

HITECH CORPORATION LIMITED
TRANSCRIPT OF THE 31st ANNUAL GENERAL MEETING
HELD ON SATURDAY 16th JULY, 2022 AT 11.00 A.M.

31st Annual General Meeting of Hitech Corporation Limited

16th July 2022

- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited:**
- Namaste and a warm welcome to the 31st Annual General Meeting of the Hitech Corporation Limited. I am Namita Tiwari, Company Secretary of the company. As the required quorum is present, I would request Chairman Sir to start the proceedings of the meeting. Thank you.
- **Mr. Ashwin Dani – Chairman, Hitech Corporation Limited:**
- Good morning everybody. On behalf of the Board of Directors of Hitech Corporation Limited, I Ashwin Dani, Chairman of the Company extend a very warm welcome to all of you to the 31st Annual General Meeting of the company. We hope you and your family members are healthy, safe and secure. This meeting is being held through audio-video conference mode in accordance with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The company has taken all feasible efforts to enable members to participate through video conference and vote at the AGM. As informed by the Company Secretary, the requisite quorum is present through video conference to conduct the proceedings of this meeting. Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by the Ministry of Corporate Affairs and Section 103 of The Companies Act of 2013. The quorum being present, I call this meeting to order.
- Let me start by introducing my all colleagues on the Board. First I would like to introduce Mr. Harish Motiwalla. He is an Independent Director and Chairman of the Audit Committee and Nomination and Remuneration Committee. The second gentleman I introduce is Mr. Jayendra R Shah - Independent Director. Then the next Director I would like to introduce is Mr. Bomi Chinoy, an Independent Director. The next Director I would like to introduce is Mr. Aditya Sheth, an Independent Director. Ms. Kalpana Merchant, an Independent Director is not present due to some personal exigencies. Mr. Malav Dani is the Managing Director. Mr. Mehernosh Mehta is the Executive Director. Mrs. Avan Chaina - Chief Financial Officer. Ms. Roshni Marfatia, partner Kalyaniwalla & Mistry LLP Chartered Accountants - statutory Auditor and Mr. Mahesh Darji, partner Nilesh Shah & Associates Company Secretary - secretarial auditor are also present. Mr. Himanshu Kapadia, Proprietor of M/s Himanshu Kapadia and Associates, practicing Company Secretary has been appointed as the scrutinizer for the scrutiny of the votes cast through the remote e-voting platform and e-voting during the AGM, and is present at the meeting.
- I now request the Company Secretary to provide general instructions to the members regarding participation in the meeting.

- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited:**
 - Thank you Chairman Sir!
 - Respected Members of the Company!
1. This meeting is being held through audio-video conference mode in accordance with the directions issued by the MCA and SEBI.
 2. The register of Directors and key managerial personnel, the register of contracts or arrangements and other documents mentioned in the AGM notice have been made available electronically for inspection by the members during the AGM. Members seeking to inspect any of these documents can send their request to investor.help@hitechgroup.com.
 3. As the AGM is being held through video conference, the facility for appointment of proxies by the members is not applicable, and hence the proxy register for inspection is not available.
 4. The company has received request from a few members to register them as a speaker at this AGM. Accordingly, the floor will be open for these members to ask questions or express their views. We will facilitate this session once the Chairman opens the floor for questions and answers.
 5. During the question and answer session, I will announce the names of the shareholders who have registered as speakers and the maximum time allowed to each speaker shareholder will be around 2 minutes. I request the speakers to adhere to this timeline, please.
 6. Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time.
 7. For all queries with respect to the annual report or in case of any other clarifications, members are requested to write to us at investor.help@hitechgroup.com.
 8. Those shareholders who are unable to speak due to connectivity issues will be allowed to speak once all other shareholders have been given a chance to speak.
 9. The speaker shareholder will be put on mute mode by the host until the time the Q&A session starts.
 10. Once the names of the speaker shareholders are announced, the shareholder will be unmuted and has to select the video mode and start speaking.
 11. If any shareholder is unable to connect through video, then he or she can connect through audio only and ask questions.
 12. In accordance with the provisions of The Companies Act 2013 and SEBI Listing Obligations and Disclosure Requirement Regulations 2015, the shareholders were

provided with an opportunity to cast their vote through the remote e-voting facility on the resolutions as set out in the notice convening this AGM. The remote e-voting period commenced at 9.00 AM on Wednesday, 13th July 2022 and the facility was available to the shareholders till 5.00 PM Friday, 15th July 2022.

13. Members who have not cast their vote electronically and who are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by NSDL during this AGM.

- Thank you!
- Now I request Chairman Sir to address the shareholders.
- **Mr. Ashwin Dani – Chairman, Hitech Corporation Limited:**
- **Good Morning!**
- **Thank you for your time today and for your continued faith in us as always!**
- The last fiscal elicited a mixed response from the Indian economy. While the year has started on a low note, still reeling from the lethal second wave of COVID-19 infection, the economy started to hobble back by the second quarter. Overall, GDP growth for the full year was estimated at 8.7% even as unemployment hovered at 7.1%. Excess heat waves, export bans by key producers and an unstable geopolitical situation in the Eastern Europe caused erratic crude prices and raw material supply disruptions for the manufacturing sector. Yet the Indian economy had a banner year with record high exports and higher profits at publicly traded companies. Hitech had a terrific year. we processed more from all our facilities, we improved operating efficiencies and made concerted effort to lower our expenditures. It was mainly from continual improvement efforts and lean training at our plants, we added new products and new technologies to expand our reach in rigid plastic packaging and the results are available for everyone to see.
- Looking forward, we are well positioned for the growth we have envisioned for the coming year. Given the leading indicators of an upcoming economic slowdown, we are cautiously optimistic in our approach as we make inroads into new industries and experiment with advanced technologies. Focus will remain on continuous improvement to service existing and new customers as well as innovations in terms of design and development. Finally on behalf of the Board, I would like to thank all our employees, customers, suppliers, government authorities, banks and stake holders for their continued confidence, support and trust.
- Now I will move on to the rest of the proceedings of the meeting. The notice convening this meeting and the annual report containing the audited financial statements for the financial year ended 31st March 2022 along with the Board's and Auditor's report and management discussion and analysis have already been circulated through the permitted mode to you. And with your kind permission, I take them as read. The statutory auditors Kalyaniwalla and Mistry LLP Chartered

Accountants, Mumbai and the Secretarial Auditor Nilesh Shah and Associates Company Secretary, Mumbai have expressed unqualified opinion in their respective audit reports for the financial year 2021-2022. There were no qualifications, observations or adverse comments in the audit reports on the financial statements and matters which have any material impact on the functioning of the Company.

- I now take up the following resolutions as set out in the notice convening the 31st Annual General Meeting.
 - Item #1, Ordinary Resolution pertaining to adoption of Company's Annual Financial Statements for the financial year ended 31st March 2022 along with the reports of the Board and auditors thereon.
 - Item #2, Ordinary Resolution pertaining to declaration of dividend on the equity shares for the financial year ended 31st March 2022.
 - Item #3 Ordinary Resolution pertaining to the reappointment of retiring Directors Mr. Mehernosh Mehta, who being eligible offers himself for re-appointment.
 - Item #4, Ordinary Resolution pertaining to re-appointment of Kalyaniwalla and Mistry LLP Chartered Accountants, Mumbai as the statutory auditors of the company for a second term of five consecutive years.
- Now I request the Company Secretary to read the instructions regarding e-voting during the AGM and other instructions.
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited:**
- Thank you sir!
- I would like to inform to the shareholders that the e-voting facility has been arranged during the meeting for all those shareholders who have not cast their votes through the remote e-voting platform, in respect of all the resolutions set out in the items #1 to #4 of the notice convening the 31st Annual General Meeting. Members can click on vote tab on the e-voting screen to avail this feature.
- The members who have registered themselves as speaker shareholders may now ask questions pertaining to any item as set forth in the notice convening this AGM. Members are requested to keep their questions brief and specific. To avoid repetition, the answers to all the questions will be provided at the end. Members may also note that the company reserves the right to limit the number of speaker members asking the questions depending on the availability of time. Members may note that voting on NSDL platform will continue to be available for the next 15 minutes after the conclusion of this AGM. Therefore, members who have not cast their votes yet are requested to do so.

- The results of voting shall be declared within 48 hours from the conclusion of this AGM. The results shall be intimated to the stock exchanges on which the company's shares are listed namely BSE Limited and National Stock Exchange of India Limited. The results shall also be uploaded on the Company's website www.hitechgroup.com and on the website of National Securities Depository Limited. Subject to receipt of requisite number of votes, the resolutions as set forth in the notice shall be deemed to have been passed today.
- Now I will announce the names of the speaker shareholders one by one.
- Our first speaker is Mr. Dinesh Kotecha.
- **Mr. Dinesh Kotecha – Shareholder:**
- Good morning to all of you, Jai Shri Krishna sir! Ashwin Bhai you will be 80 years next year, and hopefully we wish you that you also cross 100 years. We want you to be living for 100 years, sir. And the entire Board of Directors, my namaskar to all of you, Jai Shri Krishna. Sir my specific questions are, first of all let me start with a small *shayri* (couplet). *Jinke paas iradhe hote hain, unke paas bahane nahi hote* (Those who have the will, does not have any excuse). That is the performance of the current year. Despite and in spite of all round problems of ongoing pandemic , geo political problems, raw material prices, especially crude oil price increases, logistics problem our company, your company has shown record high performance justifying its name Hitech. The record breaking improved performance is shown under the key parameters on page 26 and page 47.
- The balance sheet ratios have improved, the profit and loss ratios have improved. Sir how much more improvement can be expected in the current year. Sir my second question will be, vacant property at Naroli was sold for Rs. 7.96 crores this year. Last year also we sold two close property at Dadra and Salegram fetching a Rs. 7.15 crores. So total was nearly Rs. 16 crores out of extraordinary income. Sir, there was one small problem about Sitarganj, which was discontinued from Q3 2021. Now what is the position of that Sitarganj plant? Have we sold it or are we planning to sell it, and will we get extraordinary income in the current year? What is going on, please tell us. Sir, hope there is nothing such exceptional item except than 2-3 cleaning to be done in the balance sheet. Sir, our old insurance for loss of due to floods at Baddi has been resolved and solved.
- 100% preference shares have been redeemed in April 21, starting of the year, and I hope that...a lot of or problems, legacy problems, balance sheet structuring problems are over now. Now we should look forward for a better performance. I would like to come to page number 21. There's a pointer on page number 21, 5th pointer. Please explain me in detail about the R&D, because I could not understand what is exactly written there. It says 'strengthening, designing, failure modes an effects analysis, BFMAE EA and process failure. Now that particular thing, can you explain in detail so that we can understand that, sir? Sir again, I would like to know what is the advance tax paid in the first quarter of the current year, 15th June 2022. I would like you to give a list of top 10 shareholders, which are non-institutional non-

promoters, because if we knew the quality of the public shareholding out of that who are the top 10, then it give us more confidence to remain invested in this company or invest more in this company sir. Sir along with this, you must always give, on page 57, nice summary is has been given for 5 years. Last year also I recommended that you should give Q1, Q2, Q3 and Q4 with five or six important parameters so that we know on quarterly on basis how the improvement has taken place sir.

- Sir, I would recommend that you should give, basically a small rights. That rights must be given only to the non-promoter shareholder so that we can also be participating in the process of investment. And with that amount you can repay the loan and thereby saving can be done to the extent of Rs. 10 per share by the way of interest not being paid. Sir, another one small suggestion. The Rs. 10 face value share, make it to Rs. 5 and give us Rs. 5 back by way of repayment of capital instead of giving dividends for the next 5 years. Now, what will happen is, our equity will be half and our EPS will be double. Now market will realize this particular phenomena, if you remember 10 years ago our Asian Paints shares were Rs. 10 face value and quoted at Rs. 1000. Now it is Re. 1 it is quoted at Rs. 10,000. So the shareholders have gained in the process, sir. So if you can do that, it will be much better, sir. Lastly, I will just concentrate on page #47 for a minute. The incremental ratios justify all that improvement that you have shown. The only thing is sir, I was just trying to understand from the profit and loss account on page 57, we have paid tax to the extent of Rs. 7.56 per share. Last year, we paid Rs. 3.13, that is, for Rs. 10 share we paid by way of tax in the last two years. And we have dividend only Rs. 2, sir. Sir at least whatever you pay the tax, that much dividend you must pay sir, please.
- Also your cash flow is that you have on Rs. 42.48 p per share in the last two years taken together and we are given only Rs. 2, sir. 4.71% cash flow is there for the total profit EPS. Now that is too low sir. For us stature of MD, means Managing Director and I mean Malava Dani, both stands for MD, sir you should consider that at least 30% pay out should be there. And if you get 30% pay-out, we get nearly Rs. 11 for the last two years taken together or minimum Rs. 9. Now you should consider. Now since all our legacy problems are over. If there are some legacy problems, please tell us what the legacy problems are. As I said, Uttarakhand, Sitarganj, what is the position, and if you can just give some specification? Otherwise the balance sheet is nicely made. Your company secretary department is very cordial. They had called me up yesterday also asking if I got the link, I said yes. And I am very appreciative of the fact that you are doing better and better. I want the company to reach Rs. 1,000 crores in the immediate future, if not by 2027. 2026 should be our target, if not 2028, sorry. We should make it to Rs. 1,000 crores. What is your estimate of reaching Rs. 1,000 crores, sir. When shall we be able to reach and how is the planning done for that? With this, I wish you all the best and Namita ji, thank you. Thank you madam Avana ji for patient listening and I expect all answers to my questions will be given to my satisfaction sir. Thank you very much. Wish you all the best.

- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited:**
- Thank you Mr. Kotecha!
- Our second speaker is Mr. Yusuf Rangwala.
- **Mr. Yusuf Rangwala – Shareholder:**
- Good morning. I am very thankful to an excellent team and it is my pride to be (associated) with an excellent madam. I am very happy with the Chairman’s speech. Madam I got the balance sheet and thank you for sending the balance sheet. It is very colourful, it is very knowledgeable, it is very good madam. It is around 15 pages (..... audio breaking). My humble request is if we divide it into 15-15 people in the factory. That is my humble request madam. And the total number of staff at present working in the factory madam. COVID-19 vaccine as the Chairman mentioned, all the people have taken the vaccine. That is a very good (.....audio breaking) that they have taken the vaccine. Nothing more to add, madam. My good wishes are there.
- Sir/madam, three years were lost due to Corona. If possible after Diwali if you keep a small get together, it will be good. Madam, next year we will have a physical meeting. (..... audio breaking), and there are so many other companies which are keeping the meeting. I shall take more examples. So if it is possible, please organize a physical meeting. It has been three years since we have met, and this video is very difficult. But I happened to join you due to my luck and with you team of NSDL. I am very thankful to the NSDL team. Madam, nothing more to add. Wishing you all the best and no matter how much I thank for your hard work and knowledge it will be less. We are very lucky to have excellent Company Secretary madam. Nothing more to add and I support all the resolutions. I have voted all in favour. Thank you very much and good day madam. Wish you a happy Diwali, happy New Year and for all the festivals from my side madam. This is Rangwala, speaking from Mumbai. Thank you madam.
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited:**
- Thank you Mr. Rangwala for your views!
- Speaker #3, Mr. Vinod Agarwal.
- **Mr. Vinod Agarwal – Shareholder:**
- **Can you hear me?**
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited:**
- Yes
- **Mr. Vinod Agarwal – Shareholder:**

- Respected Chairman, Ashwin Dani ji, MD Malav Dani, our CFO Avan Chaina and CS Namita Tiwari, good morning and regards to everyone. I have voted for all the four resolutions to be passed in today's meeting. I am thankful to the CS team for helping me join today's AGM and owing it to Namita Tiwari and her team. Sir, I have gone through your annual report the way I could. Sir, it has been an excellent performing year for us last year. Our revenues went to Rs. 588 crores up by 32%, EBITDA was Rs. 86 crores, up by 32% again. The PAT was Rs. 37.39 crores against Rs. 16.95 crores (.....audio breaking) by exceptional items of Rs. 9.94 crores. But still, even if we move at Rs. 9.94 crores the PAT was still very much higher. The EPS was 21.77 again....The question comes as, last year you paid Re. 1 dividend on 9.97 paise, that was more than 10% you paid and this year you are paying Re. 1 dividend on 21.77. That is less than 5%. You should have consistency in paying out dividends, sir. Even the debt equity has come down to 0.44%. All very good performance sir.
- My one or two queries, sir. We have got 12 plants located at 10 different locations, what is the capacity utilization of these plants? With the raw material prices going up due to crude oil prices going up, what is the lag time for passing on the hike of the raw material to the customer to realize those hike in the raw material prices from the customer? The finance costs have come down significantly in the past 3 years. I am sure they will come down further as the debt has come down significantly in this year. That will aide to the pattern through FY23. Finance costs have come down to only Rs. 16 crores against Rs. 23 crores last year. In 2019-2020, that is significantly over the past 3 years, they have come down. We have reduced the debt, everything is fine sir. Any chance for a plant visit, a nearby location plant visit? When possible do consider. And I wish the company all the best and keep on performing well. Signing out Vinod Agarwal from Mumbai. Thank you.
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited**
- Thank you Mr. Agarwal!
- Speaker #4 Mr, Kirti Shah.
- **Moderator:**
- The speaker shareholder has not joined the madam. I would request to call up on the next speaker, please.
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited**
- Okay. So, I will move ahead with speaker #5. Mrs. Poonam Sanghavi.
- **Ms. Poonam Sanghavi – Shareholder:**
- Hello everyone. Good morning and thank you very much for giving me this opportunity. It's always a pleasure to see the management and special regards to

Ashwin Bhai. So good to see you all healthy and strong, sir. Firstly, I would like to appreciate the performance of the company during the year. That is, in spite of all the micro-macro issues that have been faced by the industry it has been a commendable job. I had already sent across the query list. I would just be having three follow-up questions. If I could get the answers for the same.

- My first question would be, could you just indicate to me what would be your ambitious range, an approximate range of ROCE? Would it be like a 22-23-25% vision that you have over the next 3 to 5 years? I believe you already have the in-mould labelling technology with us. So what is actually stopping us from deploying the same to get better profitability? And lastly, with the new thing that's come up in the industry with regard to single use of plastic, I would want to know what would be the impact that will be there on the industry? Because the end of the day even if the thicker material is being used, I believe that our customers also are a part of the single use plastic industry. I think that would be all from my side. I would like to lastly thank Namita ji and the team for their efforts in the perfect coordination for the meeting and would also want to wish all the very best to the company for the year ahead. Thank you so much.
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited:**
- Thank you Ms. Sanghavi!
- Speaker #6 Mrs. Lekha Shah.
- **Mrs. Lekha Shah – Shareholder:**
- Respected Chairman Sir, Board of Directors and my fellow members, good morning to all of you. My self Lekha Shah from Mumbai. First of all, I am very much thankful to our Company Secretary Namita ma'am, Rajesh sir and Darshana ma'am for extending very good investor services and also sending me the AGM notice well in time, which is full of knowledge, facts and figures in place. So I'm very grateful to have a company secretary, Namita ma'am. And also our Company Secretary, Namita ma'am always answered all my calls and have happily cleared my all doubts. Once again, thank you so much Namita ma'am. Sir, I'm confident that with your vision and determination, you will lead our company to greater heights. And also I pray to God our company should progress more and more under you and your teams, sir. Thank you Chairman Sir for explaining us well about the company. Sir, I pray to God that he always shower his blessing upon you.
- Sir, I would like to ask three questions. My first question is, in the current year any expansion happening in manufacturing. My second question is, what has been the expenditure on R&D during the year? My third question is, due to pandemic and racing crude oil prices, are we facing any problem regarding raw materials? My fourth question is, any new CSR activities taking place and what are the status? So, I would like to say I strongly support all the resolutions for today's meeting and my best wishes always our company and its prosperity. Thank you, sir.

- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited:**
- Thank you Mrs. Shah!
- We shall move on to speaker #7 Mr. Aspi Bhesania.
- Mr. Bhesania, unmute yourself and ask questions.
- **Mr. Aspi Behsania – Shareholder:**
- Respected Chairman sir, I am Aspi from Bombay. It's nice to see Ashwin Dani and Mr. Motiwalla. Sir, where has your son gone? I can't see your son, Mr. Dani. He is offline, probably. Okay, he is here. Sir, you have done very well for which I congratulate you. Can I expect the same growth rate to continue in future also? How much percentage of our income comes from Asian Paints? Sir, thank you very much and all the best for the future.
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited:**
- Thank you Mr. Bhsania1
- Speaker #8 is Mr. Vinay Vishnu Bhide.
- **Mr. Vinay Vishnu Bhide – Shareholder:**
- Chairman Mr. Ashwin Dani, Managing Director Mr. Malav Dani, Mr. Mehernosh Mehta our Whole-time Director, other whole-time Directors participating in today's meeting, good morning to you. At the beginning, please accept compliments for turning out excellent results on all fronts in the concluded financial year. A 32% increase in operating revenue with an increase of 32% in EBIT is a really good performance in the challenging times we face. I have gone through our annual report. It is as always, well prepared. There are a few questions to understand the concluded financial year and the future better.
- The first question sir is on the material cost. Percentage of material cost to revenue is up about 4% in FY2021 as compared to financial year 2021. Given this backdrop, are we confident of a PBT exclusive exceptional items to be well above 5% in the current financial year? So that was the first question. The second question is, what was the CAPEX budget in the concluded financial year and planned CAPEX in the current financial year? Third, company has added software assets about of about 26 lakhs in the concluded FY. What is the nature of application of these assets and have they been at multiple locations? And the final question sir is that, at present, we have 12 manufacturing units across 10 locations. Are we looking to expand to new locations and at existing locations? So these are the few questions that I could gather from the reading of your annual report. I will close by saying, I support all the resolutions and I wish the Directors and employees at all levels healthy times only. Thank you so much.

- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Limited:**
- Thank you, Mr. Bhide!
- Speaker #9 Mrs. Vasuda Dakwe. Mrs. Dakwe, unmute yourself, switch on the video.
- **Mrs. Vasudha Dakwe – Shareholder:**
- Hello. Can you hear me ma'am?
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Ltd.:**
- Yes.
- **Mrs. Vasudha Dakwe – Shareholder:**
- Yeah. Thank you very much for giving me the opportunity to speak. Very good morning to respected Chairman Sir, Board of Directors, and my fellow shareholders. Myself Vasudha from Thane. I would like to ask as below; whatever main raw material suppliers, who are our main competitors, and third one, please look into the matter of unclaimed dividend amount transferred to IPF fund account as per SEBI rules, but try to avoid huge amount of this dividend as it is a hard and fast money of the minority shareholder. With this, I support all the resolutions. Thank you very much and wish the company all the best for coming financial years. Thank you very much ma'am.
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Ltd.:**
- Thank you, Mrs. Vasudha Dakwe!
- Speaker number 10, Mrs. Kishori Bhave.
- **Moderator:**
- Madam, speaker shareholder is facing a technical issue. I would request you to move on to the next speaker please.
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Ltd.:**
- Okay. So, our last speaker, speaker #11, Mr. Rajat Setiya. Mr. Setiya?
- **Mr. Rajat Setiya – Shareholder:**
- Thanks for the opportunity. First of all, my congratulations to the management team for a good year. One particular thing that I noticed was that whole industry, everybody, every corporate is struggling is grappling with the rising power and fuel cost and the logistics cost, but on these two-line items, two expense items, we have been pretty stable despite growth in our top line. So, on year-on-year basis both the line items have been pretty stable. So, would like to understand how did we achieve

this fate and what really helped us in terms of containing these two cost items? Second, I would like to understand little bit about the rising raw material prices, so is the situation right now for the raw materials that we are consuming in our business, are we able to pass on the increase prices to the clients, and how much time does it take to pass on the prices to the clients, and a hypothetical question here, let's say if crude prices stabilize at a higher level, let's say 110 or 120 kind of levels, would we be able to get back to 39%-40% kind of gross margin that we have been making in the past?. Then my next question is about industry and the competition. So, what is the overall size of the industry that we are operating in and at what rate our industry is growing? How many total players in the industry including organized or unorganized and are there and what is the share of imports in our business, in our industry at India level, and in the organized space who are the major competitors and what is our market share? Then would like to understand with the current capacity that we have in place, what kind of revenues can we achieve, what was our utilization level in the last year? Do we have any capacity expansion plans in place and if yes, then what is the amount and what are the timelines of spending that money and onward products and one small question that what is the maintenance CapEx that we have to spend every year just to maintain our assets in good shape and one set of questions around the 300 crores of CapEx that we did in the last year (..... Voice Breaking) would like to understand where all did we spend that money in terms of, if you can help us understand in terms of the products or the end user industries that you're going to serve from those products and what kind of revenues can be generated from those 300 crores and was that that 300 crores of CapEx was done to launch some new products or a combination of existing products extension and the new products and what is the growth outlook from here onwards for the next let's say for the current year, which is FY23 and for the next year, which is FY24, what kind of volume growth do you envisage for your business and the last question is about if you can help us understand who are our top one and top five clients and their revenue contribution, if you can't share the names of the clients it is absolutely understandable, it will be helpful if you can just share the revenue contribution coming in from those top one and top five clients. Thank you so much.

- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Ltd.:**
- Thank you, Mr. Setiya. Moderator can we get back to other shareholders who could not attend, Mr. Kirti Shah and Mrs. Kishori Bhave. They are not reachable?
- **Moderator:**
- No, I have already admitted Mr. Shah. Mr. Shah can you unmute yourself and ask question please.
- **Mr. Kirti Shah – Shareholder:**
- Hello.
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Ltd.:**

- Yes Sir. yes Sir, go ahead. We can hear you.
- **Mr. Kirti Shah – Shareholder:**
- Hello. Kirti Shah here.
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Ltd.:**
- Yes Sir.
- **Mr. Kirti Shah – Shareholder:**
- I have emailed you. You fully reply to my email and follow the corporate governance. I never get any detailed reply, so please look into it and reply fully to my email. Wish you all the best. Thank you very much Sir.
- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Ltd.:**
- Thank you, Mr. Shah!
- Sir, we have taken all the questions from the shareholders now who had registered themselves as speakers. So, now I hand it over to the Chairman further to answer questions.
- **Mr. Ashwin Dani – Chairman, Hitech Corporation Ltd.:**
- I'm very happy that lot of shareholders have done their homework and have they have studied the annual report and to that extent, I am very grateful to all the shareholders and more particularly the shareholders who have raised their questions at this AGM and I will try to answer on broad basis what type of industry we are. We are basically being B2B company and we are not in any of the consumer products and until and unless we know how our customers are going to fair in this uncertain times, geopolitical as well as sociopolitical, it should be very difficult to predict the kind of growth we may have particularly I don't think there is anybody in the world who can predict what is going to be the price of crude for next 6 or 12 quarters and until unless we get that kind of clarity, I think we will have to roll up our sleeves and respond to any of the requirements of a customer to meet them at short notice and particularly I can say having spent almost ₹300 crore in – no, he said that you have spent substantial amount of money in terms of expanding our capacity and most of that money has been spent first of all in acquisition of land and you already know how expensive it is and some of the new locations what we are set-up in line with the customer's expectations, so now in case there is a substantial increase in the demand from our customers then we can always augment our capacity at relatively short notice and this is the capability we have built up in the recent times in terms of meeting customers requirement in a short notice. We will definitely have to spend the money in terms of buying new machines and other thing and more particularly talking about new technologies, one of the shareholders raised the query that we have developed the capabilities of IML in mold labeling, and it is the fact that we

have interested this primarily because at short notice if the customer has the requirement, we will always be able to meet, but until and unless I think the customers insist that we want now IML because it improves the quality of the printing and also it increases marginally cost also, so in light of all this we are in constant touch with our customer and we can always having developed the capabilities, we can always service those requirements at relatively short notice and this is the one of the main purpose in terms of the kind of capital expenditure we have done in last few years. About plant visit, it is just not possible to I think exit to the request more particularly during the pandemic period, there has been lots of restrictions on travel and so until unless the situation improved on that front, we will we will consider this at an appropriate time. Talking about single use plastics, we are working continuously with our end users as well as our raw material supplier and as of right now we are not having much of an impact on single use plastics because as times I've seen people commenting Asian Paints bucket is used for a for a variety of end users after it is used up by the customer, so immediate impact of the single use plastic is minimal, but we have to be ready with a more stringent government rules that they come, but right now at least we are not affected at the short term. Somebody made a reference to how you have controlled our electricity expenses as well as the fuel expenses and there I must say that we have installed or we have commissioned and implemented certain strict discipline on the shop floor and particularly they asked about this failure mode analysis and what is being a technical expression, he said that can you explain it and I would like this to be explained in a very friendly way by Mr. Malav Dani, the Managing Director because he's a black belt holder on Six Sigma and I think he is most appropriately I think answer it in a strict technical mode if somebody wants to understand or even how that can be converted into the mode that a common customer can understand. Malav it is for you.

- **Mr. Malav Dani – Managing Director, Hitech Corporation Ltd.:**
- Just a few other observations. My CapEx in FY22 was 26 crores first of all and for about 30 crores in the current year and maintenance cost is about 10%, but answering specifically about this failure mode effect analysis, imagine like if you look at any company in the world then there are you start from the supplier, so suppliers give some raw material, which goes as an input, which gets processed in a plant, and it gives a specific output that goes to the customer, so it's called SIPOC; Supplier Input Process Output Customer, so then what we do is we map everything and then we make it, we turn it upside down and start with the customer, so COPIS, so what does the customer want, are we really giving their output. If you're producing anything that the customer does not want, what is the wastage or something are we are we processing something, are we optimizing on our input, and then are we negotiating well with our suppliers, so when we map that entire process effectively from and evolve from SIPOC to COPIS, if there are any failure point in our service ability to the customer then that has to be addressed in a way in terms of either quality or is it something that the customer pays me or is it nice to have. For example, corporate cost that customer doesn't pay for it, so we minimize it as much as possible. So, basically if there is any failure point in serviceability then we ensure that we look at it by an RPN number; RPN number is Rate Prioritization Number. So,

in terms of how severe is it, can we detect it, what is the frequency of it, so we continuously in our meetings look at this process map and look at the data points because opinions can be multiple and it is best to stick to the facts, which is data and we look at that and we keep on improvising it and pass on the benefits to our customers, so this is the premise with which failure mode effect analysis has been internalized in the DNA of Hitech Corporation. Over to you Chairman.

- **Mr. Ashwin Dani – Chairman, Hitech Corporation Ltd.:**

- As today, we are dependent to a large extent on the paint industry and there also we are diversifying our customer base and also in terms of total dependency on the paint industry, we are venturing it out into some other industries also, FMCG, agrochemicals, pure chemicals, and we are diversifying our base in the long term sustainability in the interests of the company and lots of efforts are being put in that direction. For the first time now, our profits have gone up, we will have to -- we are applying our mind how best to use our CSR budget and it is all used in within the framework of the company rules and more particularly we also do it at plants near our where our manufacturing activities are there. Well I think with this, I've answered most of the questions that all the shareholders have raised and still if it is left unanswered or if he or she wants to know more specific detail, he or she can always write to our Company Secretary and we'll give you that information in writing. I think with this, I will now hand it over to our Company Secretary.

- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Ltd.:**

- Sir, we can close the meeting now.

- **Mr. Ashwin Dani – Chairman, Hitech Corporation Ltd.:**

- Okay. Then I think, I again thank all the shareholders who attended the meeting and with this we'll bring this meeting to an end. Thank you.

- **Ms. Namita Tiwari – Company Secretary, Hitech Corporation Ltd.:**

- Thanks to the Chairman.

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End of Transcript