - | - | - | - |
| Total | 1,693.13 | 3.50 | 1.11 | 4.52 | 1,702.26 |

Trade Payables Ageing as at March 31, 2022

(₹ in lakhs)

| Particulars | Outstanding for following periods from date of transaction | | | | |
|------------------------|------------------------------------------------------------|-------------|-------------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | 356.16 | - | - | - | 356.16 |
| Others | 1,584.94 | 1.53 | 0.46 | 8.55 | 1,595.48 |
| Disputed dues (MSMEs) | - | - | - | - | - |
| Disputed dues (Others) | - | - | - | - | - |
| Total | 1,941.10 | 1.53 | 0.46 | 8.55 | 1,951.64 |

(₹ in lakhs)

| Note 19 : Other Financial Liabilities | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------------------|---------------------------------|---------------------------------|
| Current | | |
| Interest accrued but not due on borrowings | 55.66 | 67.17 |
| Unclaimed Dividends | 13.79 | 18.03 |
| Vendors for Capital Expenditure | 76.76 | 89.16 |
| Payable to employees | 314.59 | 420.04 |
| Other Payables | 0.66 | 36.43 |
| Total | 461.46 | 630.83 |

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.

(₹ in lakhs)

| Note 20 : Other Current Liabilities | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------------|---------------------------------|---------------------------------|
| Advance from customer | 0.67 | 41.04 |
| Advance against sale of property | 10.00 | 10.00 |
| Payable towards statutory dues | 83.34 | 120.89 |
| Total | 94.01 | 171.93 |

(₹ in lakhs)

| Note 21 : Current Tax Liabilities (Net) | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Provision for Income tax (Net of advance tax March 31, 2023: ₹ 1,919.68 lakhs, March 31, 2022: ₹ 1,919.68 lakhs) | 35.29 | 35.29 |
| Total | 35.29 | 35.29 |

(₹ in lakhs)

| Note 22 : Revenue from operations | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| A. Revenue from Contracts with Customers | | |
| Revenue from sale of product | | |
| Domestic | 55,567.73 | 58,491.46 |
| Exports | 85.85 | 93.40 |
| | 55,653.58 | 58,584.86 |
| B. Other Operating Revenues | | |
| Scrap Sales | 140.89 | 204.91 |
| Wind Mill Income | 52.59 | 55.75 |
| Subsidy from State Government | 20.36 | - |
| | 213.84 | 260.66 |
| Total | 55,867.42 | 58,845.52 |
| C. Reconciliation of Revenue from sale of products with the contracted price | | |
| Revenue as per contracted price | 55,653.58 | 58,584.86 |
| Less: Trade discount | - | - |
| Net Revenue recognised from contracts with customers | 55,653.58 | 58,584.86 |
| <p>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.</p> <p>The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.</p> | | |
| D. Contract Balances | | |
| Trade Receivable (Refer Note 10) | 3,657.08 | 4,303.06 |
| Contract Liabilities (Refer Note 20) | 0.67 | 41.04 |
| E. Significant changes in contract assets and liabilities during the year | | |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | 41.04 | - |

(₹ in lakhs)

| Note 23 : Other Income | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| a) Interest Income | | |
| - Deposits with banks | 1.70 | 1.41 |
| - On Other Financial assets carried at amortised cost | 20.80 | 14.87 |
| - On Compensation received (refer note 30(a)) | 31.10 | - |
| b) Profit on sale of Property Plant & Equipment (Net) (Excluding Exceptional item - Refer Note 30) | 68.68 | 33.33 |
| c) Sundry Balances Written back (Net) | 51.46 | - |
| d) Other Non-Operating Income | - | 0.04 |
| e) Gain on Lease Rent Waiver (Refer Note (i) below) | - | 29.47 |
| Total | 173.74 | 79.12 |

- (i) During the year ended 31 March 2021, the Company had negotiated with landlord for one of its premises on the rent reduction/ waiver due to Covid 19 pandemic. The Management believed that such reduction / waiver in rent was short term in nature and also met 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 had elected to apply exemption as the reduction/ waiver did not necessitate a lease modification as envisaged in the Standard by recording it in the "Other income". Accordingly, the Company has recognised ₹ Nil (previous year ₹ 29.47 lakhs) in the statement of profit and loss.

(₹ in lakhs)

| Note 24 : Cost of Materials Consumed | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---------------------------------------------|--------------------------------------|--------------------------------------|
| Opening Inventory | 2,651.12 | 2,273.74 |
| Add: Purchases (Net) | 34,395.37 | 37,605.95 |
| | 37,046.49 | 39,879.69 |
| Less: Closing Inventory | 2,342.04 | 2,651.12 |
| Total | 34,704.45 | 37,228.57 |

(₹ in lakhs)

| Note 25 : Changes in inventories of Finished Goods And Work-in-Progress | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Opening Inventory | | |
| Finished Goods | 142.15 | 116.69 |
| Work-in-Progress | 1,542.53 | 1,451.67 |
| | 1,684.68 | 1,568.36 |
| Less: Closing Inventory | | |
| Finished Goods | 156.36 | 142.15 |
| Work-in-Progress | 1,223.66 | 1,542.53 |
| | 1,380.02 | 1,684.68 |
| (Increase) / Decrease in Inventories | 304.66 | (116.32) |

(₹ in lakhs)

| Note 26 : Employee Benefits Expenses | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries and Wages | 3,000.00 | 2,684.41 |
| Contribution to Provident and Other Funds | 196.74 | 160.97 |
| Defined Benefit Plan – Gratuity (Refer Note 38) | 59.24 | 46.29 |
| Staff Welfare Expenses | 307.08 | 248.89 |
| Total | 3,563.06 | 3,140.56 |

(₹ in lakhs)

| Note 27 : Finance Cost | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Interest on Long term borrowings | 422.32 | 630.59 |
| Interest on Short term borrowings | 152.60 | 259.18 |
| Interest on bill discounting | 748.88 | 656.76 |
| Dividend on preference shares | - | 2.76 |
| Interest on net defined benefit liability | 21.41 | 16.03 |
| Interest on lease liability | 19.85 | 31.47 |
| Interest on others including finance charges | 11.73 | 16.64 |
| Total | 1,376.79 | 1,613.43 |

(₹ in lakhs)

| Note 28 : Depreciation and Amortisation | Year ended March 31, 2023 | Year ended March 31, 2022 |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation on Property, plant and equipment | 2,668.96 | 2,787.83 |
| Depreciation on Right of use assets | 144.82 | 161.44 |
| Depreciation on Investment Property | 36.96 | 39.38 |
| Amortisation of Intangible assets | 9.53 | 12.49 |
| Total | 2,860.27 | 3,001.14 |

(₹ in lakhs)

| Note 29 : Other Expenses | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Consumption of Stores and Spare Parts | 854.46 | 740.15 |
| Water, Power and Fuel | 2,839.39 | 2,583.57 |
| Material Handling and Processing Charges | 3,059.13 | 3,046.74 |
| Repairs and Maintenance | | |
| Buildings | 56.03 | 21.06 |
| Plant and Equipment | 241.88 | 230.28 |
| Others | 159.19 | 143.42 |
| Freight | 944.11 | 1,053.44 |
| Lease Rent (Refer Note 4B) | 24.80 | 9.09 |
| Rates and taxes | 36.29 | 85.60 |
| Sales tax expenses (net of reversal) | 2.73 | 40.02 |
| Insurance | 281.08 | 248.55 |
| Security charges | 251.32 | 236.68 |
| House keeping expenses | 171.44 | 121.47 |
| Travelling and Conveyance | 310.39 | 232.31 |
| Directors' sitting fees | 20.70 | 23.30 |
| Payment to Auditors (Refer Note (i) below) | 27.49 | 37.86 |
| Commission to non-executive directors | 20.00 | 15.00 |
| Bad debts written off | 22.48 | 89.22 |
| Allowance for Expected Credit Loss on Receivables written back | (135.24) | (12.30) |
| Loans and Advances written off | 147.57 | 106.14 |
| (Reversal)/Allowance for doubtful Loans and Advances (refer note 8) | (147.57) | 34.45 |
| (Reversal)/Allowance for doubtful Other Receivables (refer note 6) | (38.08) | 137.03 |
| Legal and Professional Expenses | 510.21 | 552.73 |
| Net Loss on Foreign Currency Transactions and Translations (other than considered as finance cost) | 1.91 | 3.08 |
| Corporate Social Responsibility expenses (Refer Note (ii) below) | 41.65 | 32.89 |
| Miscellaneous expenses | 173.05 | 200.89 |
| Total | 9,876.41 | 10,012.67 |

Note

(₹ in lakhs)

| i) Payment to Auditors | Year ended March 31, 2023 | Year ended March 31, 2022 |
|------------------------------------|--------------------------------------|--------------------------------------|
| As Auditor: | | |
| - Audit Fees | 21.00 | 21.00 |
| - Tax Audit Fees | 3.25 | 3.25 |
| - Certification and other services | 1.83 | 9.93 |
| Reimbursement of expenses | 1.41 | 3.68 |
| | 27.49 | 37.86 |

Note 29 : Other Expenses (Contd....)**ii) Corporate Social Responsibility expenses**

The Company has spent ₹ 41.65 lakhs (Net of ₹ 1.04 Lakhs spent excess in previous year) during the financial year (March 31, 2022 ₹ 32.89 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 ₹ 42.69 lakhs (March 31, 2022 ₹ 31.85 lakhs).

| (₹ in lakhs) | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| b) Details of amount spent during the year | Year ended March 31, 2023 | Year ended March 31, 2022 |
| i) Construction/ Acquisition of any assets | Nil | Nil |
| ii) Purpose other than (i) above | | |
| - Environment and sustainability | - | 2.04 |
| - 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. | 5.00 | 3.00 |
| - Promoting education including special education and employment enhancing vocation skills especially among children, women elderly and the differently abled and livelihood enhancement projects | 36.65 | 27.85 |
| Administrative expenses | - | - |
| Yet to be paid | - | - |
| Total | 41.65 | 32.89 |
| c) Excess amount spent for the financial year | - | 1.04 |
| d) Related party transaction in relation to CSR Expenditure | 18.65 | 30.85 |

| (₹ in lakhs) | | |
|------------------------------------------------------------------|------------------------------|------------------------------|
| Note 30 : Exceptional Items | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Compensation under compulsory acquisition (refer note (a) below) | 380.61 | - |
| Gain on Sale of Property (Refer Note (b) below) | - | 796.04 |
| Insurance claim received (Refer Note (c) below) | - | 198.05 |
| Total Exceptional Items [Credit / (Charge)] | 380.61 | 994.09 |

(a) During the current financial year, the Company received Orders from the Land Acquisition, Rehabilitation & Resettlement Authority, D & N. H., Silvassa under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ('the Act'), for ₹ 485.98 lakhs as compensation for the compulsory acquisition of Land under the Act, which includes interest of ₹ 31.10 lakhs. The Company has received a sum of ₹ 168.75 lakhs as on the balance sheet date and the balance ₹ 317.23 lakhs has been disclosed as 'Compensation receivable on Land acquisition' under Note 6 'Other Financial Assets' to the financial statements, which has been received subsequent to the Balance Sheet date.

The Exceptional item of ₹ 380.61 lakhs represents the excess of the compensation amount (net of interest) over the related carrying cost of Asset held for Sale.

(b) During the year ended March 31, 2022, the Company sold one of the properties at Naroli. The profit on sale of property amounting to ₹ 796.04 lakhs being a non-recurring event, has been considered as an exceptional item.

(c) During the year ended March 31, 2022, a sum of ₹ 198.05 lakhs received from insurance company in full and final settlement of its claim for damage due to flood at Baddi plant being a non recurring event, has been considered as an exceptional item.

Note 31 : Financial Instruments
Note 31A : Categorywise classification of Financial Instruments

| | (₹ in lakhs) | |
|---------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| a Financial Assets | | |
| Measured at Amortised Cost | | |
| Non current | | |
| (i) Investments | - | - |
| (ii) Other Financial Assets | 607.29 | 546.53 |
| Total Non Current Financial Assets | 607.29 | 546.53 |
| Current | | |
| (i) Trade Receivables | 3,657.08 | 4,303.06 |
| (ii) Cash and Cash Equivalents | 235.39 | 71.94 |
| (iii) Other Bank Balances | 19.88 | 23.98 |
| (iv) Other financial assets | 675.85 | 175.85 |
| Total Current Financial Assets | 4,588.20 | 4,574.83 |
| Total Financial Assets | 5,195.49 | 5,121.36 |
| Measured at Fair Value through Profit and loss (FVTPL) | | |
| (i) Investment (Fully impaired) | - | - |
| b Financial Liabilities | | |
| Measured at Amortised Cost | | |
| Non Current | | |
| (i) Borrowings | 1,504.28 | 3,783.18 |
| (ii) Lease Liabilities | 49.93 | 154.41 |
| (iii) Other financial liabilities | - | - |
| Total Non Current Financial Liabilities | 1,554.21 | 3,937.59 |
| Current | | |
| (i) Borrowings | 4,613.43 | 5,818.44 |
| (ii) Lease Liabilities | 137.14 | 129.88 |
| (iii) Trade Payables | 1,702.26 | 1,951.64 |
| (iv) Other financial liabilities | 461.46 | 630.83 |
| Total Current Financial Liabilities | 6,914.29 | 8,530.79 |
| Total Financial Liabilities | 8,468.50 | 12,468.38 |

Note 31B : 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 on 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 31B : 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, 2023 | As at March 31, 2022 |
| Liabilities | | |
| Payables | | |
| USD | - | 29.72 |
| Receivables | | |
| USD | 7.12 | 12.27 |
| Net Exposure | | |
| USD | 7.12 | (17.45) |
| Rates | | |
| USD | 82.36 | 75.81 |

Foreign Currency Sensitivity Analysis

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 10 % increase or decrease in the USD against INR with all other variants held constant. The sensitivity analysis is prepared under net un-hedged exposure of the Company as at the reporting date.

| Change in USD Rate | As at March 31, 2023 | As at March 31, 2022 |
|--------------------|-------------------------|-------------------------|
| Effect on PBT | | |
| +10% | 0.71 | (1.75) |
| - 10% | (0.71) | 1.75 |

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 ageing of the trade receivables is as under:

| | (₹ in lakhs) | |
|------------------------------------|-------------------------|-------------------------|
| Particulars | As at March 31, 2023 | As at March 31, 2022 |
| More than 180 days | 418.45 | 527.86 |
| Others | 3,645.02 | 4,316.82 |
| | 4,063.47 | 4,844.68 |
| Less: Allowances for credit losses | 406.39 | 541.62 |
| | 3,657.08 | 4,303.06 |

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) | |
|--------------------------|-------------------------|-------------------------|
| Borrowings | As at March 31, 2023 | As at March 31, 2022 |
| Fixed rate borrowings | 4,482.28 | 7,602.94 |
| Variable rate borrowings | 1,635.43 | 1,998.68 |
| Total | 6,117.71 | 9,601.62 |

Note 31B : 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 |
| Year ended March 31,2023 | | |
| Financial Liabilities | | |
| Variable Rate Borrowings | 16.64 | (16.64) |
| Cash Flow Sensitivity(Net) | 16.64 | (16.64) |
| Year ended March 31,2022 | | |
| Financial Liabilities | | |
| Variable Rate Borrowings | 21.06 | (21.06) |
| Cash Flow Sensitivity(Net) | 21.06 | (21.06) |

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 :

| | Carrying Values | Contractual Cash Flows | | | |
|-----------------------------------|-----------------|------------------------|------------------|-----------------|-------------------|
| | | Total | Less than 1 year | 1 to 5 years | More Than 5 years |
| As at March 31, 2023 | | | | | |
| (i) Borrowings | 6,117.71 | 6,487.81 | 4,878.25 | 1,609.56 | - |
| (ii) Trade Payables | 1,702.26 | 1,702.26 | 1,702.26 | - | - |
| (iii) Other financial liabilities | 461.46 | 461.46 | 461.46 | - | - |
| (iv) Lease liabilities | 187.07 | 381.50 | 147.76 | 31.98 | 201.76 |
| As at March 31, 2022 | | | | | |
| (i) Borrowings | 9,601.62 | 10,323.46 | 6,252.61 | 4,070.85 | - |
| (ii) Trade Payables | 1,951.64 | 1,951.64 | 1,951.64 | - | - |
| (iii) Other financial liabilities | 630.83 | 630.83 | 630.83 | - | - |
| (iv) Lease liabilities | 284.29 | 493.79 | 149.29 | 141.42 | 203.08 |

Note 31C : 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, 2023 the Company had equity 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. For net debt to equity ratio (refer note - 32).

Note 32 : Ratios

| Sr. No. | Name of the Ratio | Numerator | Denominator | FY 2022-2023 | FY 2021-2022 | % Variance | Reasons |
|---------|-----------------------------------|----------------------------------------------------------------------------|------------------------------|--------------|--------------|------------|--------------------------------------------|
| 1 | Current ratio | Current assets | Current liabilities | 1.19 | 1.03 | 15.34% | |
| 2 | Debt- Equity Ratio | Total Debt | Shareholder's equity | 0.25 | 0.44 | (43.16%) | Improved because of repayment of borrowing |
| 3 | Debt Service coverage Ratio | Earnings available for debt service (Excluding exceptional item) | Debt Service | 1.26 | 1.07 | 18.00% | |
| 4 | Return on Equity ("ROE") | Net profits after taxes - Preference dividend (Excluding exceptional item) | Average shareholder's equity | 10.66% | 13.76% | (22.55%) | |
| 5 | Inventory turnover ratio | Cost of goods sold | Average Inventory | 8.64 | 9.02 | (4.24%) | |
| 6 | Trade receivables turnover ratio | Net Credit Sales | Average Accounts Receivable | 14.04 | 13.50 | 3.98% | |
| 7 | Trade payable turnover ratio | Total Purchases | Average Trade Payables | 18.83 | 19.89 | (5.33%) | |
| 8 | Net capital turnover ratio | Net Sales | Working Capital | 40.76 | 226.80 | (82.03%) | Reduced due to decrease in Turnover |
| 9 | Net profit ratio | Net Profit after tax (Excluding exceptional item) | Net Sales | 4.39% | 4.67% | (5.92%) | |
| 10 | Return on capital employed (ROCE) | Earning before interest and taxes (Excluding exceptional item) | Capital Employed | 16.32% | 18.94% | (13.84%) | |
| 11 | Return on investment | | | | * | * | |

* Return on investment ratio disclosure is not applicable since the Company has not generated any income from assets held as Investment.

Note 33 : Dividend

| Dividend on equity shares paid during the year | (₹ in lakhs) | |
|--------------------------------------------------------------------------------|---------------------------|---------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Final dividend ₹ 1.00 (Previous year @ ₹ 1.00) per equity share of ₹ 10/- each | 171.76 | 171.76 |

Proposed Dividend

The Board of Directors at its meeting held on May 17, 2023 have recommended payment of dividend of ₹ 1.00 (10%) per equity share of ₹ 10 each for the financial year ended March 31, 2023, the same amounts to ₹ 171.76 lakhs (Previous year : ₹ 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, 2023 | As at March 31, 2022 |
| a) Contingent Liabilities | | |
| 1) Claims against the Company not acknowledged as debts | | |
| -Direct Tax matters in dispute under appeal | 327.24 | 798.14 |
| -Indirect Tax matters in dispute under appeal | 54.35 | 127.98 |
| 2) Bills of exchange discounted with banks | 6,974.76 | 2,641.56 |
| (Since realised ₹ 2,816.73 lakhs till May 17, 2023 (Previous year ₹ 1,522.48 lakhs)) | | |
| 3) Bank guarantees | 56.50 | 56.50 |
| b) Commitments | | |
| Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for. (Gross of advances March 31, 2023 ₹ 265.56 lakhs, March 31, 2022 ₹ 313.78 lakhs) | 826.68 | 203.49 |

Note 34 : Contingent Liabilities and Commitments (Contd....)
c) Other Matters

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 : Other Disclosures
(a) Additional regulatory information required by Schedule III to the Companies Act, 2013

- i) The Company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company does not have any transactions with companies struck off under Companies Act, 2013 or Companies Act, 1956.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- iv) The Company has not traded or invested in crypto currency or virtual currency during the current or previous financial year.
- v) The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- vi) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- vii) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- viii) The Company has not entered into any scheme of arrangement which has an accounting impact in current or previous financial year.
- ix) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- x) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 36 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2022-23, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in lakhs)

| | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (a) Principal amount remaining unpaid at the end of the financial year | 297.44 | 356.16 |
| (b) Interest due thereon remaining unpaid | Nil | 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 | Nil | Nil |
| (f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise, this is required for the purpose of disallowance as a deductible expenditure u/s 23 of the Act. | Nil | Nil |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 37 : 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 details of foreign currency (FC) exposure not hedged is as under :

| Currency | (in FC) | | (` in lakhs) | |
|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| Payable | | | | |
| USD | - | 40,000 | - | 29.72 |
| Receivable | | | | |
| USD | 8,641 | 16,857 | 7.12 | 12.27 |

Note 38 : Employee benefits

(1) Post employment benefits:

a Defined Contribution plan

Provident Fund and Employee State Insurance Scheme

Defined contribution plans are Provident Fund Scheme and Employee State Insurance Scheme. The Company contributes to the Government administered provident funds on behalf of its employees.

b Defined Benefit plan

Gratuity scheme

The Company operates a defined benefit gratuity plan for employees. The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary. The Company has a Gratuity trust. However, the Company funds its gratuity payouts to the trust from its cash flows. Accordingly, the Company creates adequate provision in its books every year based on actuarial valuation. These benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and investment risk.

c Amounts recognised as expense

i Defined Contribution Plan

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 190.42 lakhs (March 31, 2022: ₹ 154.84 lakhs) has been included under Contribution to Provident and Other Funds in Note 26 'Employee Benefit Expenses'.

ii Defined Benefit Plan

Gratuity cost amounting to ₹ 59.24 Lakhs (March 31, 2022 : ₹ 46.29 lakhs) has been included in Note 26 'Employee Benefit Expenses'.

d The amounts recognised in the Company's financial statements are as under :

| Particulars | (` in lakhs) | |
|------------------------------------------------------------------------------|------------------------------|------------------------------|
| | Gratuity (Funded Plan) | |
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| i Change in Present Value of Obligation | | |
| Opening defined benefit obligation as at April 1 | 776.65 | 618.83 |
| Current Service Cost | 59.24 | 46.29 |
| Interest Cost | 49.78 | 37.50 |
| Actuarial (Gain)/Loss on obligations due to change in Demographic Assumption | - | 0.26 |
| Actuarial (Gain)/Loss on obligations due to change in Financial Assumption | (35.13) | (12.82) |
| Actuarial (Gain)/Loss on obligations due to experience | 72.86 | 115.35 |
| Benefits Paid | (44.58) | (28.76) |
| Closing defined benefit obligation as at March 31 | 878.82 | 776.65 |
| ii Change in fair value of assets : | | |
| Opening fair value of plan assets as at April 1 | 442.67 | 354.24 |
| Return on Plan Assets excluding Interest Income | (10.14) | (4.29) |
| Interest Income | 28.37 | 21.47 |
| Contributions by employer | - | 100.01 |
| Benefits Paid from the fund | (44.58) | (28.76) |
| Closing Fair Value of Plan Assets as at March 31 | 416.32 | 442.67 |

Note 38 : Employee benefits (Contd....)

(₹ in lakhs)

| Particulars | Gratuity (Funded Plan) | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| iii Amounts recognised in the Balance Sheet | | |
| Present value of benefit obligation at the end of the year | (878.82) | (776.65) |
| Fair Value of Plan Assets | 416.32 | 442.67 |
| Funded Status {Surplus/ (Deficit)} | (462.50) | (333.98) |
| Net (Liability) / Asset recognised in the Balance Sheet | (462.50) | (333.98) |
| iv Amount recognised in the Statement of Profit & Loss | | |
| Current Service Cost | 59.24 | 46.29 |
| Interest on defined benefit obligation | 21.41 | 16.03 |
| Total | 80.65 | 62.32 |
| v Amount recognised in Other Comprehensive Income (OCI) | | |
| Actuarial (Gains)/ Losses on the Obligation for the year | 37.71 | 102.79 |
| Return on Plan Assets, excluding Interest Income | 10.14 | 4.29 |
| Net (Income) / Expense For the Period Recognised in OCI | 47.85 | 107.08 |
| vi Balance Sheet Reconciliation | | |
| Opening Net Liability | 333.98 | 264.59 |
| Expenses Recognized in Statement of Profit or Loss | 80.67 | 62.32 |
| Expenses Recognized in OCI | 47.85 | 107.08 |
| Employer's Contribution | - | (100.01) |
| Net Liability / (Asset) Recognized in the Balance Sheet | 462.50 | 333.98 |
| vii Estimated contribution to be made in next financial year | 128.98 | 108.88 |
| viii Weighted Average Duration of Projected Benefit Obligation | 6 years | 6 years |
| ix Major categories of Plan Assets as a % of total Plan Assets | 100% | 100% |
| Insurer Managed Funds | | |
| x Assumptions : | | |
| Discounted Rate (per annum) | 7.30% | 6.41% |
| Estimated Rate of return on Plan Assets (per annum) | 7.30% | 6.41% |
| Mortality for domestic plan | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |
| Rate of Escalation in Salary (per annum) | 9.00% | 9.00% |
| The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. | | |
| xi Maturity Analysis of Projected Benefit Obligation: From the Fund | As at March 31, 2023 | As at March 31, 2022 |
| Projected Benefits Payable in Future Years from the Date of Reporting | | |
| Within the next 12 months | 146.23 | 106.48 |
| 2nd Following Year | 118.39 | 101.49 |
| 3rd Following Year | 115.04 | 106.83 |
| 4th Following Year | 104.57 | 90.88 |
| 5th Following Year | 91.48 | 82.94 |
| Sum of Years 6 To 10 | 406.31 | 342.62 |
| 11 and above | 307.62 | 274.43 |

Note 38 : 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, 2023 | | As at March 31, 2022 | |
|------------------------------------|-------------------------|----------|-------------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (36.19) | 39.69 | (34.38) | 37.83 |
| Future salary growth (1% movement) | 38.10 | (35.54) | 36.04 | (33.51) |
| Employee Turnover (1% movement) | (4.69) | 5.00 | (5.93) | 6.37 |

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, 2023, based on actuarial valuation carried out by using the Projected Unit Credit Method amounting to ₹ 61.97 lakhs (March 31, 2022 : ₹ 68.03 lakhs) has been recognised in the Statement of Profit and Loss.

| Note 39 : Earnings per Share (EPS) | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Profit after tax as per Statement of Profit and Loss (₹ in Lakhs) | 2,832.92 | 3,739.66 |
| Weighted average number of Equity Shares outstanding | 1,71,75,700 | 1,71,75,700 |
| Earnings per share (₹)—Basic [Face value of ₹ 10/- per share] | 16.49 | 21.77 |
| Earnings per share (₹)—Diluted [Face value of ₹ 10/- per share] | 16.49 | 21.77 |

Note 40 : Disclosure under Amendment to Ind AS 7 regarding impact of non- cash transactions on financial liabilities

Effective April 1, 2017 the Company adopted the amendment to Ind AS 7, which requires the Company to provide disclosure that will enable users of financial statements to evaluate changes in liabilities from financing activities, including changes arising from cash flow and non cash changes. In order to meet this disclosure requirement, the reconciliation between the opening and closing balances for liabilities arising from financing activities in the Balance Sheet, is as stated below:

| Particulars | (₹ in lakhs) | | | |
|----------------------------------------------------|---------------------------------|-------------------|--------------------------------------------------------------|---------------------------------|
| | As at March 31, 2022 | Cash Flows | Foreign Exchange (Gain) /Loss (Non- Cash) | As at March 31, 2023 |
| Long term borrowings | 6,861.24 | (3,079.83) | - | 3,781.41 |
| Short term borrowings (excluding cash credits) | 2,691.70 | (659.42) | - | 2,032.28 |
| Total liabilities from financing activities | 9,552.94 | (3,739.25) | - | 5,813.69 |

| Particulars | (₹ in lakhs) | | | |
|------------------------------------------------|---------------------------------|-------------------|----------------------------------------------------------|---------------------------------|
| | As at March 31, 2021 | Cash Flows | Foreign Exchange (Gain) /Loss (Non- Cash) | As at March 31, 2022 |
| Long term borrowings | 9,930.58 | (3,069.34) | - | 6,861.24 |
| Short term borrowings (excluding cash credits) | 4,236.59 | (1,544.89) | - | 2,691.70 |
| Total liabilities from financing activities | 14,167.17 | (4,614.23) | - | 9,552.94 |

Note 41 : Carrying value of Assets offered as collateral

| | (₹ in lakhs) | |
|------------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Current Assets | | |
| Floating Charge | | |
| Financial Assets | | |
| Trade Receivables (Other than Invoice discounting) | 3,657.08 | 4,303.06 |
| Non Financial Assets | | |
| Inventories | 3,748.04 | 4,358.74 |
| Total Current assets hypothecated as collateral | 7,405.12 | 8,661.80 |
| Non Current Assets | | |
| Floating Charge | | |
| Plant and Machinery | 5,869.48 | 6,757.53 |
| Capital work in progress (Plant & Machinery) | 81.11 | 101.62 |
| Fixed Charge | | |
| Land | 4,115.96 | 4,133.07 |
| Building | 8,070.09 | 8,761.53 |
| Total non current assets mortgaged as collateral security | 18,136.64 | 19,753.75 |
| Total asset offered as Security including collateral | 25,541.76 | 28,415.55 |

Note 42 : Segment Reporting

The Company's Chief Operating Decision Maker, examines the Company's performance on an entity level. The Company has identified only one reportable segment i.e.' Rigid Plastic Containers' in accordance with requirements of Ind AS 108 - Operating Segments. Accordingly, no separate segment information has been provided.

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

| | (₹ in lakhs) | |
|----------------------------------------|--------------------------------------|------------------------------|
| Revenue from External Customers | | |
| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Rigid Plastic Containers | 55,653.58 | 58,584.86 |
| Total operations | 55,653.58 | 58,584.86 |

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

Revenue aggregating to ₹ 39,785.40 lakhs is derived from one customer for year ended March 31, 2023 (Previous year: ₹ 43,503.92 lakhs).

Note 43 :Information on related party transactions as required by Indian Accounting Standard (IndAS – 24) for the year ended March 31, 2023.

1. Relationship:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(i) Holding Company Geetanjali Trading and Investments Private Limited</p> | <p>(ii) Fellow Subsidiaries (with whom there are transactions during the current and previous year) Hitech Specialities Solutions Ltd</p> |
| <p>(iii) Key Management Personnel (KMP) & Relatives of Key Managerial Personnel: 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) Mrs. Avan R Chaina (Chief Financial Officer) Mrs. Namita R. Tiwari (Company Secretary) Mr. Chirag B. Gosalia (Relative of director of holding Company) Chhajer & Doshi (Independent Director as partner)</p> | <p>(iv) Entities over which KMP along with Relatives exercise significant influence: Asian Paints Limited Sab Ka Mangal Ho Foundation (CSR Trust)</p> <p>(v) 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</p> |

2. Related Party Transactions

(₹ in lakhs)

| Particulars | Holding Company | | Fellow subsidiaries | | Key Management Personnel & Relatives of Key Managerial Personnel | | Entities over which KMP along with Relatives exercise significant influence | | Post Employee Benefit Plan Entities | |
|--------------------------------------|-----------------|--------|---------------------|-------|------------------------------------------------------------------|--------|-----------------------------------------------------------------------------|-----------|-------------------------------------|--------|
| | 22-23 | 21-22 | 22-23 | 21-22 | 22-23 | 21-22 | 22-23 | 21-22 | 22-23 | 21-22 |
| Sale of Goods | - | - | - | - | - | - | 39,785.40 | 43,503.92 | - | - |
| Expected credit loss allowance | - | - | - | - | - | - | 8.33 | 28.00 | - | - |
| Rent Paid | - | - | - | - | - | - | - | - | - | - |
| Remuneration | - | - | - | - | 189.23 | 167.72 | - | - | - | - |
| Retiral benefits (Long Term) | - | - | - | - | 3.20 | 4.17 | - | - | - | - |
| Retiral benefits (Short Term) | - | - | - | - | 1.19 | 1.53 | - | - | - | - |
| Sitting Fees | - | - | - | - | 2.30 | 2.10 | - | - | - | - |
| Commission Paid | - | - | - | - | 2.00 | 1.00 | - | - | - | - |
| Professional Fees | - | - | - | - | 20.00 | - | - | - | - | - |
| Dividend on Preference Shares | - | 2.66 | - | 0.10 | - | - | - | - | - | - |
| Preference Shares Redeemed Partially | - | 718.71 | - | 26.53 | - | - | - | - | - | - |
| Preference Dividend paid | - | 67.35 | - | 2.49 | - | - | - | - | - | - |
| Contributions made to Fund | - | - | - | - | - | - | - | - | - | 100.01 |
| Contributions to CSR Trust | - | - | - | - | - | - | 18.65 | 30.85 | - | - |
| Outstanding | | | | | | | | | | |
| Receivables | - | - | - | - | - | - | 431.88 | 440.12 | - | - |
| Payables | | | | | | | | | | |
| Bonus Payable | - | - | - | - | 45.30 | 92.30 | - | - | - | - |
| Commission Payable | - | - | - | - | 2.00 | 1.00 | - | - | - | - |

All Related Party Transactions entered during the current and previous year were in ordinary course of the business and on arm's length basis.

Note 44 : Approval of financial statements

The financial statements are approved for issue by the Board of Directors in their meeting held on May 17, 2023.

Note 45 : Other Notes

Previous year figures have been regrouped / reclassified where necessary to confirm with financial statements prepared under Ind AS.

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

Jamshed K. Udawadia
Partner
Membership No. 124658

Mumbai, May 17, 2023

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 17, 2023

Malav A. Dani
Managing Director
DIN:01184336

Namita R. Tiwari
Company Secretary

8th International Day of Yoga on 21st June, 2022

The iconic Mysuru palace witnessed a stupendous performance of yoga asanas by enthusiastic yoga practitioners including the children from the orphanages of Pune, under the CSR initiative of Hitech Corporation Ltd. in the presence of Honourable Prime Minister Shri Narendra Modi.



**Every child deserves the best &
Yoga is the greatest gift for these children.
An initiative of Sab Ka Mangal Ho Foundation.
- A CSR Trust of Hitech Corporation Ltd.**



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