



**NEAPS/BSE ONLINE**

30<sup>th</sup> August, 2022

**The Corporate Relationship Department  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda, Dalal Street,  
Mumbai – 400001  
(BSE Scrip Code: 500187)**

**Listing Department  
National Stock Exchange of India Limited  
Plot No. C/1, Block-G  
Exchange Plaza, 5<sup>th</sup> Floor,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400051  
(NSE Symbol: AGI)**

Dear Sir/Madam,

**Sub: Annual Report for the Financial Year 2021-22 of the Company along with the Notice of 62<sup>nd</sup> Annual General Meeting**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2021-22 along with the Notice of 62<sup>nd</sup> Annual General Meeting (“AGM”); sent to the shareholders of the Company, in accordance with the Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 issued by the Ministry of Corporate Affairs (“MCA”) and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 issued by the Securities and Exchange Board of India (“SEBI”) read with previous circulars issued by MCA and SEBI in this regard.

The Annual Report of the Company for the Financial Year 2021-22 along with the Notice of AGM is also available on the website of the Company i.e. [www.agigreenpac.com](http://www.agigreenpac.com).

You are requested to take above information on record.

For **AGI Greenpac Limited (Formerly known as HSIL Limited)**

(Pulkit Bhasin)

**Company Secretary**

**Name: Pulkit Bhasin  
Address: 301-302, 3<sup>rd</sup> Floor, Park Centra, Sector-30, Gurugram-122001  
Membership No.: 27686**

Enclosed as above

**AGI Greenpac Ltd (formerly known as HSIL Ltd.)**

**Corporate Office:** 301-302, 3<sup>rd</sup> Floor, Park Centra, Sector-30, NH 8, Gurugram, Haryana-122 001, India. T. +91 124 477 9200  
**Registered Office:** 2, Red Cross Place, Kolkata-700001, West Bengal, India. T. +91 33-22487407/5668 hsilinvestors@hsilgroup.com | [www.agigreenpac.com](http://www.agigreenpac.com)  
| CIN: LS1433WB1960PLC024539  
**AGI glaspac Office:** Glass Factory Road, Off Motinagar, Borabanda, Hyderabad-500018, India. T: + (91) 40-2383 1771(5lines), M: [agi@agi-glaspac.com](mailto:agi@agi-glaspac.com)  
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**AGI CloZures Office:** Sy.No.208 to 218, Sitarampur, Isnapur, Patancheru, Telangana- 502307, India. T: +91-8455-225511, M: [info@agiclozures.com](mailto:info@agiclozures.com)



SOMANY IMPRESA  
GROUP COMPANY

Accelerating Ambitions.  
Packaging Excellence.

Annual Report 2021-22

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To learn more about the Company, visit:  
<https://www.agigreenpac.com>

## Our Performance in FY 2021-22

### Revenue from Operations

₹2,312 crore

↑  
25%  
y-o-y growth

### EBITDA

₹393 crore

↑  
28%  
y-o-y growth

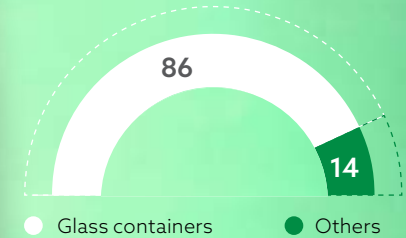
### Profit After Tax

₹193 crore

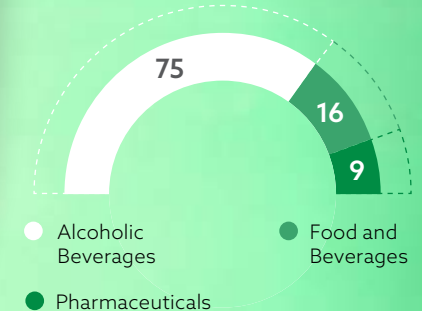
↑  
119%  
y-o-y growth

Note: Figures have been rounded off

## Packaging Products Mix (%)



## Glass Containers Revenue Mix (%)



# Accelerating Ambitions. Packaging Excellence.

**Our pioneering zeal and our pursuit of excellence have been the defining traits of our journey over the years. It has been our steadfast ambition to deliver only the best, and this holds true when it comes to our Packaging Products business.**

We entered the venture in 1981, with the acquisition of 'The Associated Glass Industries Limited' (AGI), and diversified into the manufacturing of PET bottles with the acquisition of Garden Polymers Private Limited (GPPL) in 2011.

We commenced the production of security caps and closures under the brand 'AGI Clozures' since 2018, further bolstering our portfolio with patented and technologically superior products that prevent counterfeiting of packaged products in liquor and edible oil industries. We have relied on our deep industry knowledge, top engineering calibre, design excellence and technology adoption to deliver products which are world-class and cater to consumer needs across industries.

Despite the disruptions witnessed during FY 2021-22, we continued to uphold excellence across all facets of our operations, keeping customer centricity and innovation at the heart of our business strategy.

At the same time, we took numerous steps to ensure employee safety and reached out to our clients to ensure quick recovery of operations as soon as macro-economic conditions improved.

Strategic initiatives undertaken by the Company during the year have enabled us to achieve improved quality and efficiency, which thus maximised returns for all our stakeholders. It includes the divestment of our Building Products Division. This gives us a sharper focus and more flexibility to strategically invest in building our capabilities so that we can grow as a focused packaging products player.

As AGI Greenpac, we advance on our ambition to deliver innovative, sustainable packaging solutions to our customers and generate greater value for our stakeholders through our single-minded pursuit of excellence in everything we do.

## About Us

# Transforming into a more sustainable business

Ever since our foray into the manufacture of packaging products in 1981, with the acquisition of Associated Glass Industries Limited (AGI), we have used our market insight, understanding of customer preferences, and ability to anticipate needs in one of the fastest-growing economies of the world to scale our business.

### Industry Experience

>40 years

### Global Institutional Clients

>500

### Market Capitalisation \*

₹1,914 crore

\* As on 31 March 2022 as per NSE

Under the Company, we are engaged in the production of various packaging products including glass containers, speciality glass products, polyethylene terephthalate (PET) bottles and products, and security caps and closures. Over the years, our state-of-the-art manufacturing capabilities and our concerted efforts to deliver a wide range of best-in-class products have enabled us to consolidate our position among the top packaging products companies in the country and as a leader in glass container packaging.

During the year, we changed our name from HSIL Limited to AGI Greenpac Limited. We undertook this decision to leverage the AGI brand recall, while remaining aligned with our goals of pursuing and delivering excellence in packaging.

Going forward, our focus will be to grow as a sustainable organisation, committed to reducing our carbon footprint and promoting sustainable packaging solutions.

Leveraging our innovation strength, we will also continue to introduce new and customised products to cater to the ever-evolving needs of our customers and lead the sector towards adopting sustainable practices. To ensure that our consumers experience the best quality every time, our products are certified with IAMPO, BIS, CE, DMF, ISO 9001: 2008, ISO 9001:2015, ISO 15378:2011 and ISO 15378:2017.





## DIVESTING TO GROW AS A FOCUSED PACKAGING PRODUCTS PLAYER

During the year under review, as part of our strategic decision, we divested our Building Products division to Hindware Limited (erstwhile Brilloca Limited), a wholly owned subsidiary of Hindware Home Innovation Limited (erstwhile Somany Home Innovation Limited), on a slump sale basis. This move will enable us to focus our capabilities and capital into expanding our packaging business as we deleverage our balance sheet.

## Chairman's Message

# In pursuit of sustained excellence

Dear Shareholders,

The financial year gone by witnessed continued impact from the COVID-19 pandemic. With over 65% of the world's and 75% of India's population vaccinated, we are now reasonably better prepared to deal with what lies ahead and shape the future together – by being vigilant of how we are impacting the environment and by ensuring that resource sharing is equitable.





Many of these thoughts were with us as we navigated our way through the year. We prioritised the health and safety of our people. At the same time, we ensured business continuity while delivering on our commitment to create value for our customers and other stakeholders. I am proud to say that together, we have upheld our Company's record of delivering y-o-y top-line growth, despite a challenging external environment.

### India Story

Our performance reflects India's resilience in the face of another difficult year. It carried out the world's most successful vaccination drive. Together with this, pragmatic policy changes, tax reforms, and the central bank's accommodative policy stance helped stave off the debilitating impact of the pandemic. Although inflationary pressures and supply-side risks continue, the government's emphasis on manufacturing, digitalisation and technology transformation, as well as its strong infrastructure push, augur well for the long-term picture.

As India continues on its growth trajectory fuelled by an upsurge in consumer spending, the packaging industry is poised to gain the most from the increasing demand from the food and beverages industry as well as the pharmaceuticals and cosmetics sector. India's food and beverages packaging market, which was valued at US\$33.22 billion in 2020, is expected to reach US\$156.25 billion by 2026, registering a CAGR of 29.88%. Add to this, the fast-growing cosmetics and perfumery sector, with its own



**Our flexible business model, high operational efficiencies, and quality product mix made it possible for us to continue to operate profitably through these difficult and uncertain times. We delivered strong annual growth as we continued our efforts at enhancing our operational excellence.**

specialised packaging needs. In India, the cosmetics market is expected to reach close to US\$28,985 million by FY 2025-26, growing at a CAGR of 16.39%. The fragrance market too is on an upswing and is expected to grow by US\$1.02 billion between 2022-26.

Factors such as growing income, changing lifestyle habits, the rapid expansion of organised retail, the popularity of online food delivery, growing inclination towards grooming, and renewed emphasis on safety and hygiene are creating enormous opportunities for the packaging industry, particularly for glass and plastic packaging. As one of India's leading packaging products companies, we are well positioned to capture this growing demand.

### Our Story

Our flexible business model, high operational efficiencies, and quality product mix made it possible for us to continue to operate profitably through these difficult and uncertain times. We delivered strong annual growth as we continued our efforts at enhancing our operational excellence.

Despite the challenges of COVID-19, we reported strong results. We focused on delivering excellence while pursuing our operational plans and strategic customer-focused initiatives. To realise our growth potential as a pure-play packaging company, we sold the manufacturing business of the Building Products Division to Hindware Limited,



a wholly-owned subsidiary of Hindware Home Innovation Limited, on a slump sale basis. This move enables us to unlock greater value in the packaging products sector, strengthen our balance sheet, and pursue organic and inorganic growth opportunities with an optimised capital structure. To ensure capital returns to shareholders and by factoring in our robust FY 2021-22 performance, the Board of Directors proposed a dividend of ₹5 per share, amounting to ₹32.35 crore.



**We are proud to be Certified™ by Great Place to Work®, which is a testament to our incredible employees and values-led organisation that prioritises innovation, passion and integrity.**

**Board of Directors proposed a dividend of**

**₹5 per share**

**amounting to ₹32.35 crore**

### **Delivering on Our Sustainability Goals**

During the year, AGI Greenpac Limited delivered on its sustainability goals by continuing to make meaningful progress on the Environment, Social, and Governance (ESG) parameters. We are aware of our responsibility in contributing to India's transition to a low-carbon future and have been embedding ESG principles into our everyday functions and investing in the right technology to ensure that our impact on the environment is minimal.

We are working to achieve water efficiency and improve waste management across our operations. In recognition of our sustainable manufacturing efforts, our glass container plant in Bhongir was awarded

'The Golden Peacock Environment Management Award' in FY 2021-22. AGI Glaspac's Hyderabad manufacturing facility earned the 'Energy Efficient Unit' award from the Confederation of Indian Industry at the 22<sup>nd</sup> National Award for Excellence in Energy Management 2021.

### **Investing in Our Strongest Asset: Our People**

The passion and commitment of our people enable us to generate sustained value for our customers and deliver y-o-y growth. We prioritise our people and recognise the importance they play in realising our success. We are undertaking numerous initiatives to retain, attract and motivate top talent, train our leadership teams, and develop future leaders to shape a caring and high-performance organisation.

We are proud to be Certified™ by Great Place to Work®, which is a testament to our incredible employees and values-led organisation that prioritises innovation, passion and integrity.

We are an equal opportunities employer, continually investing in our people to improve their skillset and knowledge while creating a work environment that is open, welcoming, and inclusive.

### **Community Wellbeing**

We believe that business sustainability is closely linked to inclusive development of the communities with whom we work and the environment in which we operate. We stood strong by our people and communities throughout the challenges created by the pandemic. Under the COVID-19 preventive and relief measures programme, we provided medical equipment for AIIMS Hospital, Bibinagar, including an X-ray machine and an ultrasound machine, and donated an ambulance to the District Collector of Sangareddy District, Telangana.

The reporting year also saw us continue with our Swastha Sampada programme, which provides primary healthcare in rural areas. We organised mobile health camps



**We believe that business sustainability is closely linked to inclusive development of the communities with whom we work and the environment in which we operate. We stood strong by our people and communities throughout the challenges created by the pandemic.**

and arranged cataract surgeries for people in need in partnership with a non-profit organisation. In association with the Family Welfare Foundation, youth were trained in various skills such as computer learning, beautician, tailoring, etc. Our road safety initiatives saw us install streetlights and CCTV cameras to help the local administration combat traffic congestion, road accidents and crime.

### **Well Positioned to Capture Growth Opportunities**

Our pursuit of excellence has not been limited to delivering business outcomes; it has encompassed products, relationships with our stakeholders, and community development initiatives as well. I assure you that we will continue to promote this all-around excellence in the years ahead.

I would like to thank our employees, business partners, lenders and bankers, our customers, and our communities for their support. I would also like to thank our Board members for their able guidance. And we thank you, our shareholders, for your continued trust and confidence.

Warm regards,

**Dr. Rajendra Kumar Somany**  
Chairman and Managing Director

## Vice-Chairman and Managing Director's Message

# Renewed vision. Renewed vigour.



Dear Shareholders,

FY 2021-22 was a transformative year for us as we navigated the challenges to consistently deliver on our long-term strategy. Our Company delivered record sales and strong earnings owing to our fast-paced innovation, increased efficiency, digitalisation and stringent portfolio management.



We faced the turbulent year with equanimity. We undertook a vaccination drive across our offices and plants for our employees and their families to ensure the safety of our people. At the same time, we pursued the strategic transformation of our Company into a pure-play Packaging Products company. We sold the manufacturing assets of our Building Products business on a slump sale basis, continued our portfolio transformation by investing in value-added products for sectors such as perfumery and changed the brand identity to AGI Greenpac Limited, which reflects our commitment to green packaging.

### Strategic Initiatives

During the year, the Board approved the slump sale of the manufacturing assets of the Building Products Division to Hindware Limited (erstwhile Brilloca Limited), a 100% subsidiary of Hindware Home Innovation Limited (erstwhile Somany Home Innovation Limited). This gives us the opportunity to focus on growing our core business. The sale proceeds will enable us to strengthen our balance sheet, repay borrowings and create capital for further expansion of the Packaging business.

The name change is a part of our transformational journey. The name AGI Greenpac is new but the motto 'Excellence in Packaging' remains the same, which resonates with the Company's customers and reflects the product portfolio. The logo ties the brand closer to its identity as a sustainable packaging company.



**The name AGI Greenpac is new but the motto 'Excellence in Packaging' remains the same, which resonates with the Company's customers and reflects the product portfolio. The logo ties the brand closer to its identity as a sustainable packaging company. The word 'Green' reflects the Company's commitment to offering sustainable packaging solutions that have a positive impact on the environment.**

## ₹270 crore

**Investment at our speciality glass including decorative glass manufacturing facility at Bhongir**

The word 'Green' reflects the Company's commitment to offering sustainable packaging solutions that have a positive impact on the environment.

Looking ahead, we expect incremental growth from the high-value glass container products segment. We started

trial production at our speciality glass including decorative glass manufacturing facility at Bhongir, set up at an investment of ~₹270 crore. The facility has a manufacturing capacity of 154 tonnes per day, with five manufacturing lines spread across 15 acres. The plant will cater to high-end pharmaceuticals including vials, perfumery, cosmetics, and other segments. The plant will also consist of an integrated decoration facility for hot-foil stamping, coating, lacquering, colouring in collaboration with world-renowned service providers.



**FY 2021-22 provided strong validation to our strategy. We substantially grew our top-line, with revenue from operations increasing to ₹2,312 crore as against ₹1,853 crore in the previous year. Net profit grew 119% y-o-y to ₹193 crore, including exceptional items.**

Revenue from Operations

**₹2,312 crore**

Net profit

**₹193 crore**

Revenue from Packaging Products Business

**₹1,436 crore**

### The Year in Review

Through the continued adoption of cutting-edge technology at our manufacturing plants, capacity expansion of specialty glass, value-added product range, and efforts to increase operational efficiency, we have been preparing ourselves for an increasing demand for our products.

We are strengthening our value proposition through technology upgrades and enhancing our narrow neck press and blow (NNPB) capability to produce bottles that are lighter in weight and better glass distribution.

During the year, we also continued to invest in quality infrastructure to further align with the requirements of global customers. At the same time, we are adopting technology to enable the reuse of glass containers in packaging. We designed 200

new products for our PET Bottles and Products business and commercialised 30 new products to cater to the burgeoning needs of our customers. Our Security Caps and Closures business is uniquely positioned to capture the emerging demand of counterfeit resistant products.

FY 2021-22 provided strong validation to our strategy. We substantially grew our top-line, with revenue from operations increasing to ₹2,312 crore as against ₹1,853 crore in the previous year. Net profit grew 119% y-o-y to ₹193 crore, including exceptional items.

The Packaging Products Business reported revenue growth of 14% y-o-y to ₹1,436 crore, with EBIT increasing to ₹238 crore from ₹196 crore in FY 2020-21. Our Glass Container business saw strong traction owing to improved realisations, better product mix,



**Sustainability is at the core of our business, and is embedded in our purpose and vision. Our strong focus on it has helped us create a positive impact for our stakeholders. We have set ambitious goals with the underlying objective to improve efficiency, eliminate waste, simplify processes and create a safer work environment.**

and increased sales volumes. Glass container packaging volumes grew by around 10%, on the back of rising demand for glass bottles from the alco-bev industries.

**Continued Focus on ESG**

Sustainability is at the core of our business, and is embedded in our purpose and vision. Our strong focus on it has helped us create a positive impact for our stakeholders. We have set ambitious ESG goals with the underlying objective to improve efficiency, eliminate waste, simplify processes and create a safer work environment.

We have a proven track record in environmental performance and have made significant strides in recent years to further reduce our environmental impact. Across our manufacturing units, we are reducing our consumption

of natural resources, be it water or energy, while keeping a keen eye on lowering emissions. We already have electrostatic precipitators to reduce our carbon, SOx, NOx, and other emissions.

We have a 17.6 MW installed solar capacity at our glass container manufacturing plant in Bhongir. Our security caps and closures plant has established a rooftop solar power facility of 370 kWp to help reduce the use of conventional power. We recycle our wastewater and manage its use with the help of experts while continuing to invest in R&D to reduce the carbon footprint of our products. Our Pet Bottles and Products plant at Dharwad received Sedex certification, demonstrating our commitment to strong ESG principles in our operations.

The year saw us continue with our targeted initiatives for people engagement and development. Our efforts towards creating a safe and inclusive work environment were recognised with the Great Place to Work certification. We also undertook initiatives for our communities through our CSR projects in healthcare, education, skill development and road safety.

**Looking Ahead**

As a market leader with significant investments in technology, human resources, and capacity enhancement, we are in the right place at the right time to capitalise on the growth opportunities of the packaging products industry.

We are proud of what we have accomplished and expect our new complementary product portfolios, strong customer relationships, and scale of operations to drive significant cost and revenue synergies over the next several years.

We are entering the fiscal year 2023 as a stronger company, recalibrated to pursue our goal of excellence single-mindedly. We have achieved our priorities with the continued support of our customers, our employees and stakeholders, who remain our strength. I would like to thank our shareholders and all other stakeholders for their continued confidence in us.

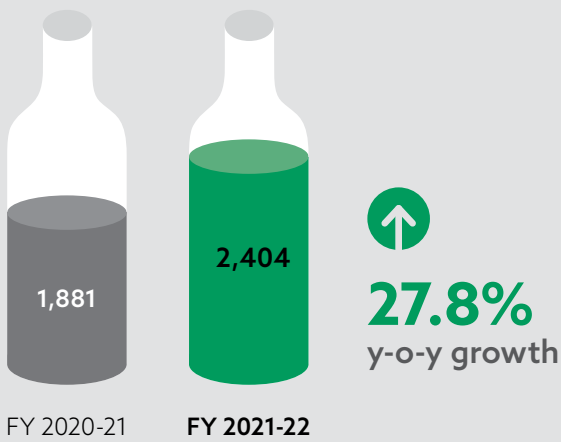
Best regards,

**Sandip Somany**  
Vice Chairman and Managing Director

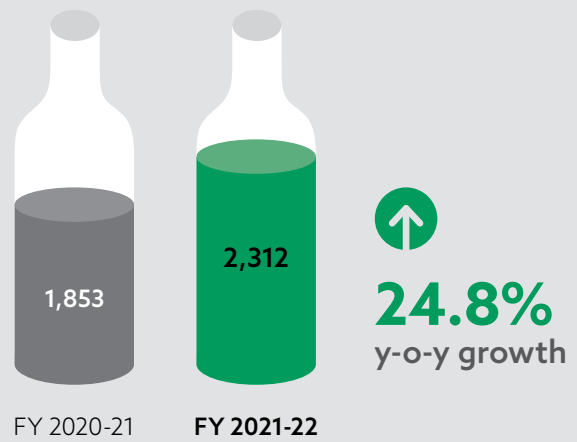
## Key Performance Indicators

# Our growth continuum

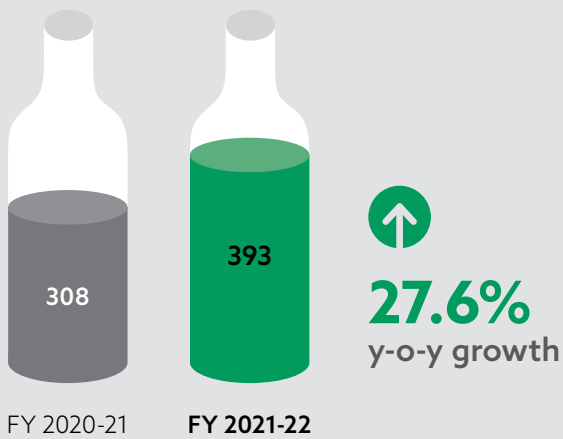
### TOTAL INCOME (₹ in crore)



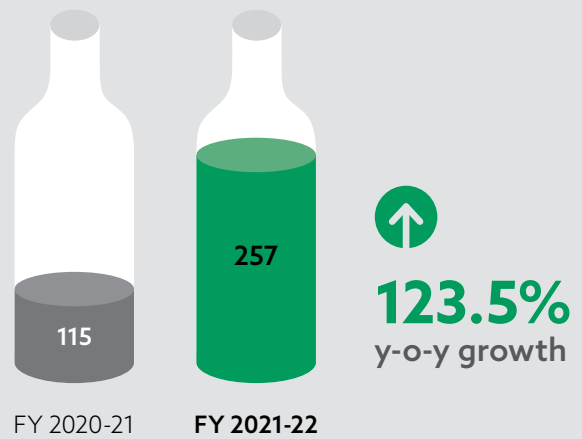
### REVENUE FROM OPERATIONS (₹ in crore)



### EBITDA (₹ in crore)

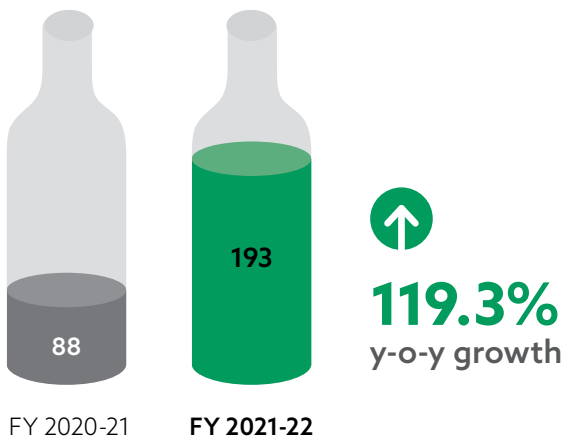


### PROFIT BEFORE TAX (₹ in crore)

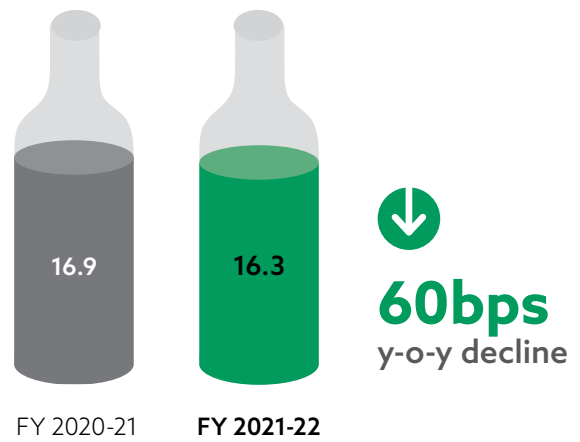




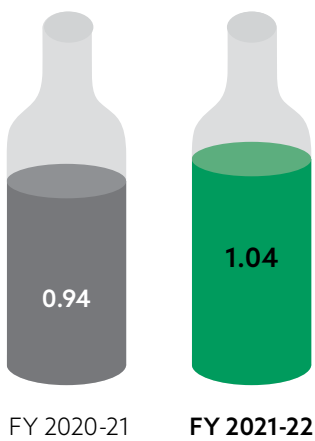
### PROFIT AFTER TAX (₹ in crore)



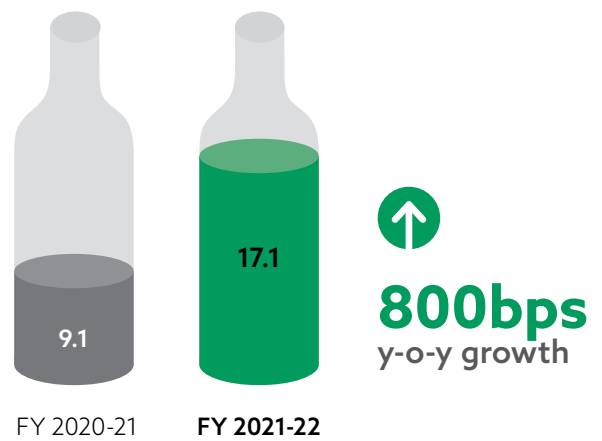
### EBITDA MARGIN (%)



### DEBT EQUITY RATIO (times)



### RETURN ON NET WORTH (%)



\*Includes performance of discontinued operations as well



## Business Model

# Reconfigured to deliver greater value

We have in place a well-structured business model, which has shown its efficacy through various business cycles and can be expected to drive sustained growth over the long term.

## Key Input Resources



### Legacy and Position

We are one of the leading packaging products companies in the country and a leader in glass containers packaging since 1981 when we acquired AGI Glaspac. Over the past four decades, we have produced top-quality glass containers, PET bottles and products and security caps and closures.



### Manufacturing Footprint

We have seven state-of-the-art manufacturing units located across Telangana, Uttarakhand and Karnataka.



### R&D Focus

We place great emphasis on R&D and have invested extensively over the years to ensure the production of best quality products. We work closely with our customers to develop new products and designs aligned to their needs. It also enables us to file for patents and trademarks that make us future-ready, giving us a competitive edge over our peers.



### Professional Workforce

Our strong and diverse team is inspired by and upholds our culture of innovation, which has enabled us to set and achieve our ambitious organisational goals.



### Large Base of Suppliers

Our suppliers help us source quality materials at the right price and right time. All our suppliers are selected after they fulfil all the criteria laid out by us to ensure responsible procurement.



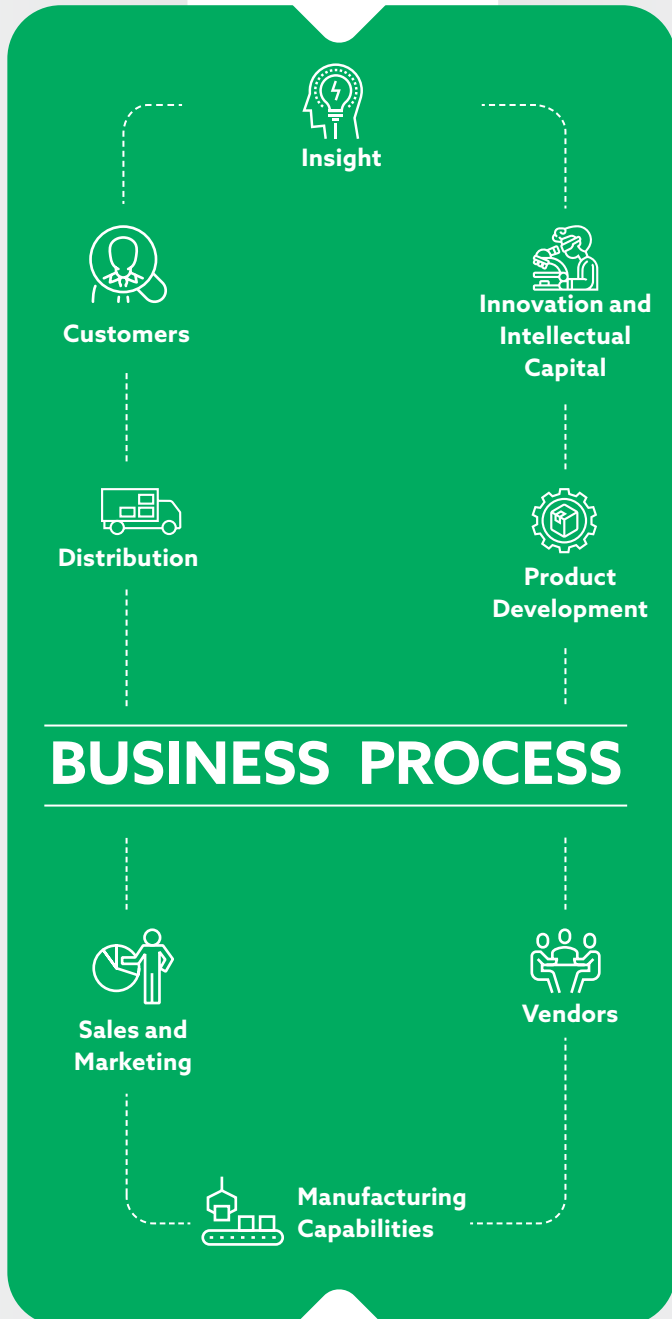
### Responsible Business

As a responsible business organisation we use natural resources optimally, monitor and reduce our carbon emissions, responsibly manage our wastes and energy needs and produce environmentally-friendly products sustainably.



## Value Created

### OUR STRATEGY



### OUR GOVERNANCE

#### Shareholders and Investors

Total Income	EBITDA	Profit After Tax
₹2,312 crore	₹393 crore	₹193 crore
Earnings Per Share	Dividend Per Share	Market Capitalisation
₹29.88	₹5	₹1,914 crore
		as on 31 March 2022

#### Manufacturing Output

##### AGI Glaspac

**1,754 tonnes<sup>#</sup>**  
(Includes 154 tonnes per day of speciality glass under trial production)

##### AGI Clozures

**780 million pieces\***  
(small caps)

##### AGI Plastek

**10,256 tonnes\***  
#per day

**132 million pieces\***  
(large caps)

\*per annum

#### Customers

Globally acclaimed institutional customers across alco-bev, pharmaceuticals, food and soft drink and cosmetic and perfume industry.

#### Institutional Clients

**>500**

#### Employees

Progressive HR policies, talent retention, capacity building through learning and development programmes; AGI Glaspac was awarded 'India's Best Workplaces' recognition by the Great Place to Work India; the recognition acknowledges the Company's commitment towards diversity and inclusion.

#### Suppliers

We regularly engage with our suppliers for not only inventory planning but also to update them on our Code of Conduct guidelines and other mandatory criteria to help in their capacity building and hone their expertise.

#### Community

Through our CSR initiatives that promote social cohesion, education, health, women empowerment and sustainable livelihood solutions, we live up to our responsibility as a socially conscientious corporate citizen.

## Business Review

# Intensified focus. Improved results.

We have emerged as a more focused organisation, leaner in structure and well capitalised to pursue the growth of our Packaging Products Division, both organically and inorganically.





### AGI Glaspac



#### Products

- Containers and bottles
- Soft drink
- Beer
- Liquor
- Wine
- Pharma
- Chemicals
- Retail
- FMCG
- Cosmetics
- Perfumery
- Food jars



#### Industries Served

- Beverages
- Liquor
- Wine
- Beer
- Pharmaceuticals
- Cosmetic
- Personal care



#### Manufacturing Plants

- Bhongir, Telangana
- Speciality glass manufacturing facility at Bhongir, Telangana
- Sanathnagar, Hyderabad, Telangana



#### Capacities (Per day)

950 tonnes

154 tonnes\*

650 tonnes

\*Under Trial Production

### AGI Plastek

#### Products

- PET bottles
- High Density Polyethylene (HDPE) bottles
- Polypropylene (PP) products

#### Industries Served

- Alcoholic beverages
- Liquor
- Pharmaceuticals
- Dairy
- Agro chemicals
- Personal care
- Polyvinyl chloride (PVC) cistern and seat covers

#### Manufacturing Plants

- Selaqui, Uttarakhand
- Sangareddy, Telangana
- Dharwad, Karnataka

#### Capacities (Per annum)

2,659 tonnes

2,313 tonnes

5,284 tonnes

### AGI Clozures

#### Products

- Counterfeit-resistant security caps and closures

#### Industries Served

- Alcoholic beverages
- Wine
- Liquor

#### Manufacturing Plants

- Sangareddy, Telangana

#### Capacities (Per annum)

780 million pieces (small caps)

132 million pieces (large caps)

ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

## Business Review

### AGI Glaspac

# 1,600 tonnes

Per day capacity; 2<sup>nd</sup> largest glass container manufacturing capacity in India

# 154 tonnes\*

Per day capacity of speciality glass unit at Bhongir, Telangana

\*Under Trial Production





**We commissioned a new speciality glass including decorative glass facility in Bhongir, Telangana, with an investment of approx. ₹270 crore, which will begin commercial production in Q3 of FY 2022-23 to cater to the increasing demand from high-end perfumery, liquor and cosmetics companies.**

We manufacture our glass containers and speciality glass under the brand AGI Glaspac. Over the years, our consistent investments in R&D and technology have resulted in superior quality and increased operational efficiencies, which have enabled us to secure a significant market share. We continue to focus on improving our capabilities across our manufacturing plants by upgrading our manufacturing processes. FY 2021-22 was yet another year that saw us undertake multiple initiatives towards achieving manufacturing excellence.

#### **Technology Upgradation**

- Installed top-end machinery and adopted the latest technologies, thereby ensuring that we can sustainably meet growth in demand
- Leveraged our technological expertise to produce goods that conform to international standards, giving us an edge over our peers and the ability to expand our international market presence
- To cater to the growing demands of the alco-bev industry, we have invested in state-of-the-art inspection machines, becoming the first company in India to use this technology

#### **Market Expansion**

- Ventured into the cosmetic and perfumery segment, which is one of the most profitable market segments in the country
- Entered into strategic tie-ups with many of our customers, many of which are long-term contracts and will be value-accretive in the next three to five years

#### **Key Highlights**

**Forayed into the high-margin cosmetic and perfumery segment**

**Started trial production of speciality glass plant in Telangana**

**Successfully produced and dispatched first direct shipment to the US market**

ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

## Business Review

AGI Plastek

**10,256**

Tonnes per annum capacity

**3**

Plants in India



Our PET Bottles and Products business under the brand AGI Plastek enables us to cater to the demands of the alcohol-beverages, food and soft drinks, pharmaceuticals, personal care, agro-chemicals and dairy industry. We use state-of-the-art technology to provide innovative and customised packaging solutions. Our designers utilise the latest CAD systems and software to develop drawings and volumetrically correct 3D computer models. We use the latest moulding systems to ensure quality products, irrespective of whether it is made of HDPE, PP, PET or a combination of resins.

### Market Expansion

- We have entered the luxury and premium segments through our partnerships with European players, who have helped us inculcate their expertise to cater to the needs of the Indian market
- Even though our exports contribute to ~20% of our revenue mix, we have rapidly ramped up our exports and intend to continue doing so in the years to come

### Key Highlights

**Designed >200 new products**

**Commercialised >30 new products**

**Started using Bio-D Master batch (biodegradable product) in a few SKUs**



## AGI Clozures

We are engaged in the manufacture of counterfeit resistant security caps and closures, with a primary focus on the alco-bev industry. We have a team of highly experienced and qualified professionals, who leverage the latest technologies to deliver the best products for our customers.

As a result of our focus on quality, we have been able to establish ourselves as one of the leading players in the premium segment of anti-counterfeit security closures.

### New Product Development

- We launched multiple products under our 'Voila Closure Tamper-proof' category, including those for 2 litre bottles, 1 litre bottles and 750 ml bottles

### Market Expansion

- We have achieved significant market presence in key Asian countries and are poised to venture into Africa as well

## Key Highlights

**Developed the product and the required mould in-house**

**Partnered with a leading Indian wine brand to supply our products**

**Received approvals from leading alco-bev companies for our supercaps**

**780 million**  
Pieces per annum (small caps)

**132 million**  
Pieces per annum (large caps)

**7 countries**  
Export presence





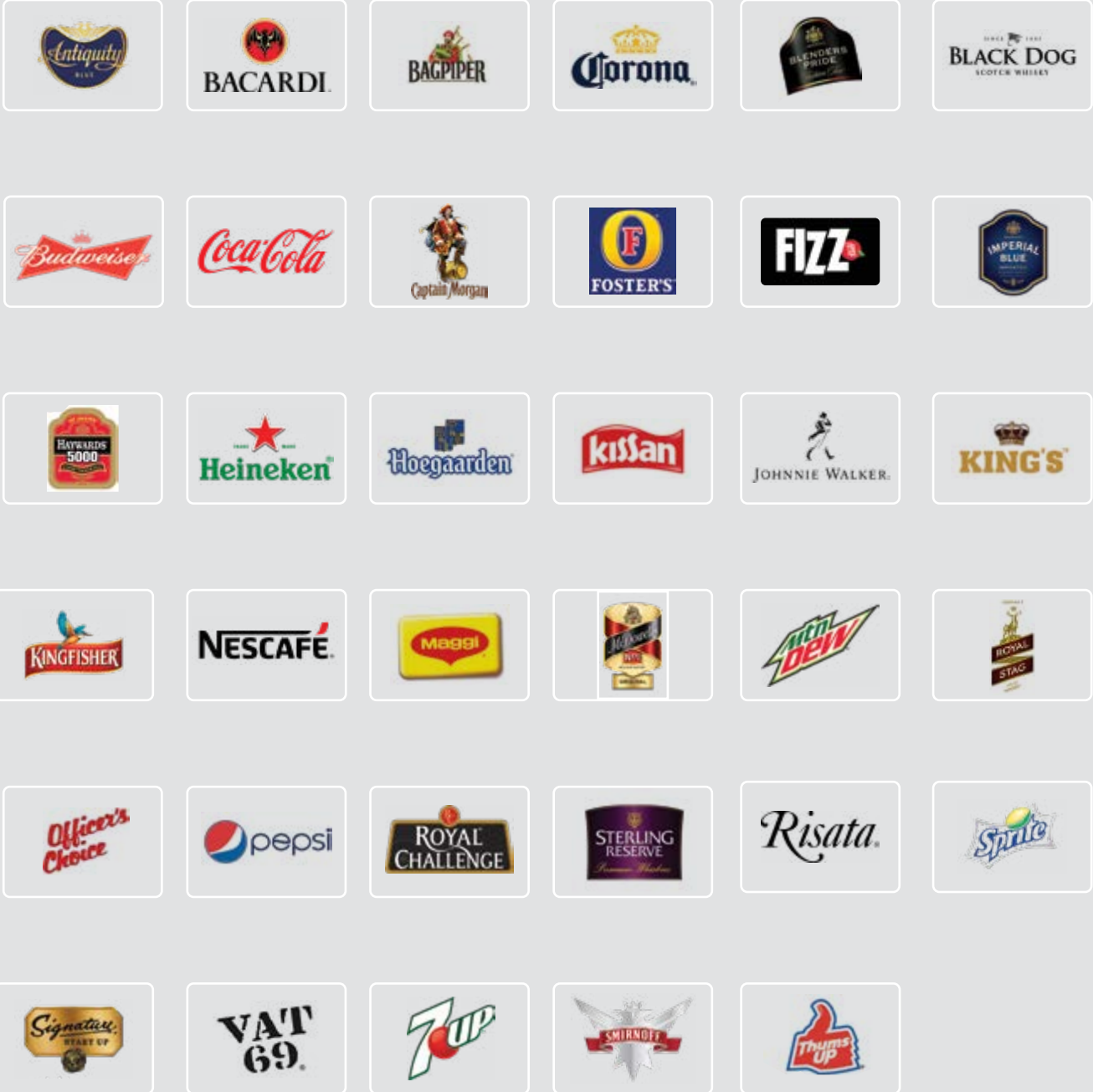
## Business Review

### Marquee Institutional Clients





## Brands We Cater To



# Business Review

## Our Core Differentiators



### Scale

We have been able to establish ourselves as one of the most reputed packaging product companies, and one of the leading glass packaging companies in India.



### Industry Experience

We possess industry experience of >40 years and have held out through various market cycles. The insights we have gained over the years provides us market edge.



### Diversified Product Range

We possess an extremely diverse product range in glass as well as PET bottles, packaging products, and security caps and closures. Whether it be size or the design of the product, we have adequate products to meet the various requirements of our clients.



### Value-Addition

We possess in-house facilities such as printing and hot-foiling for value addition in the counterfeit-resistant security caps and closures business, which is a major differentiator for our products.



### Product Design

We ensure that all our products are designed and customised to match the diverse requirements of all clients, thereby making us the preferred choice.



### Well-Established Supply Chain and Logistics

We have been able to establish a strong supply and logistics network, that enables us to ensure that we are able to service our clients on time.

## Our Certifications

DMF – Quality Assurance for supply to US pharmaceutical market

ISO 15378:2011 and 2017 – Quality Management System to provide primary packaging material for medicinal products

FSSC 22000 – Food Safety System

ISO 9001:2008 and 2015 – Quality Management System

ISO 14001:2015 – Environment Management System

OHSAS 18001: 2007 – Occupational Health and Safety Management System





### Outlook

In order to ensure that we are able to capitalise on the emerging opportunities in the glass container business, we have invested in upgrading technology across our plants. We have long-term contracts with our customers to ensure a steady flow of revenue.

During the year, we also forayed into the manufacturing of high-margin speciality glass by setting up a greenfield facility in Bhongir, Telangana, which has a manufacturing capacity of 154 tonnes per day. The plant will include one new furnace with five manufacturing lines spread across 15 acres and will manufacture high-end glass bottles, vials, and containers to cater to the requirements of sectors such as cosmetics and perfumery, pharmaceuticals, premium spirits, and food and beverages, water bottles, and candle jars. In addition to this, we will also focus on increasing our exports to the USA, Australia, and a few European countries.

We are continuously strengthening our operations and introducing newer products. In the security caps and closure business, we are expanding our offerings to provide complete solutions to our customers. We are collaborating with European partners to introduce products in the luxury and premium segments, and other Asian and African countries. We are entering strategic partnerships with technology partners to accelerate the biodegradation of our products in recyclable and sustainable packaging materials, such as paper and board, recycled PET (rPET), glass, and bioplastics, as well as a decrease in secondary packaging. In addition to this, expansions of sectors such as food & beverage, pharmaceutical & healthcare, personal care & cosmetics, and home care are also expected to boost demand over the foreseeable future.

### Awards and Accolades

Received National Feather Awards in 'Best in Class Manufacturing Award - Glass Manufacturing'

Bhongir plant was awarded 'The Golden Peacock Environment Management Award'

Received SADEX/SMETA certification for our Dharwad plant

Great Place to Work Certification



Growing ESG Focus - Environment

# Working towards a greener future

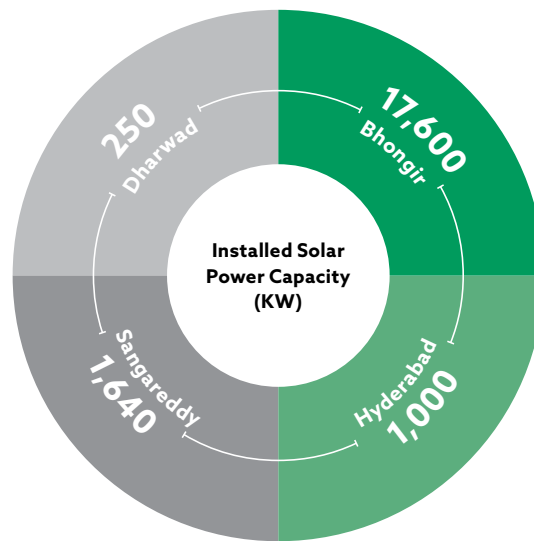
As a leading player in the packaging products industry, we intend to promote sustainable packaging products, decarbonise our own footprint and help the industry adopt sustainable practices.

**14.5 million tonnes**  
Raw materials reused annually

**1.3 lakh tonnes**  
Cullet reused annually

**20,000 tonnes**  
CO<sub>2</sub> emissions saved through the reuse of cullet





### Solar Power Installations

To increase our usage on renewable sources of energy, we have been actively involved in putting up solar power installations across all our manufacturing units.

### Initiatives Undertaken in FY 2021-22

#### Glass Containers

- Only organisation in the Indian glass container industry to have installed ESP (Electrostatic Precipitator) in furnaces to reduce carbon emissions in both our plants
- Commissioned a new cullet sorting machine at Bhongir to improve cullet quality and availability, which would enable us to increase the usage of cullet in the furnace from 35% to 45%
- Inaugurated 996.96 kWp grid-connected rooftop solar power unit at our Hyderabad plant on 8 May 2021; it is expected to generate 1,348 MWh/year solar power and help reduce 804 tonnes of CO<sub>2</sub> emission/year
- All our plants are zero liquid discharge
- We reuse around 50% water through STP's & RO system
- We conserve the rainwater through harvesting system. We reuse up to 12,000 KL of rain water at our plants. All our light fixtures are now LED
- We are 50001:2018 Energy Management Certified

#### PET Bottles and Products

- Exploring the installation of more solar PVs at our Dharwad and Isnapur plants

- Embarked on the usage of Bio-D Master batch (biodegradable product) in some of our SKUs

#### Security Caps and Closures

- 7% reduction in energy consumption per million pieces produced
- 25% water reduction/million pieces produced
- Developed India's first bio-degradable caps and closure
- 370 kW solar plant already installed and another 250 kW roof top solar under installation
- 36% of paper consumption is saved for packaging
- 100% rain water being harvested and stored in ponds to rejuvenate ground water table
- 100% RO water and other water discharge being treated and used for horticulture needs
- OTIF improved to 97.19% leading to logistics and storage cost
- OEE improved to 85.79% matching world benchmark standards to build in overall operational efficiency

Growing ESG Focus - Social (People)

# Inculcating a high-performance culture

In a dynamic and uncertain business environment, we continued to undertake initiatives to improve people experience and engagement. We offer our people an open, inclusive, motivating work environment that help them grow as professionals. Our people philosophy has always been to cater to the best interests of our employees who have been instrumental in helping us achieve our organisational goals.





### Employee Safety and Wellbeing

To ensure the safety of our employees and their families, we ran vaccination camps across all our manufacturing plants and offices. As part of our business continuity plan, we continued with the regular sanitisation of our premises and adhered to established COVID-19 protocol. We also conducted regular RT PCR tests in all our plants to track and curb the spread of the virus.

### Talent Retention

We have been able to establish ourselves as an industry leader in talent retention as a result of our progressive HR policies and ongoing employee engagement activities. This, coupled with a performance-based reward and remuneration framework, has enabled us to establish a performance-driven culture.

### Leveraging Technology

During the pandemic, it became challenging to carry out face-to-face learning and development programmes. To overcome the problem, we leveraged technology to ensure that knowledge and skill-based training continued during the time. Most of our learning and development programmes were held online and we partially returned to the in-person mode with the return of normalcy.



### Learning and Development

We helped employees engage in their career path planning and undertook succession planning to create a workforce that is skilled and ready to take on new challenges and the demands of leadership roles. Our integrated talent management programmes ensure their holistic development and foster collaboration amongst diverse functions and teams through continuous learning, skill upgradation programmes and knowledge-building and networking opportunities.





## Growing ESG Focus - Social (Communities)

# Giving back to the community

**We believe successful companies create value both for their shareholders and for society. Our work is guided by our desire to contribute to communities, especially around the vicinity of our manufacturing plants. We undertake need-based initiatives and work with our local stakeholders to address the challenges they face in accessing quality education, healthcare, and economic opportunities that ensure a better future for them.**

For decades, we have been making a positive difference wherever we operate and we have not wavered in that commitment. We believe in creating partnerships with stakeholders including communities, NGO's and expert organisations. AGI Greenpac's CSR activities are aligned with national priorities such as public health, livelihood, and safety. We want to positively impact lives by focusing on areas where we can create maximum value for our communities.





## Healthcare

The COVID-19 pandemic severely impacted people's lives and created instability and uncertainty. As part of our Corporate Social Responsibility (CSR) initiative, we look at ways in which we can make a positive impact on people and the planet. In this increasingly unstable environment, we stepped up our efforts under various healthcare CSR initiatives.

- AGI Greenpac through its HSIL Corporate Social Responsibility Foundation (HSIL CSR Foundation or Foundation) partnered with Vision Foundation of India (VFI) a non-profit, non-governmental organisation established in 1993 and joined its objective of reducing avoidable blindness among the underprivileged sections of society. According to a National Blindness and Visual Impairment Survey, cataract remains the leading cause of avoidable blindness in people above 50 years of age. Together with VFI, we ensured cataract surgeries for marginalised people who have minimal or no access to eye care under Project Rastriya Netra Yagna.
- Through HSIL CSR Foundation, we have contributed to the PHD Rural Development Foundation (PHDRDF) for organising Mobile Health Camps led by Doctors and health experts. This initiative included generic health check-ups and eye-care camps where

free medicine and spectacles were distributed.

- Under the COVID-19 preventive and relief measures programme, our Foundation provided medical equipment i.e. an X-ray machine and an ultrasound machine to All Indian Institute of Medical Sciences Hospital, Bibinagar.
- We donated an ambulance to the District Collector of Sangareddy District, Telangana.
- We continued to deliver primary healthcare services under our programme - 'Swastha Sampada' to villagers in the vicinity of our manufacturing plants at Kaharani (Rajasthan), Bahadurgarh (Haryana), Bibinagar and Bhongir (both in Telangana).



## Skill Development

Skill development is critical to furthering economic growth and thus, contributing to the resilience of communities. To encourage this, AGI Greenpac has contributed in the following ways:

- We partnered with and contributed to PHD Family Welfare Foundation programme promoted by the PHD Chamber of Commerce and Industry under which they provide three basic skills training – computer education, tailoring and embroidery, and beauty culture – to people in need of care in the Okhla region in Delhi.
- We continued with our Kaushal Vridhi Skill Enhancement initiative, which teaches skills related to the sanitaryware industry, in villages in Bahadurgarh, Haryana. This is a recurring project that assists locals in acquiring new skills.

## Road Safety

Government plays a vital role in addressing issues of road safety, however, the private sector involvement can further boost the efforts of the government. Thus, at the request of the Government authorities and to minimise the incidence of road accidents, our emphasis during the year was on promoting road safety. Aligned with this objective, we undertook the following measures during the year:

AGI Greenpac through its Foundation installed CCTV cameras from Bhongir Chityala main road to Thukkapur village covering a stretch of 4.5 km along with installation of street lights on the Road starting from Bhongir/Chityala Road to Raigir/Mothkur Road starting from Prashanti school corner to Tukapura villages and we have also installed CCTV cameras in District - Sangareddy, Telangana in the stretch of 5 km which helps safety of villagers and helps government authorities to control traffic congestion, road accidents and crimes etc.

## Growing ESG Focus - Governance (Board of Directors)

# Leading by example

Our brand reputation and our ability to preserve our rich legacy of excellence can be attributed to our strong corporate governance system.

We have put in place a robust corporate governance framework to ensure that the best interests of our stakeholders are always upheld. Our Board and its committees together with a strong executive leadership help us maintain the highest standards of transparency, accountability, awareness and equity in our operations.



**Dr. Rajendra Kumar Somany**

Chairman and Managing Director

**Since:**  
**09.01.1988** (Associated with the Company since 01.10.1965)

- Commerce graduate from St. Xavier's College, Calcutta University
- Provides strategic direction and vision to the Company
- An extensive 67-years' of work experience
- Active member of Rotary for the past 60 years
- Bestowed the 'Doctor of Philosophy in Management' degree by KEISIE International University (KIU), South Korea
- Presented with the 'Lifetime Achievement Honour' by Washroom & Beyond, a reputed trade magazine
- Presented with 'Lifetime Achievement Award' and 'Vishwakarma Award' by Indian Plumbing Association (IPA)
- Conferred the 'Lifetime Achievement Award' by ACETECH
- Conferred the 'Lifetime Achievement Honour' by World Consulting and Research Corporation (WCRC)
- Conferred the 'Lifetime Achievement Award' at India's 'Most Admired Brand' event hosted by White Page International
- Presented the 'Trailbrazer of Sanitaryware' Award at the World Business Conclave, Hongkong
- Conferred the 'Lifetime Achievement Honour' by PHD Chamber, a proactive National Apex Chamber
- Honoured with the 'World Leader Businessperson' recognition by the World Confederation of Business

**Mr. Sandip Somany**Vice-Chairman and  
Managing Director**Since:****12.09.1995** (Associated  
with the Company  
since 01.10.1985)

- Assisted the Bureau of Indian Standards to develop quality standards for the sanitaryware industry and has been instrumental in aligning Indian standards with their European counterparts
- Executive Board member and Senior Fellow of Indian Green Building Council (IGBC)
- Chairman of Water Management and Plumbing Skill Council (Formerly known as Indian Plumbing Skills Council)
- Former Chairman of Council of Indian Employers
- Former President of PHD Chamber of Commerce and Industry (PHDCCI) and Employers' Federation of India
- Founder President of Bahadurgarh Chamber of Commerce and Industry
- Fellow member of Chartered Management Institute
- Fellow member of Institute of Directors
- Fellow member of Institute of Materials, Minerals and Mining, UK (IOM<sup>3</sup>)
- Life Fellow of the All India Management Association
- Emeritus member of American Ceramic Society
- Chairman of Corporate Affairs Committee and Corporate Social Responsibility Committee of the Company

- Commerce graduate and a diploma holder in Ceramic Manufacturing Technology from the US
- 37-years' work experience in the ceramics and glass industry
- Past President of PHD Chamber of Commerce and Industry (PHDCCI)
- Past-President of International Chamber of Commerce (headquartered in Paris), India Chapter
- Past-President of Federation of Indian Chambers of Commerce and Industry (FICCI)
- Chairman of the Indian Council of Sanitaryware Manufacturers (INCOSAMA)
- Chairman of Risk Management Committee of the Company
- Member of Corporate Affairs Committee and Corporate Social Responsibility Committee of the Company

**Ms. Sumita Somany**Non-Executive Non-  
Independent Director**Since:****29.05.2014**

- A Commerce graduate
- Possesses rich and varied experience in consumer behaviour, their buying patterns an related field
- Under her leadership, EVOK business grew from start to upto ₹100 crore
- Possesses expertise in community services
- Member of Corporate Social Responsibility Committee and Nomination and Remuneration Committee of the Company

## Growing ESG Focus - Governance (Board of Directors)

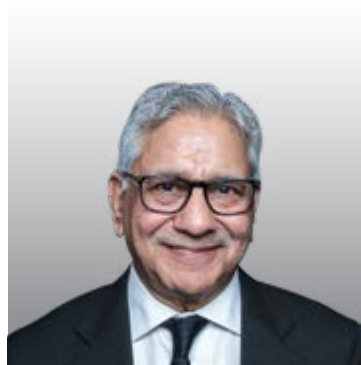


**Mr. G.L. Sultania**

Non-Executive Non-Independent Director

**Since:**  
**09.01.2006**

- Commerce graduate, Fellow Chartered Accountant, Fellow Company Secretary, and consultant by profession
- Possesses vast knowledge and experience in Financial Restructuring, Corporate Laws and Legal Compliance
- General Member of Association of Corporate Advisers & Executives
- Member of Stakeholders' Relationship (Shareholders'/ Investors' Grievance) Committee of the Company



**Mr. V.K. Bhandari**

Independent Director

**Since:**  
**17.01.2004**

- Fellow Chartered Accountant with over 40 years of experience in the banking industry
- Former General Manager of the Central Bank of India and former Head of Credit, Credit Monitoring, Treasury, Investment, Funds Management, Merchant Banking, and International Banking Divisions
- Chairman of the Company's Audit Committee
- Member of Stakeholders' Relationship (Shareholders'/ Investors' Grievance) Committee and Nomination and Remuneration Committee of the Company



**Mr. N.G. Khaitan**

Independent Director

**Since:**  
**29.06.1996**

- Attorney-at-Law and a Notary Public appointed by the Government of India
- Practises in the Hon'ble Calcutta High Court and the Hon'ble Supreme Court of India
- Senior partner at Khaitan & Co., one of the leading law firms in India
- Awarded Bell Chamber's gold medal by the Incorporated Law Society, Hon'ble Calcutta High Court, for standing first in all Law examinations
- President of the Indian Council of Arbitration, New Delhi
- Vice President of Bharat Chamber of Commerce
- Former Vice President of The Agri-Horticultural Society of India
- Executive Committee member of FICCI, New Delhi
- Executive Committee member of two leading schools in Kolkata
- Chairman of the Stakeholders' Relationship (Shareholders'/Investors' Grievance) Committee and Nomination and Remuneration Committee of the Company
- Member of Audit Committee and Risk Management Committee of the Company

**Mr. Anil Wadhwa**

Independent Director

**Since:**  
**18.03.2020**

- Ex-member of the Indian Foreign Services
- Served as Indian Ambassador to Poland, Lithuania, Sultanate of Oman, Thailand, Italy, and San Marino in the course of 38 years of service in the IFS
- Specialised in disarmament and economic relations
- Served as Chairman of the Board of World Food Programme (WFP)
- Permanent Representative of India to Food and Agriculture Organisation (FAO) and International Fund for Agricultural Development (IFAD)
- Served as Secretary (East) in the Ministry of External Affairs in New Delhi from 2014-16 looking after South-East Asia, Australasia and Pacific, Gulf and West Asian regions
- Partner in an LLP-India Pathfinders Strategic Advisers
- Member of Audit Committee and Corporate Social Responsibility Committee of the Company

**Mr. Rakesh Sarin**

Independent Director

**Since:**  
**18.03.2020**

- A Chemical Engineer and distinguished alumni of IIT BHU, London Business School & Saïd Business School, Oxford
- 45 years of experience in the field of distributed energy, policy advocacy and development of large renewable energy platforms
- Currently engaged in consulting with corporates, business houses and large international funds to provide advisory and mentorship
- Possesses strong business insights into the energy sector
- Global business leader at the helm of operations of large corporations as CEO and Director on the Board of various companies
- Member of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Affairs Committee of the Company

**Ms. Himalyani Gupta**

Independent Director

**Since:**  
**18.03.2020**

- Advocate with over 32 years of experience
- Standing Counsel for Union of India in the Hon'ble Supreme Court
- Senior Founding Partner in UHV International Partners, a leading Delhi-based law firm
- Rendered legal and advisory services to various Indian and foreign corporate clients and is on the recommended lawyers' list for the Embassy of Argentina in India
- Possesses immense exposure in handling litigations of national importance which have led to the passing of landmark judgments in the field of Constitutional Law
- Member of Audit Committee and Stakeholders' Relationship (Shareholders'/investors' Grievance) Committee of the Company

# Management Discussion and Analysis

## Prelude

The impact of the COVID-19 pandemic could be felt during the year under review as the second and third waves rattled the economies across the globe. It had an adverse effect on consumer confidence, disruptions on global value chains, trade, financial, transport, and tourism linkages while setting back major advances in education, labour, and gender rights. It became imperative for businesses across the globe to reassess their strategies and implement them swiftly to ensure business continuity.

At AGI Greenpac (erstwhile HSIL Limited), we keep analysing the situation to adapt swiftly to the unique challenges posed by the ecosystem. Our main focus was to ensure business continuity, employee safety, and higher levels of productivity. Through product and process innovation, and an unflinching focus on quality, ethical management, and our social

responsibility, we have been able to ensure business continuity as well as create value for all our stakeholders.

During the year, AGI Greenpac through a slump sale sold its Building Products manufacturing business undertaking to Hindware Limited (erstwhile Brilloca Limited) for a total consideration of ₹630 crore (subject to closing date adjustments). Now, AGI Greenpac is a focused packaging company. Slump sale proceeds will be utilised towards the pre-payment of existing borrowings which will further strengthen the AGI Greenpac balance sheet and create capital to further expand its packaging business. We will also have a stronger capital basis and a leaner cost structure as a result of the reorganisation, which will improve overall operating efficiency even further. Management is committed to building long-term value for all stakeholders by following a well-defined growth strategy.

## Economic Environment

### Global

The year 2021 began with a strong sense of optimism driven by vaccine rollout across countries and a pent-up demand driving economic recovery. Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. The output of the advanced economies reported a growth of 5.2% while the emerging and developing economies grew by 6.8%. The growth was stronger in Emerging and Developing Asia, registering a 7.3% growth in output. Aligned with the recovery of the global output, global goods trade reported swift growth. Services trade also reported strong growth and reached the pre-pandemic level during the last quarter of the Calendar Year 2021. The cumulative value of global trade reached a record ~US\$28.5 trillion in 2021, a growth of about 25% against 2020 and ~13% against the pre-pandemic level of 2019. The emergence of the delta and the omicron variant, however, slowed the recovery, along with rising inflation driven by energy price rises and supply chain disruptions. In addition to it, Russia's invasion of Ukraine caused a tragic humanitarian crisis in Eastern European, and the sanctions aimed at pressuring Russia to end hostilities further weakened the economy.



### Outlook

Beyond the immediate humanitarian impacts, the war will severely set back the global recovery, slow the growth and increase inflation even further. The IMF predicts that the world output growth will moderate to 4.4% in 2022 and 3.8% in 2023. The key risks include escalation of Russia's invasion of Ukraine, financial instability triggered by the Fed's aggressive tightening, the emergence of more COVID-19 variants, and disruptions associated with the People's Republic of China's (PRC's) current COVID-19 outbreak.

Both Russia's and Ukraine's GDP is poised to contract drastically in 2022. Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn, the current and anticipated decline in the supply of these commodities has already driven their prices up sharply, and in 2022 it will further increase. This rise in commodities will hurt lower-income households globally.

[Source World Economic Outlook, April 2022]





## India

FY 2021-22 started with a note of optimism driven by the rollout of the vaccination programme as well as continuous support of the government through various policy measures. These helped the economy navigate through the challenges posed by the subsequent waves of the pandemic. According to IMF, India registered a GDP growth of 8.9% during 2021, implying that the overall economic activities will recover to the pre-pandemic levels. However, the projected figures for 2022 and 2023 stood at 8.2% and 6.9%.

The downgrade in the 2023 growth projection for India is partly reflective of the war in Ukraine that has resulted in high energy, commodity, and food prices, slowing down the growth momentum.

Agriculture and allied sectors have been the least impacted and are expected to grow by 3.9% in 2021-22 against 3.6% in 2020-21. The Gross Value Added (GVA) of Industry (including mining and construction) is expected to grow by 11.8% in 2021-22 after contracting by 7% in 2020-21. The services sector is estimated to grow by 8.2% in 2021-22 against degrowth of 8.4% in 2020-21.

India's Consumer Price Index inflation stood at 6.95% y-o-y in March 2022 breaching the targeted tolerance band of the Reserve Bank of India. The inflation was largely driven by supply-side disruptions, caused by the pandemic, driving input costs. The RBI believes that inflation beyond 6% will not sustain for long and is transitory, considering India's stronger economic fundamentals.

Supply-side reforms have been a focus for India during the year. These supply-side reforms include deregulation of numerous sectors, simplification of processes, removal of legacy issues like 'retrospective tax', privatisation, and production-linked incentives, among others.

Vaccination has played an important role in minimising loss of lives, boosting confidence in the economy towards the resumption of activity, and containing the sequential decline in output due to the second wave. More than 186.72 crore dosages of COVID-19 vaccines were administered across the country by April 2022.

The gross Goods and Services Tax collection soared to a record high of ₹27.07 lakh crore for the year ended 31 March 2022, reflecting a strong recovery in the economic activities in the country. This was led by impressive growth in corporate tax and customs, taking the tax-to-GDP ratio to an over two-decade high of 11.7%. Direct tax collection increased by a record 49% to ₹14.09 lakh crore, reflecting the economy's strength and the impact of anti-tax evasion measures, while indirect taxes increased by 20% to ₹12.90 lakh crore.

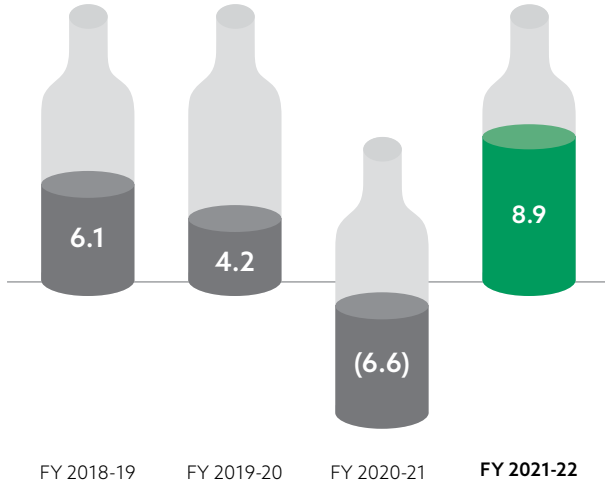
The Government of India is looking for a sustained recovery of the economy and is focused on infrastructure building as an attempt to create the multiplier effect to help the economy. KPMG estimates that the Indian economy to be among fastest growing economies that will report a growth of 7.7% in 2022-23 as investments in infrastructure and manufacturing sectors will accelerate job creation. However, geopolitical tensions and high energy prices pose major risks to the growth.





# Management Discussion and Analysis

## Growth of Indian Economy Over the Years



(GDP estimate for 2021-22 is provisional and based on forecast by given by MoSPI)

(Source: MoSPI)

## Macro Demand Drivers

- With a population of 1.4 billion people, India is the second-largest populous country in the world and is expected to soon leave behind China as the world's most populous nation
- India is witnessing rapid urbanisation. According to Census 2011, India's urban population was 37.7 crore, which is projected to grow to about 60 crore by 2030
- Various government initiatives, as well as strong MSP from the government, are driving the rural income of the country, fuelling its consumption growth
- Increasing rate of internet and smartphone penetration in the country along with the rising rate of digital payments is accelerating the growth of the organised sector
- The Government of India's PLI scheme to drive industrial growth of the country is expected to create incremental jobs and increase overall consumption levels. The burgeoning growth in the GDP is driving consumer demand which in turn is expected to drive the demand for the packaging sector





## Packaging Industry Review

The past decade has witnessed significant changes in the packaging industry driven by a host of factors such as new market penetration, the emergence of contactless delivery, and the changing ownership dynamics across the world. The global packaging market is estimated at US\$1,002.48 billion in 2021. Glass packaging is a premium and one of the most trusted forms of packaging for health, taste, and environmental safety. This ensures its continuous usage worldwide, across a range of end-user industries, despite the heavy competition from other packaging materials. Increased focus on sustainability

and environmental issues, especially in the developed countries, has resulted in the trend of new innovations in the plastic packaging segment with the aim to reduce carbon footprint.

In India, the Packaging Industry is estimated to report a CAGR of 26.7% during 2022-2027. The factors driving the demand for packaging can be attributed to the rising population, growing income levels, changing lifestyles, and increased internet penetration. The Indian industry is incrementally driven by the rise of the middle-class category, strong growth in organised retail, surging exports, and the country's expanding e-commerce sector.



### Glass Containers

Increasing hygiene and living standards among consumers living in the urban areas across the globe is driving the consumption of glass containers including bottles, jars, and tableware. Consumers are increasingly using glass containers to hold food and drinks. Besides, the reusability and recyclability of glass are driving its consumption to help protect the environment against single-use plastic containers.

According to Grand View Research estimates, the global container glass market size will reach US\$ 82.2 billion by 2028. The market is expected to grow at a CAGR of 3.7% from 2021 to 2028, driven by the increasing demand for fast-moving consumer goods (FMCG) and alcoholic beverages across the globe.

The bottles segment contributed 60.3% of the global revenue share in 2020 driven by the increasing consumption of alcoholic beverages, carbonated drinks, and bottled water across the globe.

The pandemic has been a key catalyst in driving the demand for vials and ampoules in the pharmaceutical sector. Additionally, increasing utilisation of catalysts, enzymes, and food essence in the bakeries and confectionaries is expected to drive the glass vials and ampoules demand of the glass packaging industry. The vials and ampoules segment is expected to witness a CAGR of 8.4% over the forecast period.

The global cosmetics and perfumery glass bottles market was valued at US\$ 1,809.26 million in 2020 and is estimated to witness a CAGR of 3.63% over the forecast period (2021-2026). According to L'Oréal, one-fourth of the global cosmetic market is held by luxury cosmetics and growing at a fast pace comprising half of the global market's growth. The perfume segment is expected to register significant growth as predominantly the skincare category is shifting from plastic to glass packaging.

In India, the Cosmetic and Perfume Glass Packaging market is set to grow on the back of the growth of

## Management Discussion and Analysis

e-commerce platforms in both urban and rural areas, as many people are buying cosmetics from online platforms. Furthermore, the rapidly growing market for nail care products is significantly contributing to the growth of glass bottles in the cosmetic industry. The Indian container glass market is expected to register a CAGR of 6.78% during 2021-2026. The increased alcohol consumption in India has contributed significantly to the growth of the container glass market in India. Low per capita container glass consumption in India provides remarkable growth opportunities. In addition to it, the COVID-19 outbreak created a growing necessity for industries in the F&B sector to focus more on hygiene and sanitisation.

According to the Indian Institute of Packaging (IIP), the packaging industry is expected to reach US\$ 204.81 billion by 2025 from US\$ 50.5 billion in 2019 at 26.7% annually. The e-commerce segment of the packaging market was estimated at US\$ 451.4 million in 2019 and is forecast to reach US\$ 975.4 million by 2025 at 13.8% annually.

### PET Bottles and Products

The PET bottle market is fragmented, and several players occupy the market share. PET is used for encasing products such as beverages, food, and others.

They weigh lesser than alternate forms of packaging material and are preferred across various end-user industries for reduced transportation emissions and resources in the supply chain. Further, PET packaging is emerging as the preferred choice due to several factors

like higher strength, inexpensiveness, recyclability, and transparency. Due to their flexibility, PET bottles can be moulded into numerous shapes to improve their appearance and utility. For brand differentiation, manufacturers are focusing on unique packaging and different-sized packs which are spurring the demand for PET bottles with customised shapes, colours, and designs.

However, stringent government regulations and policies on the use of plastics are hindering the single use PET bottle market growth.

The global PET bottle market reached a value of US\$39.7 billion in 2021. IMARC Group expects the market to reach US\$ 52 billion by 2027, showing a CAGR of 4.46% during 2022-2027.

Growing disposable incomes and changing food patterns of consumers have increased the demand for bottled beverages and food, more so in developing countries such as India and China. Additionally, hectic lifestyles have been driving consumers to opt for on-the-go beverages and food.

APAC will continue to create significant growth opportunities for the market players and the growth in this region will be faster than the growth of the market in other regions. The increasing demand for lightweight and recyclable packaging by the food and pharmaceutical industries is driving the growth of the regional market.





## Security Caps and Closures

The IMARC Group estimates the size of the global plastic caps and closure market at US\$43.2 billion in 2021. Demand for plastic bottle caps is growing fastest in the developing world. The Asia-Pacific region is the largest consumer market for Plastic Bottle Caps globally due to its large food and beverage industrial basement. Plastic caps and closures offer significant advantages over caps and closures made up of other materials such as metal, rubber, etc. Plastic is more economical, versatile, durable, light, and resistant to corrosion. Moreover, driven by its lighter weight, it results in a lower transportation cost. PET, PP, HDPE, LDPE, etc. are some of the primary raw materials used in making plastic caps and closures. Beverages currently represent the biggest end-use sector for plastic caps and closures. It is further expected that the market to reach US\$59.0 billion by 2027, exhibiting a CAGR of 5.32% between 2022 and 2027.

## Catalysing the Demand for India's Packaging Sector

### Alcohol Consumption Growth

India is one of the fastest-growing alcohol markets in the world. The rapid increase in urban population, a sizable middle-class population with rising spending power, and a sound economy are reasons behind the increase in consumption of alcohol in India. The Indian alcohol market is growing at a CAGR of 8.8% and it is expected to reach 16.8 billion litres of consumption by the year 2022. The popularity of wine and vodka is increasing at a remarkable CAGR of 21.8% and 22.8% respectively. India is the largest consumer of whiskey in the world and it constitutes about 60% of the IMFL market. However, the per capita alcohol consumption in India is very low as compared to the Western countries. Also, imported alcohol has a small share of around 0.8% in the Indian market. All these translate into strong growth opportunity for the packaging industry.

### Budding Beer Market

With changing consumer lifestyle, growth in disposable income and increasing popularity among the youths along with rising urbanisation are driving the growth of the beer market. The introduction of online orders and ease of doorstep delivery in certain states are further driving the market. The Indian beer market stood at around ₹371 billion in 2020. In 2020, 5.53 billion litres of beer were sold. The industry is expected to reach around ₹662 billion by 2026, exhibiting an estimated CAGR of about 9.2% between 2022 and 2027. This increase in beer industry demand is expected to drive the glass container market significantly.

## Growing Pharmaceutical Market

India has a well-developed healthcare sector with a globally renowned pool of scientists and engineers. The size of India's pharmaceutical market stood at US\$ 42 billion in 2021 and is likely to reach US\$ 65 billion by 2024 and further expand to reach ~US\$ 120-130 billion by 2030. Globally, India is the largest provider of generic drugs. The country is the third-largest producer of pharmaceuticals in the world, by volume and the 14<sup>th</sup> largest by value. India fulfills approximately 50% of the global demand for vaccines, 40% of generic demand in the United States, and 25% of all medicine in the United Kingdom.

As of August 2021, CARE Ratings expect India's pharmaceutical business to develop at an annual rate of 11% over the next two years, to reach more than US\$ 60 billion in value.



## Management Discussion and Analysis



### **Surge in Demand in the FMCG Market**

A Surge in internet penetration, rising rural income, and increasing influence of social media are driving the growth of India's FMCG market. It is expected that the Indian FMCG market will reach US\$220 billion from US\$110 billion between 2020 to 2025 at a CAGR of 14.9%.

### **Online Grocery Market**

The Indian online grocery market is estimated to exceed sales of about ₹1,310.93 billion (US\$ 17.12 billion) by 2026, at a CAGR of 28.99%. The Gross Merchandise Value (GMV) of the online grocery segment in India is expected to increase 18 times over the next five years to reach US\$ 37 billion by FY 2024-25.

### **Cosmetic Market**

The India Cosmetics Market is poised for strong growth. From a size of US\$ 13,191.23 million in FY 2019-20, the sector is expected to grow at a CAGR of 16.39% through FY 2025-26 to reach US\$ 28,985.33 million. The growing

disposable income, increasing purchasing power, the emergence of online retail, and greater inclination of the youth towards skincare and other grooming products are expected to drive this market.

### **Growing Perfume Segment**

The fragrance market in India is anticipated to reach ₹139.44 billion by 2024 and is expected to expand at a CAGR of ~15.93%, from its 2019 value of ₹66.58 billion. The highly fragmented Indian perfume market will see consolidation and the rise of organised players in the coming years. The perfume market in India is driven by the increasing demand from the millennial population, a rise in disposable income, and improved awareness regarding personal hygiene.

In addition to it, changes in shopping preferences, increasing Internet penetration, the rising use of smartphones, and a strong infrastructure for the penetration of e-commerce services are propelling the sales of perfumes through the online channel.



## Business Review

Glass containers (including specialty glass and B2C brand Sandunes), PET bottles and products, and security caps and closures are the constituents of our Packaging Products business.

We are the second-largest glass container company in India and account for around 20% market share of India's organised glass packaging industry. We strive for consistent excellence in the business through our continuous innovation, value-added product mix, quality, and designs. Our pride-enhancing clientele comprises key brands from diverse sectors like Alco-Bev, pharmaceuticals, FMCG, and others, derisking us from dependence on any specific sector. Our long-standing relationship with the clients helped us navigate through challenging times owing to the assured commitment of our customers.

Under our PET bottles and products business, we offer customised PET bottles and containers. We have three manufacturing located in the Northern and

Southern parts of India. The PET products complete our packaging solutions offerings and supplement our glass container business.

Our security caps and closure business complement our glass container business and cater to the same set of customers. We manufacture patented tamper-evident caps and closures for the food and beverage, Alco-Bev, and pharmaceuticals sectors. Our best-in-class solutions help clients to counter piracy and provide patented solutions. Our plant in Telangana is platinum rated by IGBC and we manufacture our products based on sustainable manufacturing principles.

We have multiple R&D teams located all of which are committed to designing and developing efficient, functional products and bringing them to market. All our plants operate from a sustainable business platform. There is a focus to reduce power usage, raw material usage in our products and facilities, to reduce and recycle waste, and to offer more efficient transportation methods.

## Key Highlights FY 2021-22

### Glass Containers

- During the year, we forayed into the high-margin cosmetic and perfumery segment and commissioned a new plant for this segment
- We have invested in state-of-the-art inspection machines aligned to the needs of global alco-bev majors. We are the first in the industry in India to take this initiative, reinforcing our commitment to quality
- Received National Feather Awards in 'Best in Class Manufacturing Award - Glass Manufacturing'
- Our Bhongir plant was awarded 'The Golden Peacock Environment Management Award'
- Specialty Glass, 154 TPD Furnace trial production started
- Successfully produced and dispatched AGI's first direct shipment to the USA Market

### PET Bottles and Products

- Received SADEX/SMETA certification for our Dharwad Plant
- Designed more than 200 new products
- Commercialised more than 30 new products
- Started Using Bio-D Master batch (Biodegradable product) in a few SKU's

### Security Caps and Closures

- Launched new products under Voila Closure tamper-proof categories for two litre, one litre and 750 ml bottles. We developed the product and the required mould in-house
- Partnered with a leading Indian wine brand to supply our products
- We have received approvals from leading alco-bev companies for our supercaps

## Management Discussion and Analysis



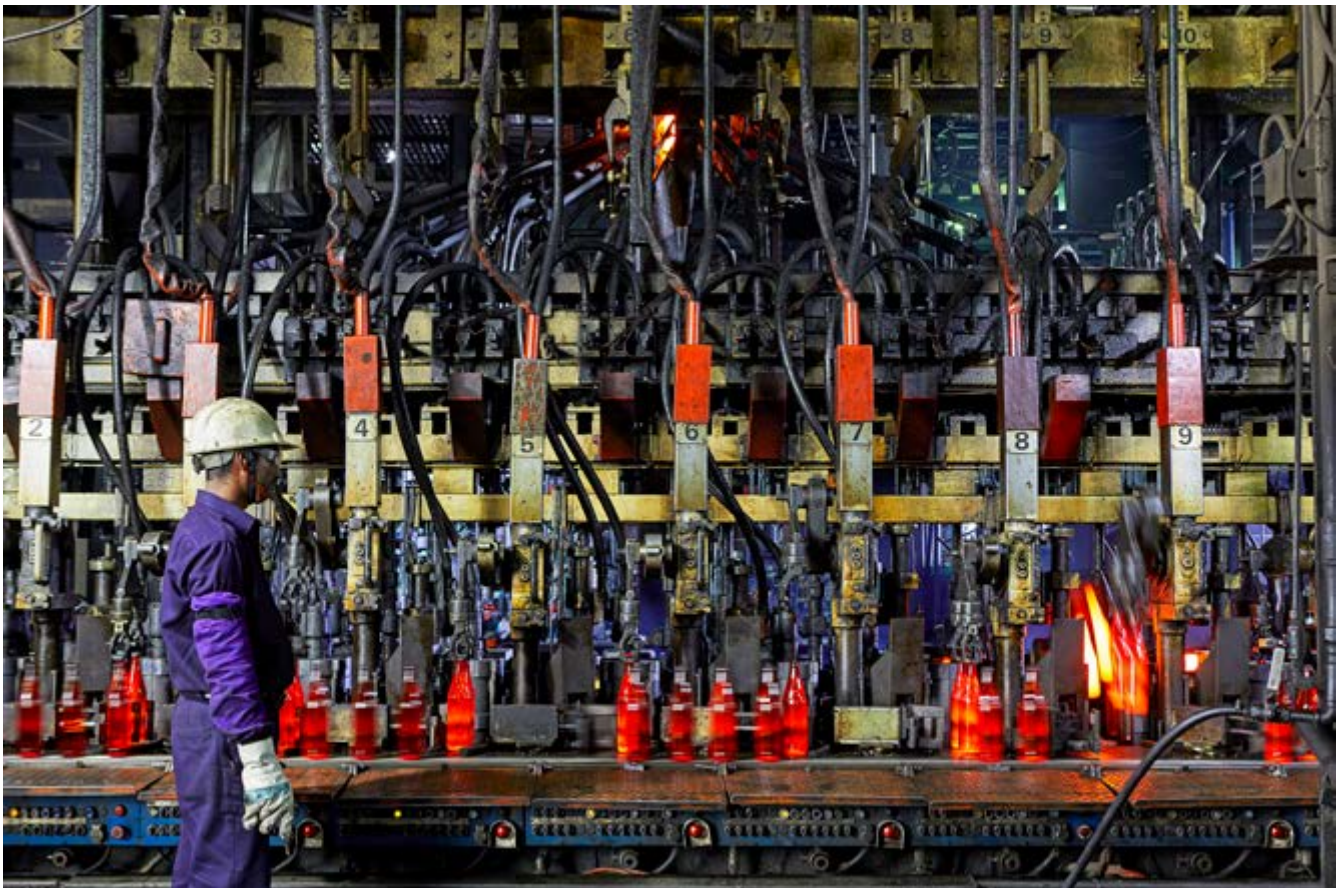
### Outlook

Going forward, the increasing adoption of the use of non-recyclable plastic could result in increased production of recyclable and sustainable packaging materials, such as paper and board, recycled PET (rPET), glass, and bioplastics, as well as a decrease in secondary packaging. The ongoing expansion of sectors such as food & beverage, pharmaceutical & healthcare, personal care & cosmetics, and home care is expected to boost demand for glass container packaging. Against this backdrop, the global packaging market is projected to reach a valuation of US\$1,275.06 billion by 2027, growing at a CAGR of ~3.94% between 2022-27. (Source: Globe News Wire)

To capitalise on the opportunities in the glass container business, we are investing in technology and installing new machines. We are entering into a long-term relationship with our customers to get stable revenues through the years. Our single-minded focus on sustainability has led us to invest in our processes to rationalise our environmental footprint. This also helps us emerge as a preferred partner for our international clients.

The Company forayed into the manufacturing of high-margin Specialty Glass by setting up a Greenfield facility based out of Bhongir, Telangana, and has a manufacturing capacity of 154 tonnes per day. The plant will include one new furnace with five manufacturing lines spread across 15 acres. The plant will manufacture high-end glass bottles, vials and containers to cater to the requirements of sectors such as cosmetics and perfumery, pharmaceuticals, premium spirits, food and beverages, water bottles, and candle jars. In a context of strong global demand for high-end specialty glass bottles, AGI Glaspac will also focus on exports to the USA, Australia, and a few European countries.

We are continuously strengthening our operations and introducing newer products. In the security caps and closure business, we are expanding our offerings to provide complete solutions to our customers. We are tying up with European partners to introduce products in the luxury and premium segments, exclusively in India and other Asian and African countries. We are working with technical partners to accelerate the biodegradation of our products.





## Building Products Division

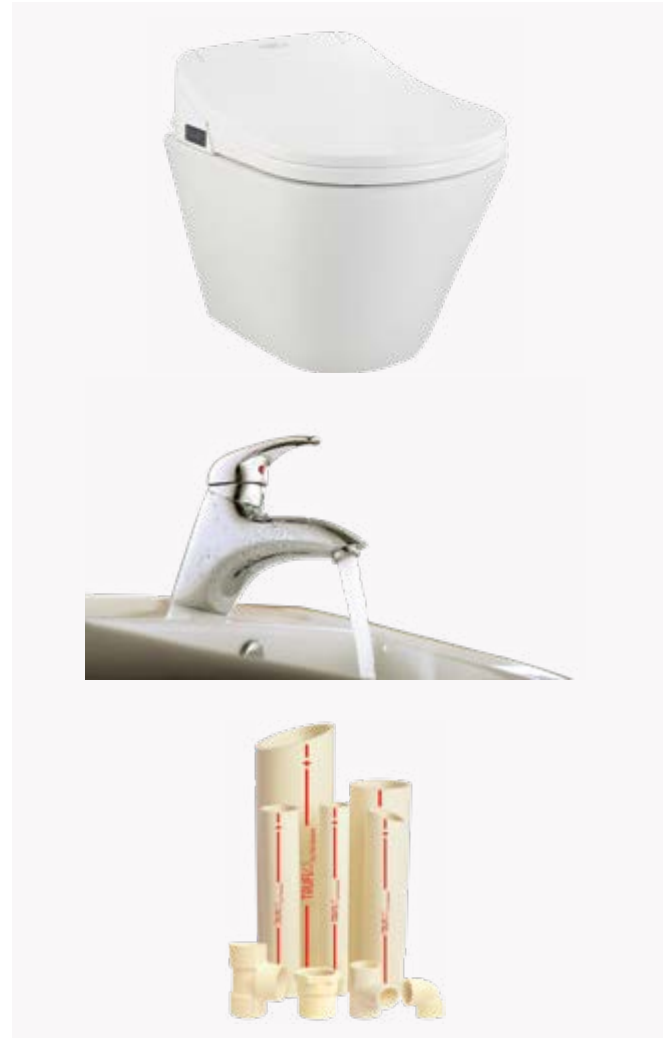
The Company was manufacturing Sanitaryware, faucets, plastic pipes & fittings for third party companies and the combined industry size for these sectors is approx. ₹20,000 crore. However, to build a focused packaging company, AGI Greenpac sold its Building Products Division undertaking through a slump sale.

A few of the growth drivers for this sector were favourable demography, increasing urbanisation, favourable government policies, technological advancements and favourable real estate demand.

In addition to it, the Bhiwadi plant (which is under temporary shutdown since FY 2014-15) asset is also transferred to the asset held for sale category as on 31 March 2022.

During the year, at the sanitaryware and faucet plants, we undertook several debottlenecking initiatives to augment capacity and achieve cost reduction by wastage control and sharper focus on alternative raw materials.

During the year, at the plastic pipes and fittings plants, we started manufacturing overhead water storage tanks in the Southern market from our plant in Telangana.



### Outlook

During the year, the Company approved the divestment of its Building Products Division undertaking to Hindware Limited. With the proposed transaction, the Building Products Division's entire operating facilities of AGI Greenpac will be transferred to Hindware Limited. The proceeds will be utilised towards the pre-payment of existing bank borrowings which will further strengthen the Company's balance sheet and create capital to further expand its packaging business.

Going forward, the manufacturing of the Building Products will not be a part of AGI Greenpac.



# Management Discussion and Analysis

## People Potential

In a dynamic and uncertain business environment, Human Resources (HR) continued its transformation initiatives to meet organisational needs throughout the year under review. We are a people-centric firm because of our ongoing Employee Engagement programmes and emphasis on career advancement. Our people philosophy has always been to care for our personnel as our most valuable asset in order to achieve organisational goals.

Employees and their spouses were vaccinated in camps set up throughout our operations and offices. To ensure business continuity at all of our plants, regular sanitisation and adherence to COVID-19 protocol were followed. RT PCR tests were performed on a regular basis in all of our plants.

Career path planning for all plant employees and succession planning were done as part of the Company's efforts to promote and drive individuals toward future leadership.

By facilitating holistic development and fostering collaboration amongst diverse functions and teams, the Company continued to enable learning, networking, and collaboration through its Integrated Talent Management programmes. We equip our employees with the necessary skills and experiences to ensure a smooth transition and absorption into the Company.

We've established ourselves as an industry leader in talent retention thanks to progressive HR policies and ongoing employee engagement activities. And the initiatives the companies have undertaken to strengthen their workplace culture resulted in AGI Glaspac being Certified as a "Great Place to Work" by the Great Place to Work Institute, India during the financial year.

During the lockdown, we used technology to ensure that knowledge and skill-based training continued during the epidemic, and we transformed a number of in-person training sessions into online ones.





## Risk Management

We have a robust risk management process that helps us identify, treat and mitigate the risks our business is exposed to both in the internal and external environment where we operate. The risk management framework, which is regularly monitored by the top management of the Company, has helped us to always stay ahead of the curve. This was no different for the year under review, when the pandemic created its own challenges for us across the value chain.

### Risk Management Framework



## Risk Appetite

We undertake and validate our risk appetite periodically and integrate it into our broad risk management structure, enabling effective decision making.

### Key factor driving risk appetite



#### Growth Ambition

The dynamic nature of the business environment necessitates calculated risk taking and mitigation



#### Compliance

The application legislations and business principles are integral to our business culture and strategy



#### Brand

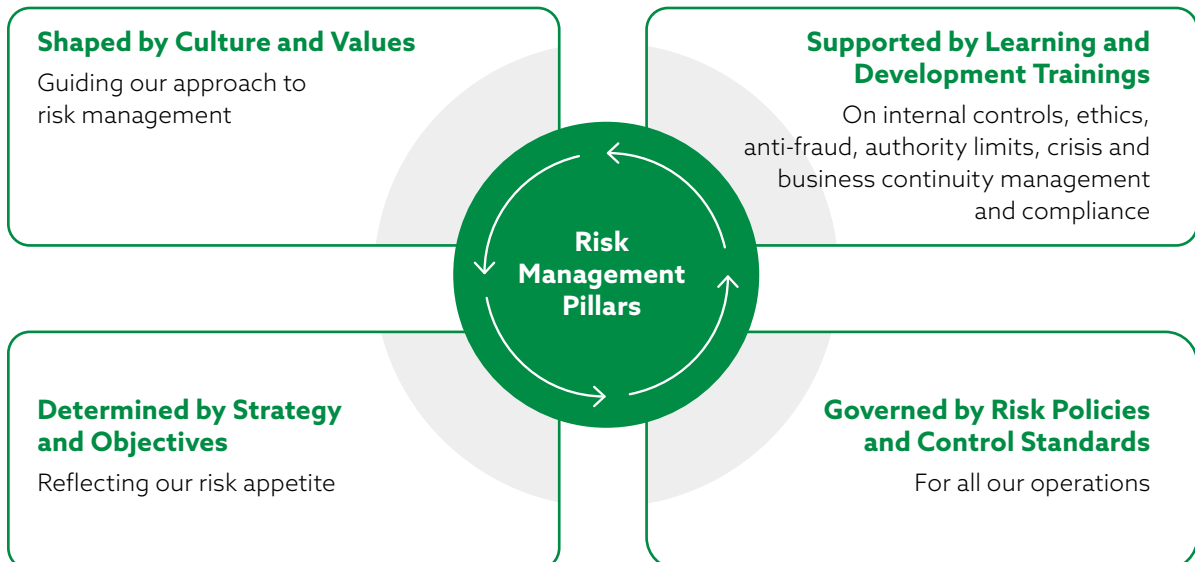
We make concerted efforts in protecting our brand, interest, and safety of our employees and drive sustainable growth



#### Efficiency

Improvement of operational safety is our key priority and drives our competitiveness

Our Risk Management Committee comprises senior members of the Board who maintain regular oversight of the process. The risks identified by the Committee are classified under strategic, business, and operational risks. The Committee is responsible for monitoring the key risks under each of the three risk classifications and provide mitigation measures.



## Management Discussion and Analysis

### Business Risks

Risk	Impact	Mitigation measure
<b>Low Inventory Movement</b>	Inventory is overburdened by inappropriate sales planning.	We put in place a robust inventory management system that aids in the accurate mapping of SKUs for phased phasing-in and phasing-out. We use big data analytics to plan the replacement of SKUs at the right time.
<b>Currency Risk</b>	Foreign currency price fluctuations have an impact on our profitability.	We invest in derivative instruments such as futures and options contracts to hedge our foreign exchange position and decrease our exposure to fluctuation as and when required.
<b>Interest Rate and Commodity Price Volatility</b>	Any increase in interest rate movement or commodity price slump could have a negative impact on business.	We diligently plan our inventory levels to ensure raw material affordability. To maintain our competitive advantage, we regularly monitor short and long-term interest rates.
<b>Lack of Innovation</b>	Inability to stay competitive in the market due to a lack of awareness of new advances and innovative technology.	We remain on top of developing trends by performing in-depth market analysis and soliciting feedback from institutional customers on a regular basis. Our R&D team is constantly working to take advantage of emerging technology and create innovative products that satisfy the needs of our customers.
<b>Inadequate Distribution Channel</b>	Sales and business growth can be hampered by ineffective marketing and distribution.	We're working on a Business-to-Business (B2B) model right now. We've been consistently innovating and reinforcing our institutional customers, assuring higher product quality and shorter turnaround times for them.
<b>Substitution Risk</b>	PET and glass containers can be interchanged, which could have an impact on the success of either of these business segments.	We are positioned in such a way that we can provide a one-stop solution to our customers, allowing them to choose from PET to glass packaging to become a packaging focused company while maintaining our revenues.
<b>Employee Skill Development</b>	A team with insufficient experience and low personnel competencies could stifle progress.	We have a good hiring process in place, as well as a solid employee engagement structure, which has resulted in a greater retention rate. Our goal is to improve organisational efficiency by sharpening staff abilities through well-designed training programmes.
<b>Unorganised Sector</b>	Low-cost offerings from unorganised competitors have the potential to erode our market share.	Threat from the unorganised sector is gradually being mitigated with industry consolidation following GST implementation. Besides, our innovative products cater to a wide spectrum of discerning consumers with varied aspirations.
<b>Working Capital Management</b>	Short-term liquidity requirements can impact growth and profitability.	A robust working capital management in place, helps us in inventory optimisation and receivable cycles and achieved an improved cash flow.



## Operational Risks

Risk	Impact	Mitigation measure
<b>Availability of Raw Material</b>	Inability to obtain a consistent supply of raw materials at a reasonable price might have a negative impact on operations.	We have strengthened our ties with a variety of vendors to ensure that we're not reliant on a limited number of vendors. We have implemented different vendor engagement programmes and always maintained a planned inventory.
<b>Cost Control</b>	Profitability would be harmed if costs could not be controlled.	To increase our control over production costs, we implement a variety of cost-cutting strategies. We used alternate materials, different fuels, and automation to keep costs down throughout the year under review.
<b>Operational Limitations</b>	Production could be hampered if operations are constantly disrupted.	We have been able to manage this operational risk by continually debottlenecking operations and improving automation across several units.
<b>Quality-Related Concerns</b>	Lowering or altering product quality might hurt revenue and cause customer turnover.	Throughout our value-creation process, we conduct many rounds of quality checks at various stages to ensure a low rejection rate and exceptional product quality.
<b>Health and Safety Risk</b>	Any mishap or loss of life can put a halt to activities.	Employees working at our factories receive EHS training to ensure their security and full compliance with employee health and safety regulations.
<b>Loss of Key Managerial Personnel (KMP)</b>	Any loss of KMP could have a negative impact on the Company.	Our compensation, awards, and recognition structure guarantee that our key management personnel receives competitive remuneration, which keeps them motivated.
<b>Loss of Suppliers</b>	Any loss of suppliers could cause the Company's usual business environment to be disrupted.	All our suppliers have pleasant and long-term relationships with us, and our vendors assist us in sustaining these partnerships. In addition, we maintain relationships with a variety of providers to avoid becoming overly reliant on any one of them.
<b>Product Failure and Lack of Differentiations</b>	If we are unable to elicit a favourable market response to our items, we may lose money.	With a wide range of products, we serve a wide range of industries. We have a diverse product portfolio; therefore, the failure of a particular product or range may not have a significant impact on overall revenues. We have a consumer-focused R&D centre that is constantly working on generating new and relevant products.

## Management Discussion and Analysis

### Strategic Risks

Risk	Impact	Mitigation Measure
<b>Pandemic Risk</b>	The social and economic disruption produced by the pandemic's onset may have an impact on corporate processes.	With the nation's vaccination programme moving at a breakneck pace, it's predicted that the populace will have immunity shortly, allowing normalcy to return.
<b>Geo-Political Risks</b>	Geopolitical concerns may have an impact on how well firms perform.	Our broad product offerings across industries and market reach assist us to avoid becoming overly reliant on any one product or market.
<b>Economic Unpredictability</b>	A slowing Indian economy could result in a drop in demand for our products.	The pandemic has had a negative influence on India. However, the de-growth predictions have been moderated, and the economy has rebounded in FY 2021-22 with good force.
<b>Downstream Demand Risk</b>	The demand for our products is influenced by the real estate market's volatility.	The real estate business is progressively recovering thanks to government initiatives and relief measures aimed at boosting demand. Our business diversity has ensured that we are not overly reliant on any one industry.
<b>Growing Competition and the Entrance of Multinational Players</b>	Our market share may be harmed because of increased competition and the number of participants in the sector.	We have maintained our leading position in the market because our decades of industry knowledge, quality products, and strict cost management.
<b>Inability to Understand Customer Preferences</b>	Our potential to produce profit may be harmed if we are unable to stay relevant and serve customers through design and product innovation.	With regular feedback from our institutional customers, we seek to continually broaden our product offerings by adding new product ranges and SKU segments, providing a diverse spectrum of customer requirements. We also do extensive R&D, which aids in the continuous introduction of new products.
<b>Customer Concentration</b>	Excessive reliance on a small number of clients can have a negative influence on profitability.	We work with a wide range of clients. However, because of our client-centric approach and the depth of our product offering, we also place a premium on sustaining long-term relationships with our institutional customers.
<b>Inability to Adhere to the Regulatory Requirements</b>	Any change in the law could have an impact on our activities.	We comply with all regulatory norms that apply to us, ranging from those related to our people's welfare to those related to environmental conservation, as part of our commitment to remain people-centric and responsible.
<b>Tariff Wars</b>	Any disruption in trade relationships between exporting partner countries may adversely impact our businesses.	We have established cordial ties with our export partners and also have diversified our export portfolio to reduce risk arising out of tariff wars.



## Internal Controls

The internal control systems are commensurate with the size, scale, and complexity of the operations of the Company. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation, and ensuring compliance with corporate policies. We use SAP, a well-accepted Enterprise Resource Planning (ERP) system, to record data for accounting, consolidation, and management of information and connects to different locations for efficient exchange of information. The Audit Committee of the Board of Directors, comprising Independent Directors, reviews the effectiveness of the internal control system across the Company, including the annual plan, significant audit findings, and recommendations, adequacy of internal controls, and compliance with accounting policies and regulations.

## Internal Financial Control

We follow a proper Internal financial control as policies and procedures for ensuring orderly and efficient conduct of

business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

We also have documented Risk and Control Matrices (RACM) covering all activities, and all controls are tested for design and operating effectiveness as part of our Internal Financial Control reporting framework. The financial controls are evaluated for both design and operating effectiveness by an external consulting firm of repute. In our view, the Internal Financial Controls are adequate and are in line with best practices applicable to organisations of a similar size, nature, and complexity.

## Risk Management

We have a robust risk management framework which identifies and assesses strategic, operational, financial and compliance risks and monitors the effectiveness and efficiency of risk mitigation and control measures. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.



# Directors' Report

Dear Members,

Your Directors are pleased to present the sixty second Annual Report and the Company's audited financial statements for the financial year ended 31 March 2022.

## Financial Results

The Company's financial performance, for the year ended 31 March 2022 is summarised below:

(₹ in lakh)

Particulars	2021-22			2020-21		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Revenue from Operations	1,43,043	88,140	2,31,183	1,25,989	59,270	1,85,259
Add: Other Income	4,293	4,912	9,205	1,407	1,389	2,796
<b>Total Income</b>	<b>1,47,336</b>	<b>93,052</b>	<b>2,40,388</b>	<b>1,27,396</b>	<b>60,659</b>	<b>1,88,055</b>
<b>Profit before tax</b>	<b>17,893</b>	<b>1,986</b>	<b>19,879</b>	<b>15,262</b>	<b>(3,779)</b>	<b>11,483</b>
Exceptional item - gain from slump sale	-	5,775	5,775	-	-	-
Less: Tax expenses	6,253	71	6,324	3,783	(1,106)	2,677
Profit after tax (i)	11,640	7,690	19,330	11,479	(2,673)	8,806
Other Comprehensive Income (net of tax)	750	-	750	(56)	-	(56)
<b>Total comprehensive income for the year</b>	<b>12,390</b>	<b>7,690</b>	<b>20,080</b>	<b>11,423</b>	<b>(2,673)</b>	<b>8,750</b>
Add: Balance brought forward (ii)			53,269			46,632
<b>Amount available for appropriation (i+ii)</b>			<b>72,599</b>			<b>55,438</b>
<b>APPROPRIATIONS:</b>						
Dividend paid on equity shares			2,588			2,169
<b>Balance carried forward</b>			<b>70,011</b>			<b>53,269</b>

(Figures have been rounded off)

## Operational Review

Your Company reported a strong performance despite muted multiple state induced lockdown during FY 2021-22 across key business divisions. Your Company ended the year with revenue from operation of ₹ 2,31,183 lakh over previous year corresponding figure of ₹ 1,85,259 lakh registering a growth of 24.79%. This resulted in profit before tax of ₹ 19,879 lakh in FY 2021-22 against ₹ 11,483 lakh in FY 2020-21, representing a growth of around 73.13%.

### A. Packaging Products Division (PPD) (Continuing Operations)

The revenue from operations for FY 2021-22 was ₹ 1,43,632 lakh (including intersegment sales) as compared to FY 2020-21 revenue from operations of ₹ 1,25,870 lakh. This resulted in EBIT of ₹ 23,788 lakh in FY 2021-22, representing a growth of around 21%. Our EBITDA grew on account of improved realisations, better product mix, and increasing demand for glass containers from the beer, and the food and beverage industry. Some of the key highlights are:

### AGI Glass: Glass Containers

- During the year, we forayed into the high-margin cosmetic and perfumery segment and commissioned a new plant for this segment
- We have invested in state-of-the-art inspection machines aligned to the needs of global alco-bev majors. We are the first in the industry in India to take this initiative, reinforcing our commitment to quality
- Specialty Glass, 154 TPD Furnace firing undertaken
- Successfully produced and dispatched AGI's first direct shipment to the USA Market

### Garden Polymers: PET Bottles and Products

- Received SADEX/SMETA certification for our Dharwad Plant
- Designed more than 200 new products
- Commercialised more than 30 new products



### Security caps and closures

- Launched new products under Voila Closure tamper-proof categories for two litre, one litre and 750ml bottles. We developed the product and the required mould in-house.

### B. Building Products Division (BPD) (Discontinuing Operations)

The Building Products Division revenue from operations for FY 2021-22 was ₹ 88,140 lakh, as against previous year revenue of ₹ 59,270 lakh.

During the year, at the sanitaryware and faucet plants, the Company undertook several debottlenecking initiatives to augment capacity and achieve cost reduction by wastage control and sharper focus on alternative raw materials.

During the year, at the plastic pipes and fittings plants, the Company started manufacturing overhead water storage tanks in the southern market from the Company's plant in Telangana.

### Material Changes and Commitments

The Company has up to the date of approval of financial statements evaluated and factored into the extent possible likely material events and circumstances arising from the COVID-19 pandemic and its impact on the carrying value of its assets & liabilities as of 31 March 2022. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of its Assets as of 31 March 2022. The impact of any future events and developments emerging out of COVID-19 pandemic, if any, and occurring after the balance sheet date and relating to the assets and liabilities of the Company as of 31 March 2022 will be recognised prospectively.

Considering the Company's robust product portfolio, brand imagery, long-standing relationships with partners and goodwill it enjoys among its customers and other stakeholders, the business operations, cash flows, future revenue, assets and liabilities will sustain going forward.

Pursuant to the approval of the Board of Directors vide its resolution dated 15 January 2022, the shareholders of the Company vide special resolution dated 24 February 2022, passed by way of postal ballot, had approved the sale and transfer of the business undertaking of the Company engaged in the business of manufacturing, on contract basis, of sanitaryware, faucets and plastic pipes (PVC and CPVC) and fittings, through its operating manufacturing plants, along with all the related assets and liabilities ("BPD Undertaking") to Brilloca Limited (now known as Hindware Limited) on a slump sale basis.

The aforesaid slump sale of BPD Undertaking was made effective with effect from closing of business hours of

31 March 2022 ("Effective Date"), therefore, the BPD Undertaking was transferred to, and vested in, Brilloca Limited (now known as Hindware Limited) as on the Effective Date. The proceeds from this slump sale will be utilised towards the pre-payment of existing bank borrowings which will further strengthen the Company's balance sheet and create capital to further expand its packaging business.

As on the date of this report, the remaining business of the Company only comprises of manufacturing and supply of Packaging Products like glass bottles, PET bottles and products, security caps and closures ("PPD Undertaking") and the manufacturing of Building Products is no more a part of business operations of the Company. Since the substantial revenue being generated by the PPD Undertaking of the Company attributes to the manufacturing and supply of glass bottles under the brand name "AGI", the name of the Company has been changed from "HSIL Limited" to "AGI Greenpac Limited" with effect from 20 April 2022 vide Fresh Certificate of Incorporation issued by the Registrar of Companies, Kolkata, West Bengal.

### Subsidiaries, Joint Ventures and Associate Companies

The Company had no subsidiaries during the year under review.

The policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: [Policy on Material Subsidiaries](#).

### Dividend

Your Directors have recommended a dividend of ₹ 5/- (i.e. 250%) per equity share (last year ₹ 4/- (i.e. 200%) per equity share) on equity shares of ₹ 2/- each for the financial year ended 31 March 2022, amounting to ₹ 3,234.87 lakh subject to deduction of income tax at source, as applicable. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend will be paid to those shareholders whose names appear in the Register of Members/List of Beneficial Owners (as furnished by National Securities Depository Limited and Central Depository Services (India) Limited) as on 14 September 2022.

### Transfer to Reserves

The Board proposes not to transfer any amount out of the profit for the year under review to the general reserve.

### Deposits

Your Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and as such no amount of principal or interest was outstanding as on the Balance Sheet date.



## Auditors and Auditors' Reports

### Statutory Auditors

M/s. Lodha & Co., Chartered Accountants, Statutory Auditor of the Company having Firm's Registration No. 301051E holds office till the conclusion of the ensuing Annual General Meeting. Pursuant to the provisions of Section 139 and the Companies (Audit and Auditors) Rules, 2014 of the Companies Act, 2013 ("Act"), M/s. Lodha & Co., is eligible to be re-appointed for the second term as Statutory Auditor of the Company. The Company has received written consent and certificate of eligibility from M/s. Lodha & Co. in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules made thereunder. M/s. Lodha & Co. has also furnished a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee and the Board of Directors recommend re-appointment of M/s. Lodha & Co., Chartered Accountants for the second term as the Company's Statutory Auditor from the conclusion of the ensuing Annual General Meeting till the conclusion of the 67<sup>th</sup> Annual General Meeting of the Company, for approval of shareholders at the ensuing Annual General Meeting of the Company.

The Notes on Financial Statements referred to in the Auditors' report are self-explanatory and therefore do not require any further comments.

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and the rules made thereunder. The Auditors' report does not contain any qualifications, reservations or adverse remarks.

### Secretarial Auditor

The Board had appointed M/s. DMK Associates, Company Secretaries, New Delhi, FRN P2006DE003100 to conduct Secretarial Audit of the Company for the financial year 2021-22, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form No. MR - 3 for the financial year 2021-22 is enclosed as **Annexure A** to this Report. The Secretarial Audit Report does not contain any observation or adverse remark.

## Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed in Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are enclosed as **Annexure B** to this Report.

## Share Capital

During the year under review, the Company did not issue equity shares. The paid-up Equity Share Capital as on 31 March 2022 was ₹ 1293.99 lakhs.

## Credit Ratings

During the year under review, the Company had received its credit ratings from CARE Ratings Limited. A detailed note on the credit ratings of the Company is provided in the Corporate Governance Report section of this Report.

## Investor Education and Protection Fund (IEPF)

Please refer IEPF section of Notice of ensuing AGM which forms part of this Annual Report.

## Extract of Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, the Annual Return in prescribed format may be accessed on the Company's website i.e. [www.agigreenpac.com](http://www.agigreenpac.com)

## Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

## Directors' Responsibility Statement

Your Directors in terms of Section 134(3)(c) of the Companies Act, 2013 ("Act") state that:

- a) in the preparation of the annual accounts for the year ended 31 March 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed and there are no material departures from the same;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and of the profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern' basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal



financial controls are adequate and were operating effectively; and

- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Corporate Governance

The report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

### Contracts and Arrangements With Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The disclosure in Form AOC-2 is enclosed as **Annexure C** to this report.

During the year, the Company entered into Related Party Transactions with Brilloca Limited (now known as Hindware Limited) (a related party), which exceeded the limit prescribed under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and was considered material in accordance with the policy of the Company on materiality of related party transactions. The aforesaid transaction was approved by shareholders of the Company by way of an ordinary resolution passed in the Annual General Meeting held on 24 September 2021.

Pursuant to recent amendments in the Listing Regulations with respect to seeking approval for material related party transactions, the Company has also obtained prior approval of the shareholders of the Company on 24 February 2022, by way of postal ballot, for entering into material related party transactions with Brilloca Limited (now known as Hindware Limited) during the FY 2022-23.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [Policy on Related Party Transactions](#).

Your Directors draw attention of the members to Note no. 54 to the financial statements which set out related party disclosures.

### Corporate Social Responsibility (CSR)

The Company has a Corporate Social Responsibility Committee in place as per the provisions of Section 135 of the Companies Act, 2013 comprising of Dr. Rajendra Kumar Somany, as Chairman, and Mr. Sandip Somany, Mr. Anil

Wadhwa and Ms. Sumita Somany as other members of the Committee.

The Company's Corporate Social Responsibility Policy (CSR Policy) duly approved by the Board, indicates the activities to be undertaken by the Company to fulfil the expectation of our stakeholders and to continuously improve our social, environmental and economical performance while ensuring sustainability and operational success of our Company. The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013.

The guiding principles for all CSR initiatives of the Company are as follows:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects;
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting; and
- Creating opportunities for employees to participate in socially responsible initiatives.

The CSR Policy may be accessed on the Company's website at the link: [CSR Policy](#).

The Annual Report on CSR Activities for the financial year 2021-22 is enclosed as **Annexure D** to this report.

### Number of Board Meetings

During the year under review, Five (5) Board Meetings were convened and held. For further details, please refer Report on Corporate Governance which is forming part of this Annual Report.

### Audit Committee

The Audit Committee comprises of Independent Directors namely Mr. V.K. Bhandari as Chairman and Mr. N.G. Khaitan, Mr. Anil Wadhwa, Ms. Himalyani Gupta and Mr. Rakesh Sarin as other members.

For further details, please refer Report on Corporate Governance which is forming part of this Annual Report.

All the recommendations made by the Audit Committee were accepted by the Board.

### Disclosure under Secretarial Standards

The Directors state that the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India. The details with respect to the composition, terms of reference, number of meetings held, etc. of the statutory committees of the Board of Directors are included in the Report on Corporate Governance, which is forming part of the Annual Report.

### Vigil Mechanism (Whistle Blower)

The Company has in place a Whistle Blower Policy to establish a vigil mechanism for Directors/Employees and other stakeholders of the Company to report concerns affecting the smooth and efficient running of operations of the Company. This Policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual, suspected fraud or violation of the Company's Code of Conduct.

The Vigil Mechanism (Whistle Blower) Policy is available on Company's website at the link: [Vigil Mechanism \(Whistle Blower\) Policy](#).

### Nomination and Remuneration Policy

The Company has in place a Nomination and Remuneration Policy for appointment of Directors, Key Managerial Personnel, Senior Management and fixation of their remuneration as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Remuneration Policy is available on Company's website at the link: [Nomination and Remuneration Policy](#).

### Dividend Distribution Policy

The Company has in place a Dividend Distribution Policy as per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy was adopted to set out the parameters that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profit earned by the Company. The Policy is available on Company's website at the link: [Dividend Distribution Policy](#).

### Particulars of Loans, Guarantees and Investments

Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements (Please refer Note Nos. 8 and 16).

### Particulars of Employees

Information required as per Section 197(12) of the Companies Act, 2013 ("Act") read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure E** to this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing

remuneration in excess of the limits set out in the said rules is provided in the Annual Report, which forms part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

### Internal Controls

The Company is committed to ensuring an effective internal control environment that provides, inter alia, an assurance on the orderly and efficient conduct of operations, security of assets, prevention and detection of frauds and errors, accurate and timely completion of accounting records and timely preparation of reliable financial information. The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Company uses SAP - a well-accepted Enterprise Resource Planning (ERP) system to record data for accounting, consolidation, and management information purposes and connects to different locations for efficient exchange of information.

The Audit Committee of the Board of Directors, comprising of Independent Directors, reviews the effectiveness of the internal control system across the Company including annual plan, significant audit findings, adequacy of internal controls and compliance with accounting policies and regulations. The Company's internal control system is monitored by independent consultants and supplemented by in-house Internal Audit Division.

### Internal Financial Controls

In line with best practices applicable to organisations of a similar size, nature and complexity, the Company has adequate Internal Financial Controls System which ensures that all transactions are authorised, recorded, and reported correctly in a timely manner. The Company's Internal Financial Controls are designed to provide reliable financial information and to comply with applicable accounting standards.

### Risk Management

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company has also adopted a Risk Management Policy which establishes various levels of accountability and overview within the Company.



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

The Company has in place a Prevention of Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Internal Complaints Committee (ICC) has been constituted to redress complaints regarding sexual harassment, if any.

The Directors further state that during the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Rajendra Kumar Somany, Chairman and Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

## Declaration by Independent Directors

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

The Independent Directors of the Company are persons of integrity and comprise of appropriate skills/expertise/competencies (including proficiency) and have rich and varied experience in diversified domains for effective functioning of the Board of Directors of the Company.

## Board Evaluation

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria and framework adopted by the Board. In addition, the performance of Board as a whole and committees were evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-executive Directors. The evaluation

process has been explained in the Corporate Governance Report section of the Annual Report.

## Training of Independent Directors

The details of programmes conducted for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates, business model of the Company, recent amendments/notifications etc. has been uploaded on the Company's website at the link: [Familiarisation Programme for Independent Directors](#).

For further details, please refer Report on Corporate Governance which is forming part of this Annual Report.

## General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. There is no change in nature of business of the Company.
2. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
3. Issue of equity shares with differential rights as to dividend, voting or otherwise.
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. The Company is not required to maintain cost records as specified in Section 148(1) of the Companies Act, 2013.
7. Neither any application is made nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016.
8. The Company has not defaulted in the repayment of loans to the Banks or Financial Institutions. Accordingly, disclosure relating to one-time settlement with the Banks or Financial Institutions is not required.

## Acknowledgement

Your Directors would like to express their appreciation for assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by all employees of the Company.

For and on behalf of the Board of Directors

Place: Gurugram  
Date: 11 May 2022

**Dr. Rajendra Kumar Somany**  
Chairman and Managing Director

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

[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,  
M/s AGI Greenpac Limited  
(Formerly known as HSIL Limited)  
CIN L51433WB1960PLC024539  
2, Red Cross Place,  
Kolkata -West Bengal 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AGI Greenpac Limited (Formerly Known as HSIL 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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31 March 2022 (Audit Period) 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 along with **Annexure 1** attached to this report:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); **(No FDI and ECB were taken and no ODI was given by the Company during the Audit Period)**
- (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 as amended till date;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended till date;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended till date; **(Not applicable to the Company during the Audit Period)**
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021 as amended till date; **(Not applicable to the Company during the Audit Period)**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended till date; **(Not applicable to the Company during the Audit Period)**
  - g) 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; **(Not applicable to the Company during the Audit Period)**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended till date; **(Not applicable to the Company during the Audit Period)** and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended till date; **(Not applicable to the Company during the Audit Period)**
- (vi) **OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMENT**
  - i. The Factories Act, 1948 and rules made thereunder;



- ii. The Payment of Wages Act, 1936 and rules made thereunder;
  - iii. Minimum Wages Act, 1948 and the rules made thereunder;
  - iv. Employees' State Insurance Act, 1948 and rules made thereunder;
  - v. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the rules made thereunder;
  - vi. Payment of Bonus Act, 1965 and rules made thereunder;
  - vii. The Payment of Gratuity Act, 1972 and rules made thereunder;
  - viii. The Contract Labour (Regulation and Abolition) Act, 1970 and rules made thereunder;
  - ix. The Apprentice Act, 1961 and rules made thereunder;
  - x. The Industrial Dispute Act, 1947 and rules made thereunder;
  - xi. The Equal Remuneration Act, 1976 and rules made thereunder;
  - xii. Trade Union Act, 1926 and rules made thereunder;
  - xiii. The Employees Compensation Act, 1923 and rules made thereunder;
  - xiv. Maternity Benefit Act, 1961 and rules made thereunder;
  - xv. The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder;
  - xvi. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder;
  - xvii. Hazardous and other Waste (Management and Transboundary Movement) Rules, 2016;
  - xviii. Legal Metrology Act, 2009 and rules made thereunder;
  - xix. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder;
  - xx. Personal Injuries (Compensation Insurance) Act, 1963;
  - xxi. Custom Act, 1962;
  - xxii. Petroleum Act, 1934 and rules framed thereunder;
  - xxiii. Industrial Employment (Standing Orders) 1946;
  - xxiv. Environment Protection Act, 1986 and rules made thereunder;
  - xxv. Punjab Industrial Establishment (National, Festival, Casual and Sick Leave) Act, 1965 and rules made thereunder;
  - xxvi. Punjab Labour Welfare Fund, 1965;
  - xxvii. Andhra Pradesh Labour Welfare Fund Act, 1987;
  - xxviii. Employers Liability Act, 1938;
  - xxix. Indian Contract Act, 1872;
  - xxx. Income Tax Act, 1961 and Indirect Tax Laws;
  - xxxi. Negotiable Instrument Act 1881;
  - xxxii. Indian Stamp Act, 1999;
  - xxxiii. Child and Adolescent Labour (Prohibition and Regulation) Act 1986 and rules made thereunder; and
  - xxxiv. The Noise Pollution (Regulation and Control) Rules, 2000.
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
  - (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines to the extent applicable, Standards, etc. as mentioned above.
- Based on the information received and records maintained, we further report that:
1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-executive, Women and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.
  2. Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the Board and Committee meetings.
- Based on the compliance mechanism established by the Company and on the basis of the Compliance

## ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

Certificate (s) issued by Chief Executive Officer and Chief Financial Officer of the Company, pursuant to Regulation 17(8) under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and report given by Company Secretary under the Act taken on record by the Board of Directors at their meeting (s), we further report that:

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not incurred any specific event/action that can have major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc. except as follows ;-

1. Board Resolution under Section 180(1)(a) and 188 of the Companies Act, 2013 and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was passed in the meeting of Board of Directors held on 10 May 2021 to sell/transfer its water heater assets to its related party Hintastica Private Limited ("HPL") for business purposes of HPL on such terms and conditions as may be mutually agreed between the parties based on the Independent Valuation Report taken by the Company.
2. Ordinary Resolution under Section 188 of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was passed by the members of the Company at the Annual General Meeting held on 24 September 2021 for approval to enter into material contract(s)/arrangement(s)/transaction(s) with Hindware Limited (Formerly Known as Brilloca Limited), a related party as defined under the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 up to a maximum aggregate value of ₹ 1996 Crore plus applicable Goods and Service Tax during the financial year 2021-2022 shall be in the ordinary course of business of the Company and at arm's length basis.
3. Special Resolution pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 read with the applicable rules framed thereunder, the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 ("Listing Regulations"), was passed by members through postal ballot dated 24 February 2022 for sale and transfer of undertaking of the Company engaged in the business of manufacture of sanitaryware, faucets and plastic pipes (PVC and CPVC) and fittings, through its manufacturing plants, to Hindware Limited (Formerly Known as Brilloca Limited) as a going concern on a Slump Sale Basis at a lumpsum consideration of INR.630 Crores.

4. Ordinary Resolution pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and any other applicable provisions of the Act, read with Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014, and other applicable rules, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") was passed by members through postal ballot dated 24 February 2022 to undertake related party transactions in connection with the transfer of the undertaking of the Company engaged in the business of manufacture of sanitaryware, faucets and plastic pipes (PVC and CPVC) and fittings, through its manufacturing plants, to its related party, Hindware Limited (Formerly Known as Brilloca Limited) along with approval for recurring related party transactions for the FY 2022-23.
5. Board Resolution pursuant to provision of Section 4(4), 13(2) of the Companies Act, 2013 and read with rule 14 of the Companies (Incorporation) Rules, 2014 was passed in the meeting of Board of Directors held on 27 January 2022 subject to consent of the shareholders and Central Government/Registrar of Companies for proposal of change in name of the Company from "HSIL Limited" to "AGI Greenpac Limited" or two other names in order of preference.
6. Special Resolution under Section 4, 5, 13, 14 & 15 of the Companies Act, 2013 and Regulation 45 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was passed by the members through postal ballot dated 28 March 2022 for change of name of the Company from HSIL Limited to AGI Greenpac Limited and consequent alteration in Memorandum and Articles of Association of the Company.

**For DMK ASSOCIATES**  
COMPANY SECRETARIES

**(MONIKA KOHLI)**

B. Com (H), FCS, LL.B. I.P.

PARTNER

FCS 5480, C P 4936

Peer Review No. 779/2020

Date : 11 May 2022

Place : New Delhi

UDIN : F005480D000300511



To  
The Members,  
M/s AGI Greenpac Limited  
(Formerly known as HSIL Limited)  
CIN L51433WB1960PLC024539  
2, Red Cross Place, Kolkata  
West Bengal 700001

**Sub: Our Secretarial Audit for the Financial Year ended 31 March 2022 of even date is to be read along with this letter**

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever 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 the Management. Our examination was limited to the verification of the procedures on test basis.
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.
7. As per the information provided by the Company, there are certain disputes/cases filed by or against the Company, which are currently lying pending with the various Courts. However, as informed these cases have no major impact on the Company.

**For DMK ASSOCIATES**  
COMPANY SECRETARIES

**(MONIKA KOHLI)**

B. Com (H), FCS, LL.B. I.P.

PARTNER

FCS 5480, C P 4936

Peer Review No. 779/2020

Date : 11 May 2022

Place : New Delhi

UDIN : F005480D000300511



## Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

### (A) Conservation of Energy

#### (i) The steps taken or impact on conservation of energy

Energy conservation is one of the main focus area of the Company. Close monitoring of power & fuel consumption is done to minimise/recycle the wastages and ensure optimum utilisation of energy which leads to improvement in product efficiencies which have direct impact on energy consumption. Energy data is analysed on regular basis for consumption trends and appropriate corrective actions are taken accordingly. The Company keeps itself updated of the technological upgradation and innovations in manufacturing processes from the similar fields. Based on the inputs, most energy efficient equipments are selected for the plants to ensure optimum use of energy.

#### a) Building Products Division

Some of the initiatives taken during the year towards energy, environment and water conservation are as under:

#### (i) Sanitaryware and Faucets plants

- Renovation of casting shops at one of the sanitaryware units for optimum use of space and to conserve energy
- Compartmentalisation of casting shops to minimise energy losses
- Replacement of existing ceiling fans with high energy efficient BLDC fans
- Installation of one new energy efficient shuttle kiln
- Optimisation of final slip mixing process to save power
- Modified agitator of blunger to save power
- Modified slip supply system of one of the cast shop to save power
- Renovation of STP plant to get reusable quality of water resulting in reduction in consumption of fresh water
- Replacement of existing blunger with new energy efficient high capacity blunger
- Reduction in Plaster of Paris consumption in mould making by material mix change
- Installation of two new design environmental friendly glazing booths

- Reuse of waste material in slip formulation to reduce consumption of fresh material resulting in saving of natural resources
- Use of specially designed air guns to save power
- Sensor based switching on/off of lights in various areas of plant
- Insulation of heating ducts to minimise energy losses
- Roof top Solar energy capacity enhancement
- VFD installation on some electric motors
- Reduction in compressed air pressure in process for power saving
- Use of thermal paint on core box to prevent heat losses
- Plating chiller insulation to prevent cooling loss
- GDC Hydraulic pump switching automation to stop pump during machine idle hours
- Use of trans-vector guns, flow control valves on core machines to minimise compressed air usage
- Department wise switching control for lighting
- Monitoring running hours of exhaust fans
- Reconditioning of polishing dust collectors to improve efficiency
- Use of insulator balls in plating chemical tanks to prevent heat loss
- Street light controlled through timers

#### (ii) Pipes

- As a sustainable motive organisation, energy efficiency has been one of the top priorities for the Company. All the Pipes business factory related activities are energy-efficient like production process, machine efficiency, procurement of new machines etc.
- 100% LED lighting used for factory lighting purpose which results in minimum 50% energy saving every year
- While designing the factory building, the Pipes business has taken measures to control the quantity of light being let in and its distribution throughout the shop floor without depending



on the artificial lighting. On account of day lighting and using LED against convention lighting, around 11.06 lakh units have been saved till date.

#### b) Packaging Products Division (Glass and Plastic Products)

As a part of energy conservation, following initiatives were taken:

- Reduction in the voltage drop of boosting electrode system
- Use of BLDC Fans for colony
- Installation of FRP Energy efficient fans for cooling tower
- Reduction in pressure drop by optimisation of compressed air line sizes
- Installation of VFDs for combustion air blowers
- Installation of LP/HP separate system for IS Machines
- Recycled Glass cullet utilisation increased from 35% to 41% which resulted in reduction of energy consumption
- Replacement of Normal lights with LED lights
- Replacement of old ACs with BEE 5 star rated ACs (20 Nos.)
- Modification of Line 17 blank closing line from HP to VHP to reduce main header pressure around 5psig
- Reduction in energy consumption cooling water circulation system by modifying the existing circuit
- Reduction in energy consumption in cullet washing water system by replacing pumps
- Modified compressed air main line to reduce the pressure drop in HP air line
- Modified air line near IS machine air receivers to reduce pressure drop
- 45 KW Cooling tower motor VFD installed
- Arrested air leakages from the m/c and mould
- In Dharwad unit 2 clean room - Vacuum type L sealer power consumption reduced by adding external shrink tunnel
- Power saved by installation of one big Conair chiller instead of 3 numbers of small chiller
- In unit 2 energy efficient Conair chiller installed in place of old model 2 numbers chillers

- Removed asbestos sheet and introduced transparent sheet to get natural lights in plant and save energy
- Ordered new energy efficient machineries based on servo to reduce power consumption
- Changed new energy efficient chiller
- Optimum usage of lighting system by upgrading with individual MCB operating system for production shop floor
- Automation of primary pumps and optimum usage of water, being used for injection moulding process by relocating the existing hot well tank at ground floor adjacent to cold well tank on first floor and thereby saved energy consumption by eliminating running of three additional pumps
- Automation in AHU pumps with pressure switch mechanism automatic cut-off system, if any pump stopped due to air lock in running condition, the spare pump will automatically start. Installed the alarm system near maintenance room which enables to save process changeover time and wastage, hence optimum utilisation of energy consumption
- Optimised and controlled AHU chiller temperature from (6-7) degree Celsius to (10-13) degree Celsius at injection moulding production floor by providing individual duct over mould and controlled mould temperature
- Reduced around 5-10% consumption of fuel and resources to run the DG sets by synchronization with energy back-up DG sets of different capacities -1250KVA, 600KVA, 250KVA with auto start-up in addition to 1250 KVA which increased the total energy back-up to 2100KVA and saved the money as well as lowered the CO<sub>2</sub> emission
- Insulated jackets were provided on the heaters and AHU to reduce energy loss
- Elimination of direct air jets and replaced pulse control air jets to reduce the consumption of compressed air
- Installed timer based lighting systems

#### (ii) The steps taken by the Company for utilising alternate sources of energy

##### a) Building Products Division

##### (i) Sanitaryware and Faucets

Installation of solar power plants at Bahadurgarh Sanitaryware Plant (Plant 1) - 1220 kWp, Bibinagar Sanitaryware Plant (Plant 2) - 1500 kWp, and at Kaharani Faucets Plant - 798 kWp.

## ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

### (ii) Pipes

Installed solar power of capacity of 640 KWH. This has yielded generation of 31.83 lakh units till date.

### b) Packaging Products Division

- Installation of an additional 2.1 MW Roof top solar plant at Bhongir

- Installed 1MW Solar power plant on Roof Top at Hyderabad
- 1MW Rooftop Solar Power Plant at Speciality Glass Plant and additional 2 MW Rooftop Solar plant at Motinagar Plant are being installed
- Rooftop Solar power of 650 KW at AGI Caps and Closures and Pet Bottles plant and 200 KW at Dharwad Pet bottles plant are being expanded

### (iii) The capital investment on energy conservation equipments:

S. No.	Capital Equipment	Capital investments on energy conservation equipments	Energy saving / annum (units in KWH)	Financial saving
(₹ in lakh)				
<b>(a) Building Products Division</b>				
<b>Sanitaryware: Bahadurgarh Plant (Plant 1)</b>				
1	Installation of Energy efficient blunger	15.00	145500	11.93
2	Replacement of existing ceiling fans with high energy efficient BLDC fans	35.20	330000	27.06
3	Compartmentalisation in casting shops to conserve energy	34.50	238979	19.60
<b>Sanitaryware: Bibinagar Plant (Plant 2)</b>				
1	Power reduction in kilns by switching over to Natural gas from LPG.	0.00	107408	8.38
2	Optimised slip supply system to casting section for power reduction.	2.51	8996	0.70
3	Installed Pressure switches in the de-dusting booths (Glazing section) for automatic control of exhaust blowers and optimised power consumption.	0.009	2786	0.22
<b>Faucets: Kahrani Plant (Plant 3)</b>				
1	Installation of VFD on grinding dust collector	7.00	48614	3.48
<b>Pipes Business</b>				
Pipes business has not replaced any equipment. These all were built in to the factory design and equipment specifications. IE3 motors and LED lighting was part of the design.				
<ul style="list-style-type: none"> <li>• Savings on different heads have yielded below amounts since start of the plant.                             <ol style="list-style-type: none"> <li>1. On account of IE3 motors - ₹ 67.13 lakh till date.</li> <li>2. On account of LED lighting - ₹ 58.06 lakh</li> <li>3. On account of Roof top Solar - ₹ 103.32 lakh</li> </ol> </li> </ul>				
<b>(b) Packaging Products Division (Glass and Plastic Products)</b>				
1	Modify compressed air piping Header of F5 to reduce pressure drop	30.00	173000	9.76
2	Installation of energy efficient fans for cooling tower	8.00	115344	7.84
3	Reducing Voltage drop in F45 melting booster transformer	0.00	452000	25.5
4	External cooler for compressors IR3	36.00	300000	16.95
5	Installation of BLDC Fans	1.05	9100	0.51
6	Replacement of old ACs with BEE 5 star rated ACs (20 Nos.)	8.00	54750	3.60
7	Modification of Line 17 blank closing line from HP to VHP to reduce main header pressure	2.50	365000	23.70
8	Reduction in energy consumption cooling water circulation system	3.00	91250	5.90
9	Reduction in energy consumption washing water system	0.30	32675	2.10
10	Solar Plant at Hyderabad	15.78	1061771	19.11
11	Solar Plant at Bhongir	21.54	1414081	23.62
12	DG Synchronization Control Panel	8.05	0	11.00
13	Hot well & Cold well tank relocation & modification, Automation of AHU Pumps, Direct cool air ducting on moulds to eliminate sweating	8.40	180000	13.50
14	Water Saving KL/Million Pieces	0.00	11	0.52



## (B) Technology Absorption

### (i) The efforts made towards technology absorption

The Company has been making continuous efforts to absorb the latest technological developments and has taken following steps:

#### a) Building Products Division

##### (i) Sanitaryware and Faucets

- Development of self-clean basin having auto self-flushing system to conserve water. Focus on development of more such products by design innovation and incorporation of latest technology available in the market
- The focus area remained to improve the product yield and minimise losses by change in product designs, processes, training/retraining of workforce etc.
- For chemical analysis, advanced version of XRF machine was commissioned in R&D centre to strengthen the capabilities further
- At one of the sanitaryware plants, one energy efficient shuttle kiln having best available technology in the world has been installed to improve product yield
- For Faucets, an automatic 6-axis polishing machine has been installed and commissioned which is the first of its kind in India resulting in consistent product quality
- One-meter buff machine addition, to improve productivity
- The most advanced equipment for measuring plating thicknesses to ensure consistent better product quality
- IOT implementation and trials initiated to monitor plant equipments
- Commissioning of peeling machines resulting in better per person output
- Surface peeling using VMC and TC started for round and flat profile products to improve product aesthetics
- Electroplating CT optimisation done with tank agitation facility

##### (ii) Pipes

- Column locking pin insertion mechanism has been semi-automated. This has resulted in saving in terms of manpower and improved efficiency

- An In-house Extruder hopper modification was done to avoid material flow blockages which helped in reducing machine downtime

#### b) Packaging Products Division

- Overseas Glass process experts have been engaged to train the technical personnel in production and furnace area
- In-house development cell has been formed to focus on local development of spares and sub-assemblies required for glass production equipment
- Action to establish R&D centre has been initiated to improve the productivity of the mould shop and explore the development of products required for value addition
- Deputing concerned personnel to relevant seminars, symposiums, and workshops to upgrade skills and knowledge
- Commissioned Dry Optical Cullet Sorting System for cleaning the amber/green cullet for improvement in quality
- Commissioned Graphoidal Shear Systems for reducing water usage and cutting oil in IS machines

### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution

#### a) Building Products Division

##### Sanitaryware and Faucets

- Development of improved designs and water-efficient products and introduction of automated feature in some of the products
- Better R&D testing facility has provided opportunities to enhance product efficiencies and minimize wastages
- Cost, energy-saving due to introduction of latest technologies and enhanced productivity by automation, increasing robot productivity and APM productivity
- Developed buffs for 4-head polishing machine indigenously with better quality and output
- Plating quality improved by modification of chemicals
- Through Surface peeling of components, product aesthetics have improved and has also resulted in cost optimisation

## ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

- Plating product consistent thickness achieved by process optimisation

### Pipes

- 32 cavity moulds were opted in place of 16 cavities to double the capacity on 2 products. Further, for another product, cavities from 2 to 4 have been increased with hot runner which generates zero scrap
- CNC machines that are technologically advanced have been increased from 21 to 24 to enhance the production volume
- Installed low speed local grinders 10 numbers near Injection Moulding machines to consume the scrap generated on line. This has resulted

in saving of manpower and consuming the scrap on line on the same machines

### b) Packaging Products Division

- Import substitution of mould spares
- Import substitution of machines spares
- Import substitution of slitting blades for new product development
- Improvement in operational efficiency
- Repair cost reduction
- Developed in house product design and development capabilities
- Developed indigenous complex moulds of new products to meet change in customer demands

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

Details of technology imported	Technology import from	Year of import	Status of implementation/ absorption, in case fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
<b>A. Building Products Division (Sanitaryware - Plant 1 and 2)</b>				
Installation of the new screw-type energy-efficient compressor with VFD	Belgium	2019	Fully Absorbed	-
Installation of Robotic Glazing system	Italy	2020	Fully Absorbed	-
<b>B. Building Products Division (Faucets - Plant 3)</b>				
Dual Head Low-Pressure Die Casting Machine	Italy	2019	Fully Absorbed	-
Tumbler Machine	China	2019	Fully Absorbed	-
8 Spindle Peeling Machine	China	2020	Fully Absorbed	-
6 Axis 4 Head Buffing Machine	China	2020	Fully Absorbed	-
X-Ray Plating thickness instrument	USA	2020	Fully Absorbed	-
<b>C. Pipes</b>				
High Output Pelletizing Line	Germany	2019	Fully Absorbed	-
Online Socketing/Belling machines	Turkey	2020	Fully Absorbed	-
RPVC Extruder TTS-108 Output up to 700kg per hour for RPVC Pipes along with equipment	Austria	2019	Fully Absorbed	-
CPVC Extruder TTS-88 Output 50-350 kg per hour for CPVC Pipes along with equipment	Austria	2019	Fully Absorbed	-
<b>D. Packaging Products Division (Bhongir Plant)</b>				
Cullet sorting system (optical cullet sorting system)	Austria	2021-22	Fully absorbed	-
Cullet scrapper system in furnace -4	Germany	2021-22	Fully absorbed	-
Modification in Rebuild of Furnace #5	Germany	2021-22	Fully absorbed	-
IS machine for 52 and 56 line	Germany	2021-22	Fully absorbed	-
Coal Gas Plant for clean energy	China	2019-20	Fully absorbed	-
Gas Cleaning plant for furnace flus gases	Germany	2019-20	Fully absorbed	-



Details of technology imported	Technology import from	Year of import	Status of implementation/absorption, in case fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
<b>E. Packaging Products Division (Hyderabad Plant)</b>				
650KF Bronze blow mould	Germany	2020-21	Fully Absorbed	-
Graphiodal Shear spray system	UK	2019-20	Fully Absorbed	-
Sheppee ware transfer	UK	2019-20	Fully Absorbed	-
Emhart gob distributor	China	2019-20	Fully Absorbed	-
Line-11 8Section 4-1/4"TG AIS NNPB Technology	China	2020	Fully absorbed	-
Line-17 8Section 4-1/4"TG E-MOC NNPB Technology	Italy	2021	Fully absorbed	-
Line-11 Revimac Ware Handling System	Italy	2020	Fully absorbed	-
Line-17 Revimac Ware Handling System	Italy	2021	Fully absorbed	-
Forehearth High-end Technology NNPB Line- 11 & 17	China	2020	Fully absorbed	-
Timing System for M/C 28 M/C -28 Section Boxes RE conditioned (SHAMVIK)	Italy	2021	Fully absorbed	-

**(iv) Expenditure incurred on Research and Development**

Particulars	(₹ in lakh)	
	2021-22	2020-21
Capital Expenditure	-	-
Recurring Expenditure	156.55	143.80
<b>Total</b>	<b>156.55</b>	<b>143.80</b>
Total R&D expenditure as a % of sanitaryware sales	0.66%	0.86%

**(v) Foreign Exchange Earnings and Outgo**

Particulars	(₹ in lakh)	
	2021-22	2020-21
Earning in foreign currency	2,584.47	2,965.00
Outgo of foreign currency	44,309.93	32,637.00
- Raw material, spare part and others	33,065.57	26,244.00
- Capital Equipment	11,244.36	6,393.00

**Form No. AOC-2****Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

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

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

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

NIL

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

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Hindware Limited (Formerly known as Brilloca Limited) - Company under common control	Sale or Purchase of Goods	On-going	As per agreement executed between the parties. Amount not exceeding ₹ 1850.00 crore plus applicable Goods and Service Tax.	28 January 2021	Nil
Hindware Limited (Formerly known as Brilloca Limited) - Company under common control	Availing or rendering of Services	On-going	As per agreement executed between the parties. Amount not exceeding ₹ 50.00 crore plus applicable Goods and Service Tax.	28 January 2021	Nil
Hindware Limited (Formerly known as Brilloca Limited) - Company under common control	Rent of Premises	On-going	As per agreement executed between the parties. Amount not exceeding ₹ 20.00 crore plus applicable Goods and Service Tax.	28 January 2021	Nil
Hindware Limited (Formerly known as Brilloca Limited) - Company under common control	Sale or purchase of assets	On-going	As per agreement executed between the parties. Amount not exceeding ₹ 1.00 crore plus applicable Goods and Service Tax.	28 January 2021	Nil
Hindware Limited (Formerly known as Brilloca Limited) - Company under common control	Reimbursement to or from Hindware Limited (Formerly known as Brilloca Limited) for miscellaneous expenses	On-going	On actual cost basis	28 January 2021	Nil

For and on behalf of the Board of Directors

**Dr. Rajendra Kumar Somany**

Chairman and Managing Director



## Annexure D

**Format for the Annual Report on CSR Activities to be Included in the Board's Report for Financial Year 2021-2022****1 Brief outline on CSR Policy of the Company**

Please refer Corporate Social Responsibility section in this report and also in Corporate Governance Report. For detailed CSR Policy please refer Company's website at the link : <https://agigreenpac.com/investor-relations-2/>

**2 Composition of CSR Committee**

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Rajendra Kumar Somany	Chairman of the Committee and Chairman and Managing Director of the Company	4	4
2	Mr. Sandip Somany	Member of the Committee and Vice-Chairman and Managing Director of the Company	4	4
3	Ms. Sumita Somany	Member of the Committee and Non-executive Non-Independent Director of the Company	4	4
4	Mr. Anil Wadhwa	Member of the Committee and Independent Director of the Company	4	4

**3 Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

<https://agigreenpac.com/investor-relations-2/>

**4 Provide 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).**

N.A

**5 Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2018-2019	464747	
2	2019-2020	24000	
3	2020-2021	57000	Not Applicable
	Total	545747	

**6 Average net profit of the company as per Section 135(5).**

₹ 10,016.46 lakhs

**7 (a) Two percent of average net profit of the company as per Section 135(5)**

₹ 200.33 lakhs

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.**

Nil

**(c) Amount required to be set off for the financial year, if any**

Nil

**(d) Total CSR obligation for the financial year (7a+7b+7c).**

₹ 200.33 lakhs

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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
₹ 20629310	NIL		NIL		



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

1	2	3	4	5	6	7	8	9	10	11
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 State District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number.
<b>Total</b>										
<b>NIL</b>										

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

1	2	3	4	5	6	7	8	9	10	11
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 State District	Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Amount transferred to Unspent CSR Account for the project as per Section	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number.	
1	Skill Enhancing Vocational Training (Kaushal Vridhi)	Clause no. (ii) promoting education, including special education and enhancing vocation skills	Yes	Haryana Bahadurgarh (District- Jhajjar)	46,52,552	No			HSIL Corpoarte Social Responsibility Foundation	CSR00003455
2	Swastha Sampada (Health Care)	Clause no. (i) promoting health care including preventive health care.	Yes	Haryana Bahadurgarh (District- Jhajjar)	3,51,407	No			HSIL Corpoarte Social Responsibility Foundation	CSR00003455
3	Swastha Sampada (Health Care)	Clause no. (i) promoting health care including preventive health care.	Yes	Rajasthan Kaharani, Bhiwadi	3,11,826	No			HSIL Corpoarte Social Responsibility Foundation	CSR00003455
4	Swastha Sampada (Health Care)	Clause no. (i) promoting health care including preventive health care.	Yes	Telangana Bibinagar, District- Nalgonda	24,55,405	No			HSIL Corpoarte Social Responsibility Foundation	CSR00003455
5	Swastha Sampada (Health Care)	Clause no. (i) promoting health care including preventive health care.	Yes	Telangana Bhongir, District - Nalgonda	11,30,200	No			HSIL Corpoarte Social Responsibility Foundation	CSR00003455
6	Contribution for prevention & relief measures for COVID-19	Clause no. (i) promoting health care including preventive health care.	Yes	Telangana Bibinagar, District- Nalgonda	30,00,000	No			HSIL Corpoarte Social Responsibility Foundation	CSR00003455
7	Installation of CCTV Cameras and Street Lights	Clause no. (ii) promoting education, including special enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Telangana Bibinagar, District- Nalgonda; and Bhongir, District - Nalgonda	34,76,595	No			HSIL Corpoarte Social Responsibility Foundation	CSR00003455



1	2	3	4	5		6	7	8
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 ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	District			Name CSR Registration number.
8	Contribution for providing Ambulance Van	Clause no. (i) promoting health care including preventive health care	Yes	Telangana	District- Sangareddy	14,31,325	No	HSIL Corpoarte Social Responsibility Foundation CSR00003455
9	Contribution to Vision Foundation of India towards free cataract surgeries of the marginalized strata of the society under Project Rashtriya Netra Yagna which helps in reducing avoidable blindness among the underprivileged sections of society who have minimum or no access to eye care	Clause no. (i) promoting health care including preventive health care	No	Maharashtra	Mumbai	20,00,000	No	HSIL Corpoarte Social Responsibility Foundation CSR00003455
10	Contribution for Conducting Mobile Health Camps	Clause no. (i) promoting health care including preventive health care	Yes	Haryana and Rajasthan	Bhadurgarh and Kaharani	13,20,000	No	HSIL Corpoarte Social Responsibility Foundation CSR00003455
11	PHD Family Welfare Foundation towards providing three basic skills training in Computer Education, Tailoring & Embroidery and Beauty Culture in a very needy resettlement area in Okhla	Clause no. (ii) promoting education, including special vocation skills	No	Delhi	Delhi	5,00,000	No	HSIL Corpoarte Social Responsibility Foundation CSR00003455
<b>Total</b>						<b>2,06,29,310</b>		
<b>(d) Amount spent in Administrative Overheads</b>								
<b>(e) Amount spent on Impact Assessment, if applicable</b>								
<b>(f) Total amount spent for the Financial Year (8b+8c+8d+8e)</b>								
<b>(g) Excess amount for set off, if any:</b>								
Sl. No	Particular							Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	Nil						2,00,33,000
(ii)	Total amount spent for the Financial Year	N.A						2,06,29,310
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,06,29,310						5,96,310
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any							Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]							5,96,310

**9 (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount	Date of transfer	
<b>Total</b>				<b>Not Applicable</b>			

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

1	2	3	4	5	6	7	8	9
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed / Ongoing
NIL								

**10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

(a)	Date of creation or acquisition of the capital asset(s)	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

**11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).**

During the year, the Company has spent ₹ 206.29 lakhs towards CSR activities, which is more than two per cent of the average net profit of the last three financial years.

**Dr. Rajendra Kumar Somany**

Chairman and Managing Director of the Company and  
Chairman of CSR Committee



## Annexure E

**Details pertaining to Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

A. The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(i) The ratio of the remuneration of each director to the median remuneration of the employee of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Name of the Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	Ratio to median remuneration**	% increase/ (decrease) in remuneration in the financial year**
<b>Executive Directors</b>		
Dr. Rajendra Kumar Somany, Chairman and Managing Director	156.23	(0.97)
Mr. Sandip Somany, Vice Chairman and Managing Director	188.32	N.A.^
<b>Non-executive Directors</b>		
Mrs. Sumita Somany, Non-executive Director	5.46	41.82
Mr. Vijay Kumar Bhandari, Independent Director	5.88	35.82
Mr. Nand Gopal Khaitan, Independent Director	6.03	39.76
Mr. Girdhari Lal Sultania, Non-executive Director	5.33	39.96
Mr. Anil Wadhwa, Independent Director	5.74	N.A.‡
Ms. Himalyani Gupta, Independent Director	5.74	N.A.‡
Mr. Rakesh Sarin, Independent Director	5.85	N.A.‡
Mr. Ashok Jaipuria*	0.72	N.A
Mr. Om Prakash Pandey, Chief Financial Officer	NA	37.26
Mr. Pulkit Bhasin, Company Secretary	NA	44.08

\* Mr. Ashok Jaipuria resigned as Director during the previous financial year. The commission for the FY 2020-21, was paid to the Directors after approval of the Financials by the Shareholders at the 61<sup>st</sup> AGM held on 24.09.2021.

\*\* Remuneration includes sitting fees and is calculated on paid basis and as per the Income tax act, 1961.

^ Since Mr. Sandip Somany was paid remuneration for the entire FY 2021-22 in comparison to the previous FY 2020-21 in which the remuneration paid to him was for a period of 3 months i.e. from 1 January 2021 to 31 March 2021, therefore percentage increase/(decrease) in remuneration cannot be ascertained and compared.

‡ The remuneration paid to the directors during the FY 2021-22 included payment of commission earned by them for the FY 2020-21 due to their throughout association with the Company for the FY 2020-21. However, the remuneration paid to the directors during the FY 2020-21 included the payment of commission for the FY 2019-20 which was paid on a pro-rata basis due to their appointment on the Board of Directors of the Company w.e.f. 18 March 2020. Therefore, percentage increase/(decrease) in remuneration cannot be ascertained and compared.

- (iii) The percentage increase in the median remuneration of employees in the financial year : 11.59%
- (iv) The number of permanent employees on the rolls of the Company as on 31 March 2022 : 2993
- (v) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase made in the salaries of the employees other than the managerial personnel in the last financial year: 10.05%

Average percentile increase made in the remuneration of the managerial personnel in the last financial year: 6.73%

- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

# Report on Corporate Governance

## Company Philosophy

Corporate Governance is all about maintaining a valuable relationship and trust with all the stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. AGI Greenpac Limited (Formerly known as HSIL Limited) believes that good governance stems from the mindset and culture of management and cannot be regulated only by legislation. Your Company works towards building an environment of Trust, Transparency and Accountability focusing on the long-term. The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system.

Your Company has institutionalised Corporate Governance as an integral part of the Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at workplace have been embedded. The Company recognises that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of corporate governance in the overall interest of its stakeholders.

### A. Board of Directors

The Company is managed and controlled by a professional Board comprising of Executive and Non-executive professional Directors with considerable professional expertise and experience to provide leadership and guidance to the management thereby enhancing Stakeholders' value. As on 31 March 2022, the Board of Directors consisted of nine Directors out of which five (55.56%) were Independent Directors, two i.e. (22.22%) were Non-Executive Non-Independent Directors and two i.e. (22.22%) were Executive Directors. The composition of the Company's Board is in conformity with the provisions of the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

As on 31 March 2022, none of the Directors on the Company's Board was a Director in more than 10 Public Companies (including 7 Listed Companies), neither a Chairman of more than 5 Committees nor a member of more than 10 Committees in all the public companies in which they are Directors. Further, all the Directors have made necessary disclosures regarding their Directorships and Chairmanships/Committee Memberships in other companies as per the requirement of the Listing Regulations, Act and other applicable provisions, if any.

No Director is related to any other Director on the Board, except Dr. Rajendra Kumar Somany, Mr. Sandip Somany (Son of Dr. Rajendra Kumar Somany) and Ms. Sumita Somany (Wife of Mr. Sandip Somany).

Appointment of the Chairman and Managing Director and Vice Chairman and Managing Director including the tenure of their appointment and terms of their remuneration is approved by the members.

Five Board meetings were held during FY 2021-22. The dates, on which the Board meetings were held, are as follows:

10 May 2021, 28 July 2021, 28 October 2021, 15 January 2022 and 27 January 2022.

Dates for the Board meetings are decided well in advance to enable the Directors to plan their schedules to facilitate participation in the meetings. The Agenda, along with the supporting documents, explanatory notes and information, as enumerated under Listing Regulations, are made available to the Board along with the notice of respective meetings in advance in order to enable them to make value addition and discharge their duties diligently during the meetings. The Board periodically reviews compliance reports of all laws applicable to the Company. The Company undertakes steps to rectify instances of non-compliance, if any.



The names and categories of the Directors on the Board, along with their attendance at the Board meetings held during the year ended 31 March 2022, and at the last Annual General Meeting, and the number of other Directorship and Chairmanship/Membership of Committees held by them, are given below:

Name of the Director	No. of Board meetings attended during tenure	Whether attended the last AGM	No. of other Directorship*	Committee position of Companies**		No. of Equity Shares held
				Chairperson	Member	
<b>Executive</b>						
Dr. Rajendra Kumar Somany (Chairman and Managing Director) DIN: 00053557	5	Yes	2	Nil	Nil	34,10,000
Mr. Sandip Somany (Vice Chairman and Managing Director) DIN: 00053597	5	Yes	4	Nil	2	21,87,731
<b>Non-executive and Non - Independent</b>						
Ms. Sumita Somany DIN: 00133612	5	No	1	Nil	Nil	1,61,000
Mr. G. L. Sultania DIN: 00060931	5	Yes	7	1	1	705
<b>Non-executive and Independent</b>						
Mr. N. G. Khaitan DIN: 00020588	5	Yes	5	2	5	132
Mr. V. K. Bhandari DIN: 00052716	5	Yes	6	3	1	Nil
Mr. Anil Wadhwa DIN: 08074310	5	Yes	2	1	2	Nil
Ms. Himalyani Gupta DIN: 00607140	5	Yes	Nil	Nil	Nil	Nil
Mr. Rakesh Sarin DIN: 02082150	5	Yes	Nil	Nil	Nil	Nil

\*This includes Directorship in public limited companies (including subsidiaries of public limited companies) and excludes Directorship in this Company, associations, private, foreign and Section 8 companies.

\*\* Represents Chairmanships/Memberships of Audit Committee and Stakeholders Relationship (Shareholders'/ Investors' Grievance) Committee. This includes Chairmanship/Membership in public limited companies (including subsidiaries of public limited companies) and excludes Chairmanship/Membership in this Company, private, foreign and Section 8 companies.

### Name of Listed Companies in which Directors hold Directorship other than AGI Greenpac Limited (Formerly known as HSIL Limited)

S. No.	Name of Director	Name of the Listed Company	Category of Directorship
1.	Dr. Rajendra Kumar Somany	None	N.A.
2.	Mr. Sandip Somany	<ul style="list-style-type: none"> <li>• JK Paper Limited</li> <li>• Somany Home Innovation Limited</li> </ul>	Independent Director Non-Executive Chairman
3.	Mrs. Sumita Somany	None	N.A.
4.	Mr. G. L. Sultania	None	N.A.
5.	Mr. N. G. Khaitan	<ul style="list-style-type: none"> <li>• Somany Home Innovation Limited</li> <li>• Mangalam Cement Limited</li> <li>• Reliance Chemotex Industries Limited</li> <li>• India Power Corporation Limited</li> <li>• JK Lakshmi Cement Limited</li> </ul>	Independent Director Independent Director Non-Executive Non-Independent Director Independent Director
6.	Mr. V. K. Bhandari	<ul style="list-style-type: none"> <li>• Jayant Agro-Organics Limited</li> <li>• Supershakti Metaliks Limited</li> <li>• PHF Leasing Limited</li> </ul>	Independent Director Independent Director Nominee Director
7.	Mr. Anil Wadhwa	<ul style="list-style-type: none"> <li>• Cosmo Films Limited</li> <li>• Jindal Steel &amp; Power Limited</li> </ul>	Independent Director Independent Director
8.	Ms. Himalyani Gupta	None	N.A.
9.	Mr. Rakesh Sarin	None	N.A.

### Core Skills/Expertise/Competencies of Directors

The existing Board of Directors of the Company have appropriate skills/expertise/competencies in diversified domains for the effective functioning of the Company. Further, the Board has identified the skills/expertise/competencies of each Director in accordance with their rich and varied experience across different sectors, in the following manner:

Area of Expertise	Name of Directors								
	Dr. Rajendra Kumar Somany	Mr. Sandip Somany	Ms. Sumita Somany	Mr. Giridhari Lal Sultania	Mr. Nand Gopal Khaitan	Mr. Vijay Kumar Bhandari	Mr. Anil Wadhwa	Ms. Himalyani Gupta	Mr. Rakesh Sarin
Strategy	✓	✓	✓	-	-	-	✓	-	✓
Business Administration	✓	✓	✓	-	-	-	✓	-	✓
Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engineering & Manufacturing	✓	✓	-	-	-	-	-	-	✓
Sales & Marketing	✓	✓	-	-	-	-	-	-	✓
Community Services	✓	✓	✓	-	-	-	✓	-	✓
Human Resources	-	✓	-	-	-	-	✓	-	-
Business Development	✓	-	✓	-	-	-	✓	-	✓
Finance	✓	✓	-	✓	✓	✓	-	-	-
Legal	-	-	-	✓	✓	✓	-	✓	-
Global Vision	-	-	-	-	-	-	✓	-	-
Government Relations	-	-	-	-	-	-	✓	-	-
Energy Sector	-	-	-	-	-	-	-	-	✓
Project Development	-	-	-	-	-	-	-	-	✓

The Board confirms that the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the Management.

### B. Committees of the Board

The Board of Directors have constituted the following Committees for better governance with adequate delegation of powers to discharge the Company's requisite businesses:

- Audit Committee
- Corporate Affairs Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee
- Share Transfer Committee
- Risk Management Committee

The minutes of the meetings of all such committees are placed before the Board for discussion/noting.

Details of the composition, number of meetings held during the year, attendance of members and scope of the committees are as below:

### Audit Committee

#### Composition

As on 31 March 2022, the Committee comprised of five Independent Directors. Mr. V. K. Bhandari, an ex-banker and financial expert, is the Chairman of the Committee. The quorum of the Committee is two members or one-third of the members, whichever is higher with at least two Independent Directors. The Chairman and Managing Director, Vice Chairman and Managing Director, Presidents of Divisions, Finance Head, General Counsel, Statutory Auditors and the Internal Auditors are invitees to the meetings of the Audit Committee. The business and operation heads are invited to the meetings, as and when required. The Company Secretary acts as the Secretary to the Committee.

#### Meetings and Attendance

During the year, five meetings of the Audit Committee were held on 10 May 2021, 28 July 2021, 28 October 2021, 15 January 2022 and 27 January 2022.

The Chairman of the Audit Committee attended the Company's last Annual General Meeting.



The following table summarises attendance of Members of Audit Committee:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. V. K. Bhandari	Chairman	5	5
Mr. N. G. Khaitan	Member	5	5
Mr. Rakesh Sarin	Member	5	5
Mr. Anil Wadhwa	Member	5	5
Ms. Himalyani Gupta	Member	5	5

The Committee's existing composition meets with requirements of Section 177 of the Act and Listing Regulations. Members of the Audit Committee possess financial/accounting expertise/exposure.

### Scope of the Audit Committee

The Audit Committee, inter alia, supports the Board to ensure an effective internally control environment. The Committee discharges such duties and functions with powers generally indicated in Listing Regulations.

The scope of the Audit Committee is as follows:

### Powers of Audit Committee

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Terms of Reference

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee;
- Approving payment to Statutory Auditors for any other services rendered by them;
- Reviewing, with the Management, the Annual Financial Statements and Auditor's 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; (b) Changes, if any, in accounting policies and practices and reasons for the same; (c) Major accounting entries involving

estimates based on the exercise of judgment by Management; (d) Significant adjustments made in the Financial Statements arising out of audit findings; (e) Compliance with listing and other legal requirements relating to Financial Statements; (f) Disclosure of any related party transactions; and (g) Qualifications in the draft audit report, if any;

- Reviewing, with the Management, the Quarterly Financial Statements before submission to the Board for approval;
- Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for 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, if any, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Reviewing, with the Management, the performance of Statutory and Internal Auditors and adequacy of the internal control system;
- 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;
- 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;
- Reviewing reports of internal audit and discussing with Internal Auditors on any significant findings of any internal investigations by the Internal Auditors and the executive management's response on matters and follow-up thereon;
- Reviewing reports of Cost audit, if any, and discussion with Cost Auditors on any significant findings by them;
- 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 material nature and reporting the matter to the Board;



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- To review the functioning of the Vigil (Whistle Blower) mechanism;
- Approval of appointment of CFO (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;
- Recommending to the Board, the appointment and fixation of remuneration of Cost Auditors, if applicable;
- Evaluating Internal Financial Controls and Risk Management Systems and reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the Management Discussion and Analysis of financial condition and results of operation;
- Reviewing the statement of significant related-party transactions;
- Reviewing the Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- To review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- To review the internal audit report relating to internal control weaknesses;
- To review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and verify that the systems for internal controls are adequate and are operating effectively;
- To review the utilisation of loans and/or advances from/investment by the Company in its subsidiary companies exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower; and
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

### Corporate Affairs Committee

#### Composition

As on 31 March 2022, the Company's Corporate Affairs Committee comprised of two Executive Directors and an Independent Director. Dr. Rajendra Kumar Somany, Chairman and Managing Director of the Company, is Chairman of the Committee. The quorum of the Committee is either two members or one-third of the total members, whichever is greater. The Company Secretary acts as the Secretary to the Committee.

### Meetings and Attendance

The Corporate Affairs Committee met on seven occasions during FY 2021-22, on 9 April 2021, 25 June 2021, 9 August 2021, 28 September 2021, 27 October 2021, 14 December 2021 and 9 February 2022.

The following table summarises the attendance details of the Members of the Corporate Affairs Committee:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Dr. Rajendra Kumar Somany	Chairman	7	4
Mr. Sandip Somany	Member	7	6
Mr. Rakesh Sarin	Member	7	4

### Scope of the Corporate Affairs Committee

The Corporate Affairs Committee's terms of reference include providing authorisation to the Company's Executives on account of banking operations, taxation, corporate and financial management issues and other incidental matters arising in the Company's day-to-day operations. The Committee's powers are revised from time to time by the Board of Directors to facilitate seamless operations of the Company.

### Corporate Social Responsibility (CSR) Committee

#### Composition

As on 31 March 2022, the CSR Committee comprised of two Executive Directors, one Non-executive Non Independent Director and an Independent Director. Dr. Rajendra Kumar Somany, Chairman and Managing Director of the Company, is Chairman of the Committee. The quorum of the Committee is either two members or one-third of the total members, whichever is greater. The Company Secretary acts as the Secretary to the Committee.

### Meetings and Attendance

The Corporate Social Responsibility Committee met four times on 10 May 2021, 28 July 2021, 28 October 2021 and 27 January 2022. The following table summarises the attendance details of the Members of Corporate Social Responsibility Committee:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Dr. Rajendra Kumar Somany	Chairman	4	4
Mr. Sandip Somany	Member	4	4
Ms. Sumita Somany	Member	4	4
Mr. Anil Wadhwa	Member	4	4



### Scope of the Corporate Social Responsibility Committee

The Committee oversees the activities/functioning in identifying the area of Corporate Social Responsibility activities as specified in the Company's CSR Policy in accordance with Schedule VII of the Act and execution of initiative as per pre-defined guidelines. The Corporate Social Responsibility Policy of the Company is available on its website [www.agigreenpac.com](http://www.agigreenpac.com).

### Nomination and Remuneration Committee

#### Composition

As on 31 March 2022, the Committee comprised of four members, three of them being Independent Directors and one is Non-Executive Non-Independent Director. Mr. Nand Gopal Khaitan, Independent Director of the Company, is the Chairman of the Committee. The quorum for a meeting of the Nomination and Remuneration Committee is either two members or one third of the members of the committee, whichever is greater, including at least one Independent Director in attendance. The Company Secretary acts as Secretary to the Committee.

#### Meetings and Attendance

The Nomination and Remuneration Committee met three times on 10 May 2021, 28 July 2021 and 27 January 2022. The following table summarises the attendance details of the Members of Nomination and Remuneration Committee:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. N. G. Khaitan	Chairman	3	3
Ms. Sumita Somany	Member	3	3
Mr. V.K. Bhandari	Member	3	3
Mr. Rakesh Sarin	Member	3	3

#### Terms of Reference

The Nomination and Remuneration Committee is empowered to review and recommend to the Board of Directors, remuneration and commission of the Company's Directors with the guidelines laid down under the statute. The scope of the Nomination and Remuneration Committee is as follows:

- formulating criteria for determining qualifications, positive attributes and independence of Directors;
  - For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended

to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- identifying and recommending individuals who are qualified to become Directors, and who may be appointed as Senior Management in accordance with the criteria laid down;
  - assisting the Management of the Company in formulating and periodically reviewing the familiarisation programs for independent directors, as may be required;
  - formulating criteria for evaluation of independent directors and the Board;
  - specifying the manner for effective evaluation of the performance of Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
  - recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management, and while formulating such policy ensuring that (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality, required to run the Company successfully; (ii) the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks; and (iii) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between the fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
  - preparing a policy on diversity of the Board;
  - recommending to the Board the re-appointment and removal of any individual holding the office of a Director, Key Managerial Personnel or Senior Management, subject to the provision of the law and their service contract;
  - determining whether the relevant Director has the requisite qualifications for the practice of a profession in terms of Section 197 of the Companies

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- Act, 2013 in relation to payment of remuneration for services rendered by such Director;
- recommending to the Board, all remuneration, in whatever form, payable to Senior Management;
- undertaking such other functions as may be determined by the Board or required under the provisions of the Companies Act, 2013 or the Listing Regulations; and

- undertaking such other actions as may be necessary or appropriate for the performance of the aforementioned functions.

The Nomination and Remuneration Policy of the Company is available on the Company's website [www.agigreenpac.com](http://www.agigreenpac.com).

### Details of Remuneration of Directors

The table below provides the details of the remuneration paid to the Directors during the financial year 2021-22.

Name of Directors	Amount (in ₹)					
	Basic & Allowances	Perquisites	Commission (for the year 2020-21)	Contribution to PF	Sitting Fee	Total
Dr. Rajendra Kumar Somany	43,885,484	178,487	3,440,814	4,762,258	-	52,267,043
Mr. Sandip Somany*	36,200,000	9,891,600	12,733,336	4,176,000	-	63,000,936
Ms. Sumita Somany	-	-	1,571,879	-	255,000	1,826,879
Mr. V. K. Bhandari	-	-	1,571,879	-	395,000	1,966,879
Mr. N. G. Khaitan	-	-	1,571,879	-	445,000	2,016,879
Mr. G. L. Sultania	-	-	1,571,880	-	210,000	1,781,880
Mr. Rakesh Sarin	-	-	1,571,879	-	385,000	1,956,879
Mr. Anil Wadhwa	-	-	1,571,879	-	350,000	1,921,879
Ms. Himalyani Gupta	-	-	1,571,879	-	350,000	1,921,879
Mr. Ashok Jaipuria#	-	-	241,165	-	-	241,165
<b>TOTAL</b>	<b>80,085,484</b>	<b>10,070,087</b>	<b>27,418,469</b>	<b>8,938,258</b>	<b>2,390,000</b>	<b>128,902,298</b>

\*Mr Sandip Somany - Leave Encasement of ₹ 98.80 lacs included in perquisites.

# Mr. Ashok Jaipuria resigned on 27.05.2020. The commission for the FY 2020-21, was paid to the Directors after approval of the Financials by the Shareholders at the 61<sup>st</sup> AGM held on 24.09.2021.

The Company has not issued any stock option to its directors/employees.

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

The transactions with related parties are furnished in note no. 54 of financial statements, as stipulated under Accounting Standard (Ind AS) 24. Apart from related party transactions furnished in note no. 54, there are no transactions of material nature with Directors or their relatives and others, which may have potential conflict with the Company's interest. The Register of Contracts required to be maintained under Section 189(1) and Rule 16(1) of the Act, containing the details of the contracts, in which the Directors are concerned or interested, is placed at the meeting of the Board of Directors for their approval and noting, on a periodical basis.

During the year, no pecuniary or business relationship existed between the Non-executive and Independent Directors and the Company.

With the applicability of the Act and Listing Regulations, transactions attracting provisions of Section 188 which are in the ordinary course of business and are at arm's

length have been entered into after being reviewed, scrutinised and approved by the Audit Committee and with approval of the Board.

No transactions which are not in ordinary course of business and are not at arm's length have been entered into with any related party.

During the year, the Company entered into Related Party Transactions with Brilloca Limited (now known as Hindware Limited) (a related party), which exceeded the limit prescribed under the provisions of Listing Regulations and was considered material related party transaction in accordance with the policy of the Company on materiality of related party transactions. The aforesaid transaction was approved by shareholders of the Company by way of an ordinary resolution passed in the Annual General Meeting held on 24 September 2021.

Pursuant to recent amendments in the Listing Regulations with respect to seeking approval for material related party transactions, the Company has



also obtained prior approval of the shareholders of the Company on 24 February 2022, by way of postal ballot, for entering into material related party transactions with Brillloca Limited (now known as Hindware Limited) during the FY 2022-23.

The Related Party Transactions Policy of the Company is available on the Company's website [www.agigreenpac.com](http://www.agigreenpac.com).

### Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee

#### Composition

As on 31 March 2022, the Committee comprised of four members, three of them being Independent Directors and one Non-executive Non-Independent Director. The Chairman of the Committee is Mr. N. G. Khaitan. The quorum of the Committee is either two members or one-third of the total members, whichever is greater. The Company Secretary of the Company acts as the Secretary to the Committee and is also the Company's Compliance Officer.

#### Meetings and Attendance

Four meetings of the Committee were held on 10 May 2021, 28 July 2021, 28 October 2021 and 27 January 2022. The following table summarises the attendance details of the Members of Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. N. G. Khaitan	Chairman	4	4
Mr. V. K. Bhandari	Member	4	4
Mr. G. L. Sultania	Member	4	4
Ms. Himalyani Gupta	Member	4	4

#### Scope of Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee

- To resolve the grievances of the security holders of the Company including complaints related to transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- To review measures taken for effective exercise of voting rights by shareholders.
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of

dividend warrants/annual reports/statutory notices by the shareholders of the Company.

During the year, 10 complaints were received and duly resolved by the Company.

### Share Transfer Committee

#### Composition

The Committee comprises of three members. The Chairman of the Committee is Mr. G. L. Sultania, who is a Non-executive Non-Independent Director, and the other two members are the Company's Executives.

#### Meetings and Attendance

The Committee conducts monthly meetings for the approval of transmission, if any, of shares lodged with the Company. As on 31 March 2022, no request for such transmission of shares was pending. The Committee met 12 (twelve) times during the year under review and all the members were present at the meetings.

#### Scope of the Share Transfer Committee

The Board entrusts the Share Transfer Committee with the powers related to transmissions, consolidation, splitting and issue of share certificates, in exchange of sub-divided/consolidated and others and overseeing the performance of the Company's appointed Registrar & Share Transfer Agent.

### Risk Management Committee

#### Composition

The Committee comprises of four members, three of them being members of the Board, including two Independent Directors and one Executive Director. The remaining member of the Committee is a senior executive of the Company. Mr. Sandip Somany, Vice-Chairman and Managing Director of the Company, is Chairman of the Committee. The quorum of the Committee is either two members or one-third of the total members, whichever is greater, including at least one member of the Board of Directors. The Company Secretary acts as the Secretary to the Committee.

#### Meetings and Attendance

During the year, the Risk Management Committee met two times on 4 October 2021 and 15 March 2022. The following table summarises the attendance details of the Members of Risk Management Committee:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Sandip Somany	Chairman	2	2
Mr. N. G. Khaitan	Member	2	2
Mr. Rakesh Sarin	Member	2	2
Mr. Sandeep Sikka	Member	2	2

### Scope of the Risk Management Committee

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

### Terms of Reference

- To formulate a detailed risk management policy that shall include:
  - a. a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cybersecurity risks or any other risk as may be determined by the Committee;
  - b. measures for risk mitigation including systems and processes for internal control of identified risks; and
  - c. business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- To keep the board of directors informed about nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors;
- Monitoring and Reviewing the Risk Management Plan; and
- Such other function(s) as the board of directors may deem fit.

### C. Other Meeting

#### Independent Directors Meeting

During the year under review, the Independent Directors met on 27 January 2022 inter-alia, to discuss:

- Evaluation of the performance of Non-Independent Directors;
- Evaluation of the Board of Directors as a whole;
- Evaluation of the performance of the Chairman and Vice-Chairman of the Company, taking into account the view of the Executive and Non-executive Directors; and
- The quality, quantity and timeliness of the flow of information between the Company's Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

### D. General Body Meetings

#### Annual General Meeting

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2020-21	24 September 2021	11.00 a.m.	Through Video Conferencing/Other Audio Visual Means
2019-20	19 September 2020	11.00 a.m.	Deemed Venue for the meeting: Registered Office - 2, Red Cross Place, Kolkata - 700 001
2018-19	2 September 2019	11.30 a.m.	Sripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020

**Eleven Special Resolutions were passed at the Annual General Meetings held during the last three financial years.**

Date of Annual General Meeting	No. of Special Resolution passed	Particulars
24 September 2021	2	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Sandip Somany as Vice-Chairman and Managing Director and remuneration payable thereof</li> <li>2. Approval for remuneration by way of commission to the Directors (other than Managing Directors)</li> </ol>
19 September 2020	3	<ol style="list-style-type: none"> <li>1. Re-appointment of Dr. Rajendra Kumar Somany as Chairman and Managing Director and remuneration payable thereof</li> <li>2. Approval for re-appointment of M/s G. L. Sultania &amp; Co., Proprietorship firm of Mr. Girdhari Lal Sultania, Non-executive Director, for availing professional advisory services by the Company</li> <li>3. Approval for continuation of Directorship of Mr. Girdhari Lal Sultania as Non-executive Non-Independent Director of the Company</li> </ol>
2 September 2019	6	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Nand Gopal Khaitan as Independent Director</li> <li>2. Re-appointment of Mr. Vijay Kumar Bhandari as Independent Director</li> <li>3. Re-appointment of Mr. Ashok Jaipuria as Independent Director</li> <li>4. Re-appointment of Mr. Salil Bhandari as Independent Director</li> <li>5. Approval for continuation of payment of remuneration to Dr. Rajendra Kumar Somany, Chairman and Managing Director, who is a Promoter, in excess of threshold limits prescribed vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018</li> <li>6. Approval for continuation of payment of remuneration to Mr. Sandip Somany, Vice-Chairman and Managing Director, who is a Promoter, in excess of threshold limits prescribed vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018</li> </ol>

**Extra Ordinary General Meeting**

During the financial year 2021-22, no Extra Ordinary General Meeting was held.

**Postal Ballot**

During the financial year 2021-22, the Company conducted Postal Ballot twice, the results of which were declared on 25 February 2022 and 29 March 2022. The following resolutions were passed vide the above mentioned Postal Ballots:

S. No.	Special Resolutions	Votes cast in favour		Votes cast against		Date of declaration of Results
		No. of votes	%	No. of votes	%	
1.	Approval for sale and transfer of undertaking of the Company engaged in the business of manufacture of sanitaryware, faucets and plastic pipes (PVC and CPVC) and fittings, through its manufacturing plants, to Brilloca Limited	45,429,063	97.59	1,120,934	2.41	25 February 2022
2.	Approval for change of name of the Company from "HSIL Limited" to "AGI Greenpac Limited" and consequent alteration in Memorandum and Articles of Association of the Company	42,738,351	99.98	8,149	0.02	29 March 2022

Mr. Pravin Kumar Drolia, Practicing Company Secretary, Kolkata (FCS: 2366, CP: 1362), was appointed to act as Scrutinizer to conduct the remote e-voting process in a fair and transparent manner.

**Procedure for Postal Ballot(s)**

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with related rules, the Company engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing remote e-voting facility to all its Members.

These Notices were only sent through email to all the Members who had registered their email addresses with the Company or depository/depository participants and the physical Notices (along with postal ballot forms) and pre-paid business envelope through post were not sent to the Members for the aforesaid postal ballots pursuant to the MCA General Circulars Nos. 14/2020 dated 8 April 2020, 17/2020 dated 13 April 2020, 22/2020 dated 15 June 2020, 33/2020

## ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

dated 28 September 2020, 39/2020 dated 31 December 2020, 02/2021 dated 13 January 2021, 10/2021 dated 23 June 2021 and 20/2021 dated 8 December 2021, in view of COVID-19 pandemic. The communication of assent/dissent of the Members took place through the remote e-voting system.

The Company also placed the Notices of the above mentioned postal ballots on its website and published the same in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the name of the Members as on the cut-off date. Members were requested to vote before the close of business hours on the last date of e-voting.

After completion of the scrutiny, the Scrutinizer submitted his reports and the consolidated results of the votes cast through remote e-voting. Thereafter, Mr. Girdhari Lal Sultania, Director of the Company, (authorised by the Chairman and Managing Director of the Company) announced the results on 25 February 2022 and 29 March 2022 of the respective postal ballot resolutions. The proposed resolutions were passed with the requisite majority and the results of postal ballots were also displayed on the website of the Company i.e. [www.agigreenpac.com](http://www.agigreenpac.com), besides being communicated to the stock exchanges. The deemed date of passing the resolutions were 24 February 2022 and 28 March 2022.

### E. Disclosures

#### Disclosure of Accounting Treatment

The Company followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

#### Risk Management

The Company has a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company has also adopted a Risk Management Policy which establishes various levels of accountability and overview within the Company.

#### Disclosure of Commodity Price Risks and Hedging Activities

Please refer to Note No. 45 of the Financial Statements, which form part of the Annual Report.

#### Strictures/Penalties

No strictures/penalties were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, or any matter related to capital markets during the last three years.

#### Proceeds from public issues, right issues, preferential issues

During the financial year 2021-22, the Company did not raise capital through public, rights and/or preferential issue.

#### Management

The Management Discussion and Analysis Report forms a part of the Annual Report and is in accordance with the requirements laid down in Regulation 34 of the Listing Regulations.

No material transaction was entered into by the Company with the Promoters, Directors and/or the Senior Management that may have a potential conflict with the Company's interest.

#### Vigil Mechanism (Whistle Blower) Policy

The Company has put in place a mechanism for reporting illegal, unethical behavior, malpractice, impropriety, abuse, insider trading or wrongdoing. The Company has a Vigil Mechanism (Whistle Blower) Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The email-id where employees can post their complaints/observations is "[vigilmech@hindware.co.in](mailto:vigilmech@hindware.co.in)". During the year under review, no employee was denied access to Audit Committee.

#### Performance Evaluation

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually, Chairman and Vice Chairman as well as the evaluation of the working of its Nomination and Remuneration Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance.



A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman, Vice Chairman and the Non-Independent Directors was carried out by the Independent Directors and the Directors expressed their satisfaction with the evaluation process.

### Code of Conduct for the Prevention of Insider Trading

The Company has in place its Code of Conduct for the Prevention of Insider Trading, in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The Code of Conduct for Prevention of Insider Trading, inter-alia, prohibits purchase/sale of Company's shares, while in possession of Company's unpublished and price-sensitive information and accordingly necessary procedures have been laid down for the Designated Persons and others as prescribed under the said code for trading in the Company's securities.

The Company's Code of Practices and Procedures for Fair Disclosures is available on the Company's website [www.agigreenpac.com](http://www.agigreenpac.com).

### Subsidiary Companies

During the Financial Year 2021-2022, the Company had no subsidiaries.

The policy on Material Subsidiaries is available on the Company's website at the link: [Policy of Material Subsidiaries](#).

### Particulars of Director seeking re-appointment

Pursuant to provisions of the Act, Dr. Rajendra Kumar Somany shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

For detailed particulars on the Director seeking re-appointment, please refer to Notice dated 11 May 2022 of the 62<sup>nd</sup> Annual General Meeting scheduled to be held on 22 September 2022.

### Training of Independent Directors

As per Regulation 25(7) of Listing Regulations, the Company provides suitable training to the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities, nature of the industry in

which the Company operates, the business model of the Company and other relevant information, if any. The details of such training imparted are disclosed in the Annual Report.

The Company provides orientation and business overview to all its new Directors and provides materials and briefing sessions periodically to all Directors which assist them in discharging their duties and responsibilities.

The details of programmes conducted for familiarisation of Independent Directors with the Company during the FY 2021-22, nature of the industry in which the Company operates, business model of the Company, recent amendments/notifications etc. and related matters are put up on the website of the Company at the link: [Familiarisation Programme for Independent Directors](#).

Further, the Company issues a formal letter of appointment to Independent Directors outlining their roles, responsibilities, functions and duties as an Independent Director. The format of the letter of appointment is available on the Company's website at the link: [Appointment Letter for Independent Directors](#).

### Adoption of mandatory and non - mandatory requirements of Listing Regulations

The Company has complied with all mandatory requirements of Listing Regulations. The Company has adopted following non-mandatory requirements of the Listing Regulations:

#### Audit Qualification

The Company is in the regime of unqualified financial statements.

#### Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

#### Certificate from a Company Secretary in Practice

The certificate from a Company Secretary in Practice, stating that none of the Director on the Board of Directors of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority, is enclosed to this Report.

#### Deviations, if any, of mandatory recommendations by the Committees to the Board of Directors

During the year, there was no instance wherein the Board of Directors of the Company did not accept any recommendation of the Committees.



**Details of total fees paid to Statutory Auditor**

The details of total fees for all services paid by the Company for the FY 2021-22, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

		(₹ in lakhs)
S. No.	Nature of Service	Amount
1.	Audit Fees	11.75
2.	Other Services*	11.14
3.	Reimbursement of Expenses	4.05
<b>Total</b>		<b>26.94</b>

\* Other services include certification which has also been approved by the Audit Committee.

**Sexual Harassment of Women at Workplace**

The disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned in the Directors' Report which forms part of this Annual Report.

**F. Means of Communication****Results**

The quarterly, half yearly and annual results are submitted to the Stock Exchange(s) in accordance with Listing Regulations. Further, the quarterly/half yearly/annual results in the prescribed format, are published within 48 hours in any prominent daily newspaper, such as The Financial Express (English daily) and Ekdin vernacular newspaper. All vital information of the Company's performance, including Financial Results, Annual Reports of the last three years and Shareholding Pattern have been posted on the Company's website [www.agigreenpac.com](http://www.agigreenpac.com).

**News releases, presentations, among others**

Official news releases and official media releases etc. are displayed on the Company's website [www.agigreenpac.com](http://www.agigreenpac.com).

**Presentation**

The Company makes financial presentations to institutional investors, mutual funds and others who have invested or intends to invest in the Company's share capital and such presentations are available on the website of the Company.

**Website**

The Company's website, [www.agigreenpac.com](http://www.agigreenpac.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

**Annual Report**

The Annual Report containing, inter-alia, Audited Financial Statements, Directors' Report, Auditors' Report, Business Responsibility Report, if applicable, and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website [www.agigreenpac.com](http://www.agigreenpac.com).

**NSE Electronic Application Processing System (NEAPS)**

The NEAPS is a web-based application designed by NSE for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, results and other requirements of Listing Regulations, media releases, among others are filed electronically on NEAPS, by the Company.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre')**

BSE's Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, results, media releases, among others are also filed electronically on the Listing Centre by the Company.

**SEBI Complaints Redress System (SCORES)**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**Designated Exclusive email-id**

The Company has designated the email-id [hsilinvestors@hsilgroup.com](mailto:hsilinvestors@hsilgroup.com) exclusively for investor servicing.

**G. Shareholder Information****Company Registration Details**

The Company is registered with the Registrar of Companies, in the State of West Bengal, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51433WB1960PLC024539.

**Contact Information****Registered Office**

2, Red Cross Place  
Kolkata - 700 001, West Bengal, India  
Phone: +91 - 33 -2248 7407/5668  
email: [hsilinvestors@hsilgroup.com](mailto:hsilinvestors@hsilgroup.com)

**Corporate Office**

301-302, Park Centra Building  
Sector-30, National Highway – 8  
Gurugram - 122001, Haryana, India  
Phone: +91- 124-477 9200  
Email: [pulkit.bhasin@hindware.co.in](mailto:pulkit.bhasin@hindware.co.in)

**Plant locations (include manufacturing plants of Packaging Products Division only and does not include the plants of Building Products Division)**

Location	Address
Telangana	<ul style="list-style-type: none"> <li>Glass Factory Road, Off Motinagar, P.B No. 1930, Sanathnagar, P.O. Hyderabad - 500 018</li> <li>Glass Factory Road, Thukkapur Road, Bhongir, District Nalgonda - 508116</li> <li>Survey No.208 to 218, Sitarampur, Patancheru (Mandal), Sangareddy Dist., Isnapur-502 307</li> </ul>
Karnataka	<ul style="list-style-type: none"> <li>Garden Polymers, KIADB Industrial Area, Lakamanhalli, Dharwad - 580004</li> </ul>
Uttarakhand	<ul style="list-style-type: none"> <li>Khasra No.122, Pachwadoon, Mauja Central Hope Town, Pargana, Selaqui, Dehradun-248197</li> </ul>

**Company Secretary**

Mr. Pulkit Bhasin

**Annual General Meeting**

The 62<sup>nd</sup> Annual General Meeting is scheduled to be held on Thursday, 22 September 2022 at 2:00 P.M. through Video Conferencing/Other Audio Visual Means.

**Financial Calendar**

The Company follows April to March as its financial year. The results for every quarter, beginning from April, are declared within 45 days of the end of quarter, except for the last quarter, which are submitted, along with the annual audited results within 60 days of the end of the last quarter, as permitted under the Listing Regulations.

**Date of Book Closure**

15 September 2022 to 22 September 2022

**Dividend Payment Date**

On or before 29 September 2022

**Listing on Stock Exchanges**

The Stock Exchanges, at which the Company's equity shares are listed, and the respective stock codes are:

National Stock Exchange of India Ltd. (NSE): AGI  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra-Kurla Complex,  
Mumbai-400051  
Maharashtra, India

BSE Ltd. (BSE): 500187  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400001  
Maharashtra, India

International Securities Identification Number (ISIN) of the Company's equity shares, having face value of ₹ 2 each, is INE 415A 01038.

Listing fees for the financial year 2022-23 have been paid to the Stock Exchanges.

**Registrar and Share Transfer Agent**

M/s. Maheshwari Datamatics Private Limited is the Company's Registrar & Share Transfer Agent (RTA) for its equity shares. The contact details of RTA are:

Maheshwari Datamatics Private Limited  
23, R. N. Mukherjee Road, 5<sup>th</sup> Floor, Kolkata -700 001  
Phone: +91-33- 2243 5809/5029  
Email: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

**Share Transfer System**

The Company has constituted a Share Transfer Committee to consider and approve applications, if any, for re-materialisation/transmission/transposition/internal transfer/issuance of duplicate certificates etc. for physical shares, if any received in future.

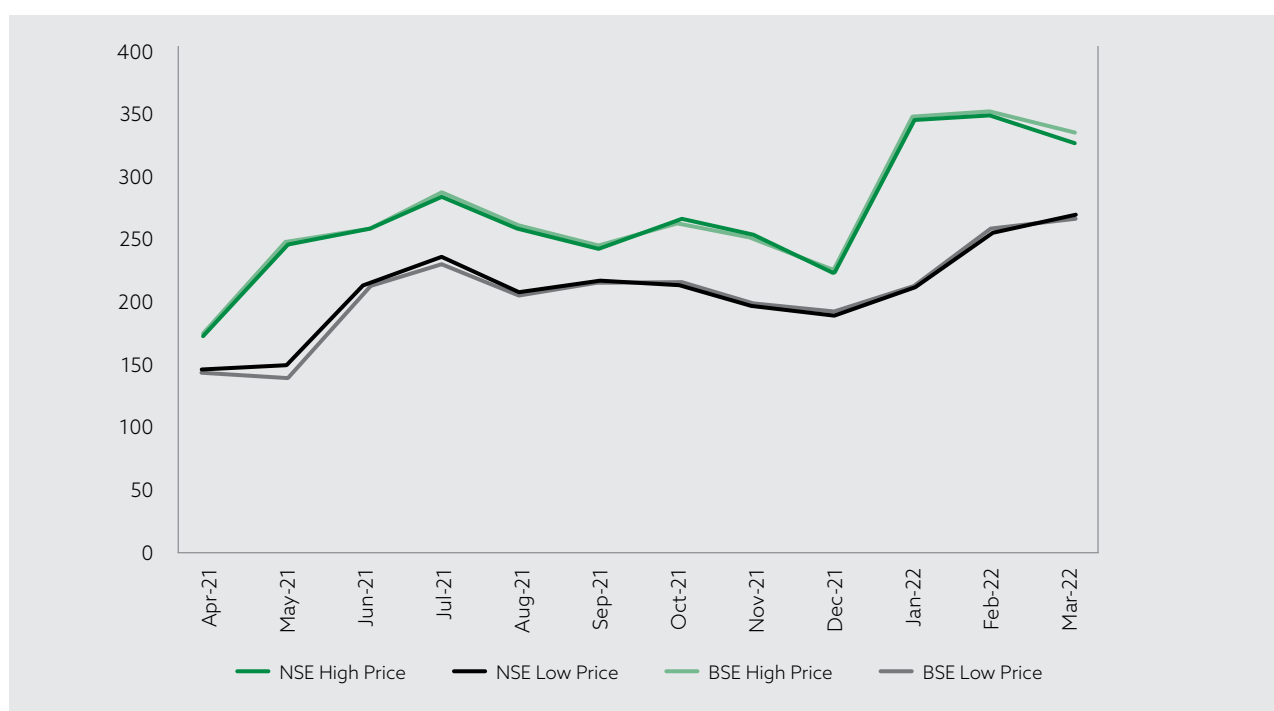
**Market Price Data**

Monthly stock market data of the Company's high-and-low prices of equity shares during the FY 2021-22 and their performance, in comparison with the broad-based index, comprise:

### Monthly Stock Market Data

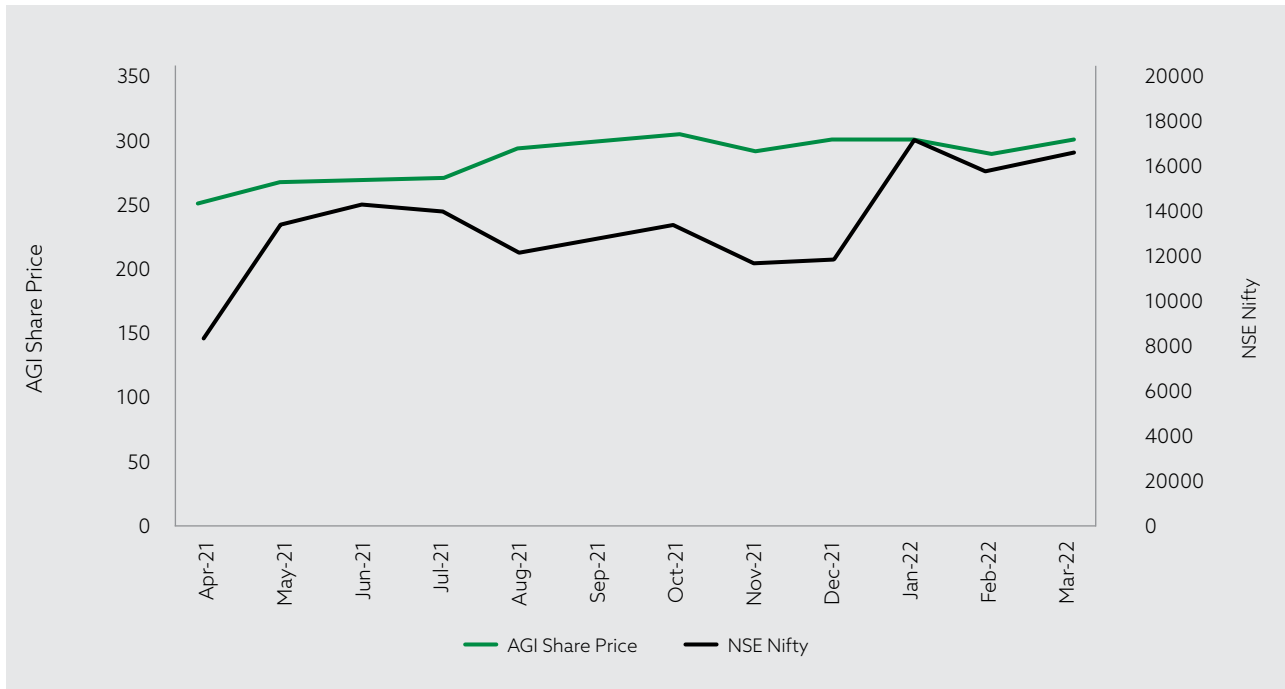
Monthly NSE and BSE prices of equity shares

Month	NSE High Price	NSE Low Price	BSE High Price	BSE Low Price
Apr-21	176.75	142.50	176.35	141.00
May-21	247.90	149.85	248.00	141.00
Jun-21	257.65	213.00	257.65	212.85
Jul-21	287.50	236.00	287.35	231.45
Aug-21	259.85	204.75	261.20	204.95
Sep-21	244.30	215.45	244.20	216.25
Oct-21	265.85	214.25	265.45	214.65
Nov-21	251.90	197.90	251.85	198.90
Dec-21	225.10	190.10	225.15	193.40
Jan-22	349.90	212.00	350.20	213.00
Feb-22	352.40	258.00	352.85	257.00
Mar-22	329.00	268.95	334.00	268.80



### Monthly closing price of AGI Greenpac Limited (Formerly known as HSIL Limited) shares on NSE and NSE Nifty

Month	NSE	NSE Nifty
Apr-21	153.15	14631.10
May-21	240.65	15582.80
Jun-21	253.50	15721.50
Jul-21	249.25	15763.05
Aug-21	218.75	17132.20
Sep-21	232.05	17618.15
Oct-21	238.00	17671.65
Nov-21	209.05	16983.20
Dec-21	210.65	17354.05
Jan-22	308.15	17339.85
Feb-22	283.50	16793.90
Mar-22	295.90	17464.75



### Distribution of Shareholding as on 31 March 2022

Number of Shares held	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Up to 500	33760	90.29	3010721	4.65
501-1,000	1936	5.18	1538124	2.38
1,001-2,000	886	2.37	1331463	2.06
2,001-3,000	266	0.71	685724	1.06
3,001-4,000	126	0.34	443636	0.69
4,001-5,000	93	0.25	434553	0.67
5,001-10,000	161	0.43	1193552	1.84
10,001 and above	159	0.43	56059608	86.65
<b>Total</b>	<b>37387</b>	<b>100.00</b>	<b>64697381</b>	<b>100.00</b>

### Category of Shareholders as on 31 March 2022

Category	No. of Shares of ₹ 2 each	% of Total
Promoter	38972819	60.24
Mutual Fund/UTI	182452	0.28
Alternative Investment Funds	1346714	2.08
Foreign Portfolio Investors/Foreign Institutional Investors	6005988	9.28
Financial Institutions/Banks	15986	0.02
Insurance Companies	40500	0.06
Foreign National	207	0.00
Domestic Companies/Bodies Corporate	535271	0.83
Non-Resident Individual	339997	0.53
Others	17257447	26.68
<b>Total</b>	<b>64697381</b>	<b>100.00</b>

**Dematerialisation of Shares**

Particulars of Shares	Shares of ₹ 2 each	
	Number of shares	% of Total
Dematerialised Form		
National Securities Depository Ltd. (NSDL)	60171968	93.00
Central Depository Services (India) Ltd. (CDSL)	3977508	6.15
Physical Form	547905	0.85
<b>Total</b>	<b>64697381</b>	<b>100.00</b>

**The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.**

Disclosure in respect of equity shares transferred in the Company's unclaimed suspense account:

Details	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01 April 2021	NA	NA
Shareholders who approached the Company for transfer of shares from suspense account during the year	NA	NA
Shareholders to whom shares were transferred from the suspense account during the year	NA	NA
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	46	13,010
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March 2022	NA	NA

The voting rights on the shares outstanding in the suspense account as on 31 March 2022 shall remain frozen till the rightful owner of such shares claims the shares.

**Credit Ratings**

The Company has obtained the following credit ratings during the financial year:

S. No.	Name of Rating Agency	Instrument Type	Rating	Revision, if any
1.	CARE Ratings Limited	Long Term Bank Facilities	CARE A+; Stable (Single A Plus; Outlook: Stable)	Nil
		Short Term Bank Facilities	CARE A1+ (A One Plus)	Nil

**H. Code of Conduct**

The Company's Board of Directors laid down and adopted a Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of your Company. The said Code of Conduct has also been posted on the Company's website [www.agigreenpac.com](http://www.agigreenpac.com). The Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for the FY 2021-22.

A declaration signed by the Company's Chairman and Managing Director to this effect is enclosed at the end of this report.

**I. CEO and CFO Certification**

The Certificate, as required under Regulation 17(8) of the Listing Regulations, duly signed by the Vice-Chairman and Managing Director and Chief Financial Officer, was placed before the Board, and the same is enclosed in this report and forms part of the Annual Report.



## J. Certification by Secretarial Auditors

As required under Listing Regulations, M/s. DMK Associates, Company Secretaries, the Company's Secretarial Auditors, have verified the compliances of the Corporate Governance by the Company. We have obtained a Certificate affirming the compliance from M/s. DMK Associates, Company Secretaries, and the same is enclosed to this Report and forms a part of the Annual Report.

## Declaration by Chairman and Managing Director under Listing Regulations regarding adherence to the Code of Conduct

In accordance with Listing Regulations, I hereby confirm that all the Directors and the Senior Management Personnel have affirmed compliance with their respective code of conduct, as applicable to them, for the year ended 31 March 2022.

Place: Gurugram  
Date: 11 May 2022

**Dr. Rajendra Kumar Somany**  
Chairman and Managing Director

## 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 of  
AGI Greenpac Limited  
(Formerly known as HSIL Limited)  
2, Red Cross Place,  
Kolkata 700001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **AGI Greenpac Limited** (Formerly Known as HSIL Limited) having **CIN: L51433WB1960PLC024539** and having registered office at 2, Red Cross Place, Kolkata 700001 (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 and 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](http://www.mca.gov.in))) as considered necessary 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 ended on 31 March 2022 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 Authority:

S. No.	Name of Director	DIN	Date of appointment
1	Dr. Rajendra Kumar Somany	00053557	09/01/1988
2	Sandip Somany	00053597	12/09/1995
3	Sumita Somany	00133612	29/05/2014
4	Girdhari Lal Sultania	00060931	09/09/2006
5	Vijay Kumar Bhandari	00052716	24/07/2004
6	Nand Gopal Khaitan	00020588	27/09/1996
7	Rakesh Sarin	02082150	18/03/2020
8	Himalyani Gupta	00607140	18/03/2020
9	Anil Wadhwa	08074310	18/03/2020

Ensuring the eligibility 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 DMK Associates**

Company Secretaries

**MONIKA KOHLI**

B.Com (H), FCS, LL.B., IP

Partner

FCS 5480

C.P. 4936

Peer Review No. 779/2020

Place: New Delhi  
Date: 11 May 2022  
UDIN: F005480D000300335



## CEO/CFO CERTIFICATION

To  
The Board of Directors  
AGI Greenpac Limited  
(Formerly known as HSIL Limited)

We hereby certify that:

- a) We have reviewed financial statements and cash flow statement of AGI Greenpac Limited (Formerly known as HSIL Limited) ('the Company') for the year ended 31 March 2022 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - ii. 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 above said period which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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:
  - i. significant changes in internal control over financial reporting during the above said period;
  - ii. significant changes in accounting policies during the above said period and that the same have been disclosed in the notes to the financial statements; and
  - iii. 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: Gurugram  
Date: 11 May 2022

**Sandip Somany**  
Vice-Chairman and Managing Director

**O.P. Pandey**  
Chief Financial Officer



## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
M/s AGI Greenpac Limited  
(Formerly known as HSIL Limited)

1. We have examined the compliance of the conditions of Corporate Governance by AGI Greenpac Limited (Formerly Known as HSIL Limited) ("the Company") for the year ended 31 March 2022 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

### Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the designing, implementing and operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations.

### Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

### Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31 March 2022.
6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For DMK Associates**  
Company Secretaries

**CS MONIKA KOHLI**  
Partner  
FCS No. 5480  
COP No. 4936  
Peer Review No. 779/2020

Place: New Delhi  
Date: 11 May 2022  
UDIN: F005480D000300379



# Business Responsibility Report

This report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and its amendments thereon and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India. Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 which came into effect from 5 May 2021, the Company is committed to prepare and submit a Business Responsibility and Sustainability Report (BRSR) in the format as prescribed by the SEBI with effect from the FY 2022-23.

At AGI Greenpac Limited (Formerly known as HSIL Limited), it is ensured that the Company is not only responsible towards well being of its employees and to the extent of paying dividends to its investors but also extends its responsibility towards betterment of the society at large.

Your Company views sustainability as environmental and social responsibility, which allows the Company to deliver on stakeholder expectations. As a responsible corporate citizen, your Company strives to work towards inclusive growth. Your Company has a Code of Conduct that every employee and business partner abide by.

## Section A: General Information About the Company

1. **Corporate Identity Number (CIN) of the Company:** L51433WB1960PLC024539
2. **Name of the Company:** AGI Greenpac Limited (Formerly known as HSIL Limited)
3. **Registered Address:** 2, Red Cross Place, Kolkata - 700001, West Bengal
4. **Website:** [www.agigreenpac.com](http://www.agigreenpac.com)
5. **E-mail ID:** [hsilinvestors@hsilgroup.com](mailto:hsilinvestors@hsilgroup.com)
6. **Financial Year reported:** 1 April 2021 – 31 March 2022
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
  - i. 23103 - Glass Containers
  - ii. 22203 - Pet bottles and Caps & Closures
  - iii. 23922 – Sanitaryware<sup>1</sup>
  - iv. 24320 – Faucets<sup>1</sup>
  - v. 22209 – Other plastic products i.e. PVC Pipes<sup>1</sup>

## 8. List three key products/services that the Company manufactures/provides (as in balance sheet):

- i. Glass Containers
- ii. Pet bottles and Caps & Closures
- iii. Sanitaryware<sup>1</sup>
- iv. Faucets<sup>1</sup>

## 9. The total number of locations where business activity is undertaken by the Company:

- i. **Number of International Locations:** NIL
- ii. **Number of National Locations:** 7\* (Factories, including Corporate Office and Registered Office)

\*This information is furnished as on 31 March 2022 and includes manufacturing plants of Packaging Products Division only and does not include Regional Offices, Stores, Warehouses, Depots, manufacturing plants of Building Products Division etc.

## 10. Markets served by the Company - Local/State/National/International:

LOCAL	STATE	NATIONAL	INTERNATIONAL
Yes	Yes	Yes	No

## Section B: Financial Details of the Company (INR)

1	<b>Paid up Capital:</b>	₹ 1293.99 lakhs
2	<b>Total Income: (From continued and discontinued operations)</b>	₹ 2,40,388 lakhs
3	<b>Total profit after taxes: (From continued and discontinued operations)</b>	₹ 19,330 lakhs
4	<b>Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):</b>	During the year under review, the Company has spent ₹ 206.29 lakhs, which is more than 2% of average net profit of the Company during last 3 financial years.

## 5. List of activities in which expenditure in 4 above has been incurred:

S. No.	Activities as per Schedule VII of the Companies Act, 2013
1	Clause no. (i) promoting health care including preventive health care and sanitation
2	Clause no. (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects

<sup>1</sup>The manufacturing activity of the product is discontinued by the Company w.e.f. 31 March 2022 pursuant to the provisions of the Business Transfer Agreement executed between the Company and Hindware Limited (Formerly known as Brilloca Limited) which is more particularly described in the Directors' Report which forms part of this Annual Report.

Detailed information about Corporate Social Responsibility (CSR) activities of the Company is available as a part of Directors' Report which forms a part of the Annual Report. Refer to Annexure D of the Directors' Report.

### Section C: Other Details

**1. Does the Company have any Subsidiary Company/ Companies?**

The Company does not have any subsidiary as on 31 March 2022.

**2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s).**

Not Applicable

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] -**

The Business Responsibility Policies are applicable to the management and all the employees of the Company. The Company encourages the adoption of BR initiatives by its business partners. Based on dialogue with the suppliers and distributors of the Company, currently, less than 30% of other entities participate in the BR initiatives of the Company.

### Section D: BR Information

**1. Details of Director/Directors responsible for Business Responsibility**

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN : 00053557  
 Name : Dr. Rajendra Kumar Somany  
 Designation : Chairman and Managing Director

b) Details of the BR Head

S. No.	Particulars	Details
1.	DIN (if applicable)	00053557
2.	Name	Dr. Rajendra Kumar Somany
3.	Designation	Chairman and Managing Director
4.	Telephone number	+91-33-22487407
5.	E-mail ID	brr@hindware.co.in

**2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)**

- Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- Principle 3: Businesses should promote the well-being of all employees.
- Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- Principle 5: Businesses should respect and promote human rights.
- Principle 6: Businesses should respect, protect and make efforts to restore the environment.
- Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- Principle 8: Businesses should support inclusive growth and equitable development.
- Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.



**a. Details of Compliance (Reply in Y/N)**

S. No.	Questions	Business Ethics	Sustainability	Employees' Well-being	Stakeholders' Welfare	Human Rights	Environment	Regulatory Policy	Equitable Development	Customer Responsibility
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes, the policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	<a href="https://agigreenpac.com/investor-relations-2/">https://agigreenpac.com/investor-relations-2/</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, any grievances or feedback to the policies can be sent to <a href="mailto:brr@hindware.co.in">brr@hindware.co.in</a>								
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? *	Y	Y	Y	Y	Y	Y	Y	Y	Y

\* Through internal audits

**b. If answer to S. No. 1 against any principle, is 'No', please explain why:**

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									Not Applicable
4.	It is planned to be done within the next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

**3. Governance related to BR**

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year:**

The BR Head annually assesses the BR performance of the Company.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company publishes its Business Responsibility Report, whenever applicable to the Company under the appropriate laws, rules and regulations, which forms a part of Company's Annual Report. The same can be accessed on Company's website at the link: <https://agigreenpac.com/investor-relations-2/>

**Section E: Principle-Wise Performance**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?**

The Company’s policies on Ethics, Transparency and Accountability, along with the Code of Conduct, is applicable to all individuals working in the Company and other group companies. The Company encourages its business partners to follow the code.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

Stakeholder	Complaints received during FY 21-22	Complaints Resolved during FY 21-22	Complaints Resolved (%)
Investors’ Complaints	10	10	100
Consumers’ Complaints	Nil	Nil	Nil
<b>Total</b>	<b>10</b>	<b>10</b>	<b>100</b>

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- **Packaging Products Division**
  - Installed ESP to reduce air pollution
  - Installed 16 MW solar power plant to increase the use of renewable energy and additionally solar power plant capacity of 3.60 MW is being undertaken,
  - Used natural gas in place of furnace oil to reduce environmental emissions
- **Building Products Division**
  - » **Sanitaryware and Faucets**  
 For Sanitaryware, the International Association of Plumbing and Manufacturing Officers USA (IAPMO), one of the reputed body which provides star rating to the products, has star rated 24 products of the Company for excellent flushing efficiency and water saving. Three of these products are as under:
    - I. EWC One pc Olivia ‘S 220
    - II. EWC W/M Enigma
    - III. EWC Cleo ‘S with cistern

Further, 26 products have been certified as green products by GRIHA-Green Rating for Integrated Habitat Assessment. Three of these products are as under:

- I. EWC 1 Pc Elba Rimless (S 220)
- II. EWC WM Crystal
- III. Extd Wall Mounted Closet Etios with Cistern

93 products have received green pro certification by CII- Green Product and Services Council for excellent water saving. Three of these products are as under:

- I. EWC 1 PC CEDAR S 220
- II. EWC WM AMAZON AQUA SHEET
- III. EWC EXT. WM CORNICE SLIM WITH CISTERN

For Faucets business, keeping the environment protection as main focus area, the Company has developed innovative water saving products and because of these 145 products of the Company got certified as Green Products by CII for excellent water saving. AGI Greenpac Limited (Formerly known as HSIL Limited) is the first Company to receive Green Pro Certification for these products categories.

Further adding to the above, faucets business has launched following innovative range for water conservation and safety enhancement:

- I. Sensor faucets
- II. Press - matic faucets

» **Pipes Business**

- a. CPVC Pipes
- b. UPVC Pipes
- c. SWR Pipes

The Pipes business plant is ISO 9001:2005 certified. The Plastic piping systems are a sustainable and environmentally responsible choice by construction and agriculture Industry because of the following major features which contribute to sustainability:

- 100% lead free material
- low carbon footprint
- light weight and fuel-efficient transport (Telescopic)
- safe inert raw materials
- easy installation and long service life



**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

• **Packaging Products Division**

Each MT of Glass Production requires the below resources:

Electricity: 385 Units

Fuel: 127 Kgs

• **Building Products Division**

	Energy (units per Kg.)		Water (Ltrs. per Kg)	
	2020-21	2021-22	2020-21	2021-22
Finished Good	0.53	0.60*	0.40	0.40

\*Power cost is increased compared to previous year as column pipe production tonnage is not considered as it is post extrusion finishing activity.

**a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

• **Packaging Products Division**

Reduction of raw material cost by developing local and alternative vendors, and value savings through import substitution for machine parts, and reduction of packaging cost by redesigning and optimisation.

• **Building Products Division**

» **Sanitaryware and Faucets**

For Sanitaryware, the design team of the Company focuses on the development of innovative water saving products, which give ease of operation to the user and conserve water, one of very scarce natural resource. In manufacturing, the Company strives hard to improve products yield and minimise wastages. The Sanitaryware business of the Company is the first business to have its R&D Centre recognised by Ministry of Science & Technology, Government of India. The R&D team works hard on developing cheaper raw material substitutes and improving yield. The Company focuses on minimising/reuse of in-house process wastages which helps in controlling the input cost and achieving environmental protection.

For Faucets, various local vendors are being developed for outsourced components. VA/VE activities are deployed at the plant. Recently, a peeling process for cost innovative solutions has been introduced by the Company without compromising on quality.

» **Pipes Business**

- STP treated water is used for the landscape purpose and capture 100% rainwater through RWH pits. Hence, resulting in zero discharge of water.
- Adopting distributorship model to supply the finished products and also uses reverse logistics mechanism for container loads to minimise the CO<sub>2</sub> emissions for out bound logistics.
- All the vehicles used for outbound transportation are minimum BS IV Compliant.
- As part of the green initiatives, the Pipes business always strives to adopt energy and water efficiency initiatives in the manufacturing process.

**b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

• **Packaging Products Division**

Fuel consumption for transporting lower volumes of glass has been saved by reducing the bottle weight by 15% to 20% on certain specific segments. An effluent treatment plant has been installed which aids in the reduction of water usage, reuse of water and ensuring zero liquid discharge.

Various measures have been taken to reduce our plant electrical energy consumption like installation of energy-efficient air cooler for compressor, bellmouth for cooling blowers, reduction in compressed air leakages, reduction in losses in boosting transformers, LED lightings, etc. which have reduced the impact of the low draw in overall plant power consumption.

• **Building Products Division**

» **Sanitaryware and Faucets**

Sanitaryware: The products are certified by reputed certifying bodies such as IAPMO, GRIHA, CII- Green product and Services Council for excellent performance and water saving. Each of the Company's product when used in the toilet saves around 65,000 liters of water per family (Average family of 4 people) per year.

Faucets: Each product when used saves around 50,575 liters of water per family (Average family of 4 people) per year.

## ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

### » *Pipes Business*

Actual usage of products varies from customer to customer. However, because of ease in jointing procedure, customers save their ownership cost and time during installation of pipes and fittings.

### 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

#### • **Packaging Products Division**

- Usage of Glass Cullet for recycling which leads to saving natural resources as well as reduction in melting energy. Usage of Glass Cullet is about >30% of inputs.
- Developing own mines and crushing plants for input materials nearby manufacturing units for continuity of supply and lower transport cost.
- Bulk Soda Ash has been procured from Kenya through Concur which aids in reducing frequent vehicle movement and carbon footprint.

#### • **Building Products Division**

- The consumable raw materials and packaging materials are sourced locally without compromising on the quality expectations so that carbon emissions are reduced during inbound transportation.

### 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

#### • **Packaging Products Division**

Except for soda ash, which is imported, all the raw materials (glass cullet, quartz sand, all cardboard packaging materials) are sourced from local suppliers. The fuels are sourced from local suppliers both PSUs and private suppliers. The effort is being made to source regular inputs and services from the local producers including but not limited to MSME vendors. The Company works with the local suppliers to increase their capability and productivity.

#### • **Building Products Division**

##### » *Sanitaryware and Faucets*

Sanitaryware: The raw material suppliers are from the local areas and mostly SMEs. Any raw material received is checked for the quality parameters by R&D, any deviation found is communicated to the concerned

vendor and if required the experts from R&D team also visit their site for helping them in improving the process to get good quality material with minimum wastages. Similarly, the Company works on new vendor development by deputing the experts for helping them to improve their raw material quality from time to time to match the Company's standards.

Faucets: For Faucets manufacturing, many outsourced components are procured from small vendors located nearer to the plant. This has enabled us to minimise the Company's inventory levels due to faster delivery time and reduction in transportation cost. The Company's design, R&D team continuously help small vendors in developing dies & tools also by applying the advanced methods and technologies to improve the accuracy, minimise wastages and reduce cost so that their manufacturing processes become more efficient and cost effective.

### » *Pipes Business*

As a continuous process, the Company develops local small-scale vendors to source the locally available materials. These small vendors play an important segment in the supply base of the Company. Under the education and awareness, during the regular interactions with these vendors, the Company encourages and shares ideas with them to come up with new innovations and follow the sustainable guidelines during their production processes and services. The Company also supports them with minimum order quantities to increase their capacities.

### 5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

#### • **Packaging Products Division**

- Waste generated from glass bottle production (rejections) during the manufacturing cycle is 100% reused which is >10%.
- ESP (Electrostatic Precipitator) is being used to remove sox and particulate matter from chimney flue gas. Waste collected through the ESP plant is reused as raw material.
- Effluents are treated and recycled >10%.
- The effluent treatment plant has been made operational thereby reducing water usage



and reuse of water and ensuring zero liquid discharge > 10%.

• **Building Products Division**

» **Sanitaryware and Faucets**

For Sanitaryware, all the green rejects are recycled and used as part replacement of fresh raw materials. Special equipments have been installed to grind and reuse the fired rejections also to a large extent.

In Faucets plant, there is no wastage of metal as metal rejections are re-melted and used. The focus is on minimising the wastages of packing materials by multiple use at various stages of the manufacturing.

Both Sanitaryware and Faucets plants reuse water after proper treatment and are zero liquid discharge plants.

» **Pipes Business**

The Pipes business continuously strives towards decreasing the generation of waste during the process stages itself. Also, the Pipes business has systems in place for segregating the waste generated and ensuring efficient recycling of this waste. Whatever usable waste generated during the processing is 100% recycled by grinding and re-processed.

The Pipes business has in-house grinders to grind and re-use its own process wastes and also installed extruder/pelletizing machine for making granules.

The Company has installed 10 online grinding systems to recycle the runner material, so that the usage of Diesel, Forklifts is minimised which has contributed to offset the carbon emission.

Negligible non-usable waste is handed over to CPCB/SPCB authorised scrap vendors.

**Principle 3: Businesses should promote the well-being of all employees**

1. Please indicate the total number of employees. - 2993 (permanent employees)
2. Please indicate the total number of employees hired on temporary/contractual/casual basis. - 3591
3. Please indicate the number of permanent women employees. - 18

4. Please indicate the number of permanent employees with disabilities - 2

5. Do you have an employee association that is recognised by management? - Yes

6. What percentage of your permanent employees is members of this recognised employee association? - 62%

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees: Packaging Products Division - 78%, Building Products Division - 59%.

(b) Permanent Women Employees: NIL

(c) Casual/Temporary/Contractual Employees: Packaging Products Division - 84%, Building Products Division - 80%.

(d) Employees with Disabilities - NIL

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes, the Company's key stakeholders include employees, suppliers, customers, business partners, regulatory agencies and local communities around its sites of operation.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders within the local communities around its sites of operation.



**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

During the year under review, the Company approved various programmes under Corporate Social Responsibility i.e. providing basic healthcare facilities, skill enhancing vocational training, contribution for prevention and relief measures for COVID-19, installation of CCTV cameras and street lights, contribution for providing ambulance van and contribution to Vision Foundation of India towards free cataract surgeries of the marginalised strata of the society under Project Rashtriya Netra Yagna which are helpful to various stakeholders of the local community.

**Principle 5: Businesses should respect and promote human rights**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company follows its policy on human rights, which is applicable to all employees in the Company and other group companies. The Company encourages its business partners to follow the policy. The Company discourages dealing with any supplier/contractor if it is in violation of human rights and also prohibits the use of forced or child labour at all manufacturing units/with business associates.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaint was received pertaining to human rights violation during the reporting period.

**Principle 6: Businesses should respect, protect and make efforts to restore the environment.**

**1. Does the policy relate to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

The policy related to Principle No. 6 covers all our manufacturing plants as well as major suppliers and contractors.

**2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The Company is aware of environmental concerns and always strives to reduce the environmental impact:

- **Packaging Products Division**

The Packaging Products Division of the Company has installed additional ESP to remove sox and particulate matter from flue gas. It has also

installed rooftop and ground mounted solar plants for generating power without use of thermal or hydel sources. Further, the Packaging Products Division of the Company has also started the use of natural gas as alternative to furnace oil etc. which is much more environmentally friendly.

Consistent efforts are also being made to develop and maintain green belts around the various plants and to use environment friendly products for daily use.

- **Building Products Division**

- » **Sanitaryware and Faucets**

As alternate source of energy, the Building Products Division of the Company has installed 3518 KW solar generation system across three plants. Effluent treatment plants and sewage treatment plants have also been working in the plants enabling reuse of treated water to a great extent. All the plants of the Company are zero liquid discharge plants.

- » **Pipes Business**

The following steps have been taken to reduce the environmental impact:

- Procured energy efficient equipments only
- Rooftop solar PV
- Minimising the use of DG sets
- 100% LED lighting
- Increased green cover within the factory
- Encouraged employees to use car pooling
- Provided vehicle charging points in parking area for electric vehicles.

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes, the Company is regularly working to assess potential environmental risks to a great extent and has shifted from oil firing equipments to firing by cleaner fuel which is natural gas/LPG/electricity. This has resulted in reduction of sulphur and CO emissions.

Developing more and more water saving products is a continuous process across all plants of the Company.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

- **Packaging Products Division**

The Packaging Products Division of the Company has natural harvesting pits and rainwater harvesting bunds to collect the rainwater,



dust collectors provided to control the dust emissions in raw material handling plant, online continuous stack monitoring system provided for the chimney.

- **Building Products Division**

- » **Sanitaryware and Faucets**

For Sanitaryware, the Company has installed all equipments required for meeting emission norms for air and water and regularly submits test reports to the environmental authorities in the respective states. The Company also has rainwater harvesting systems in all plants. In the Faucets plant, the Company has installed 3<sup>rd</sup> stage RO and MEE (Zero Liquid Discharge).

- » **Pipes Business**

For Pipes business the Company does not have any projects registered for clean development mechanism.

However, to reduce carbon emissions, the majority of the consumables and chemicals have been sourced locally within 200 km range so that the CO<sub>2</sub> emissions from transport can be reduced.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

- **Packaging Products Division**

The Packaging Products Division of the Company has installed 16 MW of Solar Power in rooftop and ground-mounted at 4 sites and is in the process of increasing the use of solar power by an additional 3.60 MW at its various locations. During the year, the Company has tied up for procurement and use of environment friendly natural gas in its production process as a substitute to petroleum-based inputs. To increase energy efficiency, the Company has conducted energy audits by CII and others and implementing the proposed initiatives. Energy efficient LED lights, star rated other equipment like ACs, motors etc. are being used in the plant.

- **Building Products Division**

- » **Sanitaryware and Faucets**

Yes, as already mentioned above, the Building Products Division of the Company has installed 3518 KW solar power generation systems and it has been regularly working to minimise the wastages and improve the inputs cost and to achieve reduction in power, fuel and water consumption.

- » **Pipes Business**

For reducing the negative environmental impact/carbon footprint, the Pipes business of the Company has installed roof top solar PV and which generated 848666 units in the year 2021-2022. Entire waste water generated is treated using STP. Drip irrigation system with sprinklers is used for minimum usage of water for up-keeping the landscaping. Other initiatives are as follows:

- All the process equipments are fitted with IE3 motors
- 100% LED lights both internal and external
- Harvesting natural day light
- 100% rainwater harvesting
- The Company has installed SG Crane system to unload the RM bags which has helped in reducing the dependency on the forklifts and minimised the usage of diesel around 10 Ltrs. per day.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

- **Packaging Products Division**

Packaging Products Division of the Company has installed Go Green gas-based ACs, LED Lighting underutilization, Energy Efficient Motors, Heatless Vaporizers, and waste generated by the Company are within the permissible limits as prescribed by TSPCB. Hazard waste Form 4 is submitted to PCB on regular basis.

- **Building Products Division**

- » **Sanitaryware and Faucets**

As already mentioned, the Company has latest ETP & STP plants for treatment of the waste water & sewage. In the manufacturing processes also, the Company has installed effective dust collection systems as per the requirement. The Company is meeting all prescribed emission norms and required returns are filed with respective authorities in this respect.

- » **Pipes Business**

The Pipes Business regularly follows all the guidelines of local PCB and CPCB norms. All these emissions and waste generated are within the permissible limits. For the treatment of waste water generated, the Pipes Business has soil biotechnology type STP within our boundaries and the treated water is used for the purpose of

## ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

landscape watering and shop floor cleaning. There are no machines that generate harmful emissions.

### **7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at end of Financial Year.**

The Company does not have any unresolved show cause/legal notice from CPCB/SPCB as on end of the financial year.

### **Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

#### **1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- (a) PHD Chamber of Commerce and Industry
- (b) Federation of Indian Chambers of Commerce and Industry (FICCI)
- (c) Water Management and Plumbing Skill Council (Formerly known as Indian Plumbing Skills Council)
- (d) Indian Council of Sanitaryware Manufactures
- (e) The All India Glass Manufactures' Federation
- (f) Merchant Chamber of Commerce and Industry, Kolkata

#### **2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Issues from various states, where the Company has its plants and gets affected, because of change in applicable laws, the Company interacts with them to take up the matter with respective government departments.

### **Principle 8: Businesses should support inclusive growth and equitable development.**

#### **1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company undertakes the initiatives through the CSR Committee of the Board as per the CSR Policy of the Company. A brief outline of the policy for undertaking the CSR activities of the Company includes the following:

- Promoting healthcare, water and sanitation programmes;
- Promoting education, enhancing vocational skills and livelihood enhancement projects;
- Rural development, social upliftment programmes and promotion of art and culture;
- Relief, rehabilitation and reconstruction activities as part of disaster; and
- Ensuring environmental sustainability, ecological balance and animal welfare.

These projects are in accordance with Schedule VII of the Companies Act, 2013 read with rules made thereunder and amendments thereto.

#### **2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

The aforesaid projects have been carried out by the Company directly, through its own foundation which coordinates with other implementing agencies. The details can be found in Annexure D of the Directors' Report which forms a part of the Annual Report.

#### **3. Have you done any impact assessment of your initiative?**

No, the Company has not done any impact assessment of its initiative. However, the CSR Committee of the Company internally reviews and evaluates its initiatives at the end of each year to understand the efficacy of the programmes in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

#### **4. What is your Company's direct contribution to community development projects Amount in INR and the details of the projects undertaken?**

The Company has spent the majority amount on community development projects. More information on CSR activities of the Company is disclosed in Annexure D of the Directors' Report which forms a part of the Annual Report.

#### **5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, initiatives conducted under CSR are tracked and monitored to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, monthly reports, and follow-up field visits are regularly carried out. The Company



has engaged its employees to drive and monitor CSR activities.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/consumer cases are pending as on the end of the financial year:**  
NIL

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).**

Our packaged products carry information as required under Legal Metrology Act, 2009 and related rules. Besides this, the Company also provides information related to product installation, do's and dont's for product usage.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

A dealer filed a case against the Company before Hon'ble Competition Commission of India (CCI) in

the year 2013 for violation of certain provisions of the Competition Act. The Hon'ble CCI vide its order dated 5 February 2014 found that no prima facie case was made out against the Company and closed the matter u/s. 26(2) of the Competition Act. The dealer preferred an appeal before the Hon'ble Competition Appellate Tribunal (COMPAT) against the said order and the Hon'ble COMPAT vide its order dated 7 July 2014 disposed off the appeal by giving liberty to the dealer to approach the Commission for any possible violations of the Competition Act. Subsequently, the dealer filed the case for the second time before CCI wherein again Hon'ble CCI found that no prima facie case of contravention of the provisions of Competition Act was made out against the Company. Thereafter, the dealer filed an appeal before Hon'ble COMPAT against the order of Hon'ble CCI and said appeal was dismissed by Hon'ble COMPAT vide order dated 29 November 2016. However, the said dealer has preferred an appeal before Hon'ble Supreme Court against the said Order of Hon'ble COMPAT and said appeal is subjudice.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Yes, the Packaging Products Division of the Company carried out the Consumer Satisfaction Survey and the results of the survey are satisfactory.

# Independent Auditor's Report

To the Members of AGI Greenpac Limited (formerly known as HSIL Limited)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of AGI Greenpac Limited (formerly known as HSIL Limited) ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

Attention is drawn to:

- (i) Note no. 64 regarding the utilisation of the Business Reconstruction Reserve ('BRR') to the extent of ₹ 1,640 lakh, which was created in accordance with a scheme of arrangement ("the scheme") approved by Hon'ble High Court of Calcutta. During the year, the Company has written off slow moving inventory (note no. 64 of) amounting to ₹ 1,640 lakh and charged the same as exceptional item to Statement of Profit and Loss of that year, and withdrawn equivalent amount from BRR.

Our opinion is not modified in respect of the above matter.

### 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 for the year ended 31<sup>st</sup> March 2022. 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.

Description of Key Audit Matter	How our audit addressed the key audit matters
<b>Valuation of Financial Instruments</b>	
<b>Valuation of Financial Instruments - Investments (held at fair value)</b>	
The company has investment in unlisted equity shares of Andhra Pradesh Gas Power Corporation Limited (APGPCL) amounting to ₹ 2,086.00 lakh (PY ₹ 1,104.23 lakh) as on balance sheet date. (Refer note no. 7 to the financial statements)	Our audit procedure includes the following:
The investment was made for specific purpose to meet certain criteria for power purchase. The said investment is measured at Fair Value through Other Comprehensive Income.	<b>Control testing:</b>
We have considered the valuation of financial instruments as key audit matter considering complexities and financial impact involved over financial statements.	<ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of key Controls.</li> <li>• Controls over the validation, completeness, implementation and usage of valuation models.</li> </ul>
	<b>Independent performance:</b>
	<ul style="list-style-type: none"> <li>• Our own valuation specialists independently challenged management on the valuations where they were found outside our expected range.</li> </ul>
	<b>Methodology choice:</b>
	<ul style="list-style-type: none"> <li>• We evaluated the sensitivity analysis of the company made by the management around the key assumptions, to ascertain the extent of change in those assumptions that would be required for the investment to be impaired. In the context of observed industry practice, our own valuation specialists assisted us in challenging the appropriateness of significant models and methodologies used by an independent valuer in calculating fair values, risk exposures, completeness of risk factors, and in calculating Fair Valuation Assessments (FVAs).</li> </ul>
	Based on the above procedures performed, we did not identify any significant exception in the management assessment used in fair valuation of APGPCL as at 31 <sup>st</sup> March 2022.

**Description of Key Audit Matter****How our audit addressed the key audit matters****Sale & transfer of BPD Undertaking by way of slump sale**

The company has entered into Business Transfer Agreement for sale and transfer of its BPD Undertaking engaged in the business of manufacture of sanitaryware, faucets and plastic pipes (PVC and CPVC) and fittings, through its manufacturing plants to M/s. Hindware Limited (formerly Brilloca Limited), a related party by way of slump sale. (Read with note no. 61)

The sale of BPD undertaking, being an independent segment of the company has been treated as discontinued operations & presentation & disclosure requirements as per Ind AS 105 has been made.

Fair value was determined by the mutual agreement between the company and Hindware Limited with the assistance of an external valuation expert using various valuation models.

Our audit procedure included –

**Checking and review of:**

- i) Resolution passed by the Board of Directors, Audit Committee and Shareholders of the Company;
- ii) Business Transfer Agreement (BTA) executed between the Company and Hindware Limited.
- iii) Regulatory filings made with various regulators /intermediaries including Stock Exchanges.

We have gained an understanding of the work of the experts by reviewing the valuation reports based on the mandate given by Board of Directors of the company.

We have assessed the adequacy of the company's disclosures made in the financial statements in respect of slump sale transaction in accordance with respective Ind Accounting Standards.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

We have nothing to report in this regard.

**Responsibility of Management and Those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of

the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgements 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, the 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

## ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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.

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 for the financial year ended 31<sup>st</sup> March 2022 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

### 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 paragraphs 3 and 4 of the Order, to the extent applicable.
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 Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended);
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none



of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 51 to the financial statements;
  - ii) The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2022.
  - iv) (i) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, no funds (which are material either individually or in aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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.
  - (iii) Based on such audit procedures that we have 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) above as required by rule 11('e) of Companies (Audit and Auditors) Rules 2014, as amended, contains any material mis-statement.
- v) (i) The dividend declared and paid by the company during the year is in compliance with section 123 of the Companies Act, 2013. (Refer note no. 20)
- (ii) The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members in the ensuing General meeting. The amount of dividend proposed is in accordance with section 123 of the Companies Act, 2013. (Refer note no. 67)
- (h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided for by the Company to its directors during the year in accordance with the provisions of Section 197 read with Schedule V to the Act.

For **LODHA & CO.**

Chartered Accountants

ICAI Firm Registration Number: 301051E

**N.K. Lodha**

Partner

Place: New Delhi  
Date: 11<sup>th</sup> May 2022

Membership Number: 085155  
UDIN: 22085155AIUCVR5207



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

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of AGI Greenpac Limited (formerly known as HSIL Limited) for the year ended 31<sup>st</sup> March 2022)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE), Investment Properties (IP) and relevant details of Right-of-use-Assets (ROU).
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) As per the physical verification program, Property, Plant and Equipment were physically verified during the year by the Management according to the phased program designed to cover all the items over a period of three years (accordingly during the year, a portion of the property, plant and equipment have been physically verified) which, in our opinion, provides for physical verification at reasonable intervals. Based on information and records provided, 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 property tax receipts and lease agreements and/ or registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties disclosed (except properties where the Company is the lessee and lease agreements are duly executed in the favour of the Company) in the financial statements and included in property, plant and equipment including investment property are held in the name of the Company as at the balance sheet date except title deed of certain immovable properties (freehold land and buildings) as indicated in the below mentioned case, however, the deed of merger/amalgamation has been registered by the company:-

(Amount in ₹ lakh)

Description of property	As at Balance Sheet Date	Held in name of	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Gross Company
	Gross Carrying Value	Carrying Value in the financial statements				
Land, Glass-1, Sanathnagar	17,191.01	17,191.01	Associated Glass Industries Limited	No	29.06.1981	This land was acquired through acquisition of Associated Glass Industries Limited which got merged/ amalgamated with the company and name change in the name of the company is pending.

Refer note 62

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued any of its PPE (including IP & ROU) & Intangible assets during the year.
- (e) According to the information and explanations given to us and records provided, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) As per the physical verification program, the inventories of the Company (except stock lying with the third parties and in transit, for which confirmations have been received/material received) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. Discrepancies noticed were not of 10% or more in the aggregate for each class of inventories on such physical verification of inventories when compared with books of account and have been properly adjusted.
- (b) According to the information and explanations given to us and as per the records verified, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns / statements filed



by the Company with such banks or financial institutions are generally in agreement with the books of account of the Company of the respective quarters.

- (iii) (a) According to the records and information and explanation made available to us, the Company has not provided any guarantee or security, and 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. However, the company has made investment in a company (Vyashali Energy Pvt. Ltd.) during the year.
- (b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) The Company does not have any loans or advances in the nature of loans outstanding at the beginning as well as end of the year, hence reporting under clause (iii)(c), (iii)(d) & (iii)(e) are not applicable.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3 (iii)(f) is not applicable.
- (iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans granted, investments made and guarantees and securities provided, wherever applicable, the Company has complied

with the provisions of the Section 185 and 186 of the Companies Act, 2013.

- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and rules framed thereunder, hence, we do not offer any comment on the same.

According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products and services. Accordingly, the provisions of clause (vi) of the Order are not applicable to the company.

- (vii) a) According to the records of the Company, the Company is generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable. There were no undisputed statutory dues payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2022 for a period of more than six months from the date they become payable.

- b) According to the records and information & explanations given to us, the details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of any disputes are given below:

Name of Statute	Nature of Due	Period	Amount (₹ in lakh)	Forum where matter is pending
The Central Excise Act, 1944	Excise Duty	1987-89	27.81	Commissioner of Central Excise, Rohtak
	Cenvat Credit	2007-08	11.09	Customs , Excise and Service Tax Appellate Tribunal, Bangalore
	Service Tax Input Credit	2006-07	3.08	Commissioner (Appeals), Hubli
	Excise Duty	1999-20	24.26	Customs , Excise and Service Tax Appellate Tribunal, Bangalore
	Excise Duty	2010-11	9.71	Assistant Commissioner, Central Excise, Hubli
	Excise Duty	2004-05 to 2005-06	14.98	Assistant Commissioner, Central Excise, Hubli
Finance Act, 1994	Service Tax	2012-13 to 2014-15	128.70	Custom, Excise & Service Tax Appellate Tribunal, Delhi

ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

Name of Statute	Nature of Due	Period	Amount (₹ in lakh)	Forum where matter is pending
The Central Sales Tax Act and Value Added Tax Act	Sales Tax	2016-17	19.69	Telangana VAT Appellate Tribunal, Hyderabad
	Sales Tax	2012-13	12.59	High Court Judicature of Telangana
	CST	2017-18	16.72	Appellate Deputy Commissioner of Commercial Tax, Punjagutta, Hyderabad
AP VAT Act	VAT	2011-12 & 2012-13	0.66	Asst. Commissioner (CT) LTU, Nalgonda Division, Nalgonda
Telangana Tax on Entry of Goods into Local areas Act, 2001	Entry Tax	2011-12 to 2016-17	1,926.66	Telangana High Court, Hyderabad
	Entry Tax	2012-13 to 2016-17	1,043.35	Telangana High Court, Hyderabad
	Entry Tax	2017-18	95.52	Telangana High Court, Hyderabad
Entry Tax Act, 2001	Entry Tax	2011-12 to 2016-17	52.59	Telangana High Court, Hyderabad
GST Act 2017	Good and Service Tax	July-17 to Nov-17	107.66	Telangana High Court, Hyderabad
Income Tax Act, 1961	Income - Tax	Assessment Year 2012-13	3.84	Commissioner Income Tax (Appeals), Hubli

- (viii) As per the information and explanations and records provided, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) As per the information and explanations and records provided, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) As per the information and explanations and records provided, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief and information and records provided, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company and information provided, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the records and information and explanation made available to us, the Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) According to the records and information and explanation made available to us, the Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.
- (x) (a) 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) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x) (b) of the Order is not applicable to the Company.
- (xi) (a) Based on the audit procedures performed and on the basis of information and explanations provided by the management, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management and records provided, there were 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 and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details



of related party transactions have been disclosed in the financial statements as required by the applicable Indian 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 issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.
- (xv) On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) As per the information and representations provided, 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), (b) and (c) of the Order is not applicable. As per the explanations provided and based on the information, the Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities (as per the payment schedule/ re-scheduled), 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 and/ or certificate with respect to meeting financial obligations by the Company as and when they fall due. 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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year. (Refer Note 56)
- (xxi) The Company is not required to prepare Consolidated Financial Statements and accordingly reporting under clause 3(xxii) of the Order is not applicable.

For **LODHA & CO.**  
Chartered Accountants  
ICAI Firm Registration Number: 301051E

Place: New Delhi  
Date: 11<sup>th</sup> May 2022

**N.K. Lodha**  
Partner  
Membership Number: 085155

## 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 report of even date)

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

#### **Opinion**

We have audited the internal financial controls over financial reporting of AGI Greenpac Limited (formerly known as HSIL Limited) ("the Company") as of 31<sup>st</sup> March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and



not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & CO.**  
Chartered Accountants  
ICAI Firm Registration Number: 301051E

Place: New Delhi  
Date: 11<sup>th</sup> May 2022

**N.K. Lodha**  
Partner  
Membership Number: 085155

## Balance Sheet

as at 31 March 2022

(₹ in lakh)

Particulars	Note	As at 31 March 2022 (Post slump sale refer note 61)	As at 31 March 2021
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	4a	1,11,424.62	1,80,993.83
(b) Right of use assets	4a	307.20	1,929.74
(c) Capital work-in-progress	4b	30,396.92	3,052.21
(d) Investment property	5	41,054.97	-
(e) Other intangible assets	6	121.55	209.77
(f) Financial assets			
(i) Investments	7	2,092.83	1,112.33
(ii) Loans	8	75.50	-
(iii) Other financial assets	9	1,536.39	1,734.13
(g) Non current tax assets (net)	10	-	2,208.29
(h) Other non-current assets	11	2,937.05	5,779.88
<b>Total non-current assets</b>		<b>1,89,947.03</b>	<b>1,97,020.18</b>
<b>2 Current assets</b>			
(a) Inventories	12	30,162.19	43,613.81
(b) Financial assets			
(i) Trade receivables	13	30,639.90	31,729.85
(ii) Cash and cash equivalents	14	3,977.48	373.58
(iii) Bank balances other than (ii) above	15	1,884.28	1,967.08
(iv) Loans	16	21.00	-
(v) Other financial assets	17	60,352.54	3,403.52
(c) Other current assets	18	10,514.08	7,494.21
(d) Group of assets classified as held for sale	61(ii)	450.95	-
<b>Total current assets</b>		<b>1,38,002.42</b>	<b>88,582.05</b>
<b>Total assets</b>		<b>3,27,949.45</b>	<b>2,85,602.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	19	1,293.99	1,293.99
(b) Other equity	20	1,37,914.21	1,22,061.81
<b>Total equity</b>		<b>1,39,208.20</b>	<b>1,23,355.80</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	86,364.95	67,539.71
(ii) Lease liabilities	22	-	94.46
(iii) Other financial liabilities	23	772.20	785.23
(b) Provisions	24	622.05	883.82
(c) Deferred tax liabilities (net)	25	25,371.65	25,626.47
(d) Other non-current liabilities	26	765.55	1,034.49
<b>Total non-current liabilities</b>		<b>1,13,896.40</b>	<b>95,964.18</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	27	29,873.03	22,051.53
(ii) Lease liabilities	28	94.46	86.83
(iii) Trade payables	29	-	-
- Due to micro and small enterprise		2,501.06	2,394.76
- Due to others		19,238.58	20,617.95
(iv) Other financial liabilities	30	13,144.61	12,924.26
(b) Other current liabilities	31	6,755.06	7,344.76
(c) Provisions	32	610.44	862.16
(d) Current tax liabilities (net)	33	2,627.46	-
(e) Liabilities associated with the group of assets classified as held for sale	61(ii)	0.15	-
<b>Total current liabilities</b>		<b>74,844.85</b>	<b>66,282.25</b>
<b>Total liabilities</b>		<b>1,88,741.25</b>	<b>1,62,246.43</b>
<b>Total equity and liabilities</b>		<b>3,27,949.45</b>	<b>2,85,602.23</b>

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

As per our report of even date attached

For **Lodha & Co**  
Chartered Accountants  
Firm Registration No. 301051E

**N.K. Lodha**  
Partner  
M. No. 085155

Place : New Delhi  
Date : 11 May 2022

**Sandip Somany**  
Vice Chairman and Managing Director  
DIN: 00053597

**Pulkit Bhasin**  
Company Secretary  
ACS No.: A27686

For and on behalf of the Board of Directors

**Dr. Rajendra Kumar Somany**  
Chairman and Managing Director  
DIN: 00053557

**Om Prakash Pandey**  
Chief Financial Officer

Place: Gurugram  
Date: 11 May 2022



## Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in lakh)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>Continuing operations</b>			
<b>I INCOME</b>			
Revenue from operations	34	1,43,043.47	1,25,989.46
Other income	35	4,292.59	1,407.34
<b>Total income (I)</b>		<b>1,47,336.06</b>	<b>1,27,396.80</b>
<b>II EXPENSES</b>			
Cost of materials consumed	36	43,386.47	35,046.48
Purchases of stock-in-trade	37	240.62	1.32
Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	(4,189.45)	3,285.47
Employee benefits expense	39	14,075.64	12,748.00
Finance costs	40	2,808.42	3,317.09
Depreciation and amortisation expense	41	9,997.89	9,462.87
Other expenses	42	63,123.65	48,273.31
<b>Total expenses (II)</b>		<b>1,29,443.24</b>	<b>1,12,134.54</b>
<b>III Profit before exceptional items and tax from Continuing operations (I-II)</b>		<b>17,892.82</b>	<b>15,262.26</b>
<b>IV Exceptional items</b>			
Inventory write off related to discontinuing operations	43	(1,640.00)	(1,073.02)
Less: Transferred from Business Reconstruction Reserve	64	1,640.00	1,073.02
<b>V Profit before tax from continuing operations (V)</b>		<b>17,892.82</b>	<b>15,262.26</b>
<b>VI Tax expense</b>			
Current tax	44	3,688.32	2,137.66
MAT credit entitlement		-	(531.54)
Earlier year income tax		(38.95)	(1,471.48)
Deferred tax		2,603.92	3,647.97
<b>Total tax expense (VI)</b>		<b>6,253.29</b>	<b>3,782.61</b>
<b>VII Profit for the year from continuing operations (V-VI)</b>		<b>11,639.53</b>	<b>11,479.65</b>
<b>Discontinued operations</b>			
<b>VIII Profit before tax from discontinued operations</b>	61(i)	<b>1,986.34</b>	<b>(3,779.71)</b>
<b>IX Exceptional item - gain from slump sale</b>	43	5,775.00	-
<b>X Tax expenses of discontinued operations</b>	61(i)	770.21	(1,106.02)
<b>XI Tax expenses on exceptional items</b>		(699.18)	-
<b>XII Profit for the year from Discontinued operations (VIII+IX+X+XI)</b>	61(i)	<b>7,690.31</b>	<b>(2,673.69)</b>
<b>XIII Profit for the year (XIII=VII+XII)</b>		<b>19,329.84</b>	<b>8,805.96</b>
<b>XIV Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of the defined benefit plan		171.79	(13.60)
(b) Changes in fair value of equity instruments through other comprehensive income		981.77	(61.25)
(ii) Income-tax relating to these items		(403.10)	18.77
<b>Other comprehensive income (net of tax)</b>		<b>750.46</b>	<b>(56.08)</b>
<b>XV Total comprehensive income for the year</b>		<b>20,080.30</b>	<b>8,749.88</b>
<b>XVI Earnings per equity share (of ₹ 2/- each):</b>			
Basic and diluted - Continuing Operations	49	17.99	16.57
Basic and diluted - Discontinued Operations	49	11.89	(3.86)
Basic and diluted - Continuing Operations and Discontinued Operations	49	29.88	12.71

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

As per our report of even date attached

For and on behalf of the Board of Directors

For **Lodha & Co**  
Chartered Accountants  
Firm Registration No. 301051E**Sandip Somany**  
Vice Chairman and Managing Director  
DIN: 00053597**Dr. Rajendra Kumar Somany**  
Chairman and Managing Director  
DIN: 00053557**N.K. Lodha**  
Partner  
M. No. 085155**Pulkit Bhasin**  
Company Secretary  
ACS No.: A27686**Om Prakash Pandey**  
Chief Financial OfficerPlace : New Delhi  
Date : 11 May 2022Place: Gurugram  
Date: 11 May 2022



## Statement of Cash Flows

for the year ended 31 March 2022

(₹ in lakh)

Particulars	Year ended 31 March 2022 (Post slump sale refer note 61)	Year ended 31 March 2021
<b>A Cash Flow from Operating Activities</b>		
Profit after exceptional items and tax as per statement of profit and loss from:-		
-Continuing Operations	17,892.82	15,262.26
-Discontinued Operations	7,761.34	(3,779.71)
<b>Profit after exceptional items and tax including discontinued operations</b>	<b>25,654.16</b>	<b>11,482.55</b>
<b>Adjustments for:</b>		
Depreciation & Amortisation	9,997.89	9,462.87
(Gain)/Loss on disposal of property, plant & equipment (net)	(234.59)	(83.29)
Gain arising from slump sale	(5,775.00)	-
Provision for expected credit loss	209.70	743.46
Bad debts written off	0.05	-
Deferred government grant	(244.52)	(116.30)
Net Foreign Exchange (Gain)/Loss	577.87	(562.42)
Provision for doubtful advances	-	24.35
Sundry balances and liabilities no longer required, written back	(488.88)	(459.20)
Interest Income	(341.30)	(1,103.81)
Finance costs	2,808.42	3,317.09
Non-cash items related to discontinued operations	2,685.68	5,921.91
<b>Operating Profit before working capital changes</b>	<b>34,849.48</b>	<b>28,627.21</b>
<b>Working capital adjustments:</b>		
Decrease/ (Increase) in trade and other receivables	77.23	(5,149.29)
Decrease/ (Increase) in inventories	(20,365.52)	(2,816.27)
Decrease/ (Increase) in other assets	(2,922.46)	349.20
Increase/ (Decrease) in trade and other payables	10,760.73	10,789.73
Increase/ (Decrease) in provision	145.83	(62.52)
	<b>22,545.28</b>	<b>31,738.06</b>
Income - tax paid	(5,253.92)	(1,959.94)
Income - tax refund earlier years	784.70	5,097.73
<b>Net cash flows generated from (used in) operating activities after exceptional items</b>	<b>18,076.06</b>	<b>34,875.85</b>
<b>B Cash Flow From Investing Activities</b>		
Payment to acquire financial assets	(0.18)	(0.46)
Proceeds on sale of financial assets	1.09	-
Interest received	342.45	1,138.53
Advance received from Hindware Limited for slump sale	10,900.00	-
Payment for property, plant and equipment	(46,711.86)	(16,998.10)
Proceeds from disposal of property, plant and equipment	578.75	4,752.85
Movement in other bank balances	106.15	348.82
<b>Net cash flows generated from (used in) investing activities</b>	<b>(34,783.60)</b>	<b>(10,758.36)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from borrowings	31,769.00	4,323.05
Repayment of borrowings	(9,049.78)	(5,657.74)
Movement in short term borrowings (Net)	3,159.21	(7,998.93)
Buyback of equity shares	-	(151.98)
Premium and expenses on buyback of shares (refer note 19 & 20)	-	(6,317.10)
Tax on distributable profit (buyback)	-	(1,370.91)
- Principal payment of lease liability	(86.83)	(291.72)
- Interest paid on lease liability	(12.01)	(17.18)



# Statement of Cash Flows

for the year ended 31 March 2022

(₹ in lakh)

Particulars	Year ended 31 March 2022 (Post slump sale refer note 61)	Year ended 31 March 2021
Dividend paid	(2,601.77)	(2,175.05)
Interest Paid	(2,866.39)	(6,580.41)
<b>Net cash flows generated from (used in) financing activities</b>	<b>20,311.43</b>	<b>(26,237.96)</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>3,603.90</b>	<b>(2,120.47)</b>
Cash and cash equivalents at the beginning of the year	373.58	2,494.05
<b>Cash and cash equivalents at year end (refer note 14)</b>	<b>3,977.48</b>	<b>373.58</b>

## The movement in liabilities from financing activities:

	Non-cashflow changes				As at 31 March, 2022
	As at 31 March, 2021	Cashflows	Foreign Exchange	Others	
Long term borrowings	76,717.33	22,719.22	586.70	181.63	1,00,204.88
Short term borrowings	12,873.91	3,159.21	-	-	16,033.12
<b>Total liabilities from financing activities</b>	<b>89,591.24</b>	<b>25,878.43</b>	<b>586.70</b>	<b>181.63</b>	<b>1,16,238.00</b>

## The movement in liabilities from financing activities:

	Non-cashflow changes				As at 31 March, 2021
	As at 31 March, 2020	Cashflows	Foreign Exchange	Others	
Long term borrowings	78,637.34	(1,334.69)	(787.15)	201.83	76,717.33
Short term borrowings	20,872.84	(7,998.93)	-	-	12,873.91
<b>Total liabilities from financing activities</b>	<b>99,510.18</b>	<b>(9,333.62)</b>	<b>(787.15)</b>	<b>201.83</b>	<b>89,591.24</b>

### Notes:-

1. Previous year's figures have been re-grouped/ re-arranged wherever necessary.
2. The Cash flow statement has been prepared under the Indirect method as set out in Indian Accounting Standard (Ind As 7) statement of Cash flows.

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

As per our report of even date attached

For and on behalf of the Board of Directors

For **Lodha & Co**  
Chartered Accountants  
Firm Registration No. 301051E

**Sandip Somany**  
Vice Chairman and Managing Director  
DIN: 00053597

**Dr. Rajendra Kumar Somany**  
Chairman and Managing Director  
DIN: 00053557

**N.K. Lodha**  
Partner  
M. No. 085155

**Pulkit Bhasin**  
Company Secretary  
ACS No.: A27686

**Om Prakash Pandey**  
Chief Financial Officer

Place : New Delhi  
Date : 11 May 2022

Place: Gurugram  
Date: 11 May 2022

# Statement of Changes in Equity

for the year ended 31 March 2022

## A. Equity share capital

Particulars	(₹ in lakh)	
	Number of shares	Amount
<b>Issued and paid up capital</b>		
<b>Balance as at 1 April 2020<sup>^</sup></b>	<b>7,22,96,395</b>	<b>1,445.97</b>
Changes in equity share capital due to prior period errors	-	-
<b>Restated balance at the beginning of the current year</b>	<b>7,22,96,395</b>	<b>1,445.97</b>
Changes in equity share capital during the year*	(75,99,014)	(151.98)
<b>Balance as at 31 March 2021</b>	<b>6,46,97,381</b>	<b>1,293.99</b>
Changes in equity share capital due to prior period errors	-	-
<b>Restated balance at the beginning of the current year</b>	<b>6,46,97,381</b>	<b>1,293.99</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2022</b>	<b>6,46,97,381</b>	<b>1,293.99</b>

<sup>^</sup> Includes ₹ 0.04 lakh forfeited shares

\* Refer note no.19

## B. Other equity

Particulars	(₹ in lakh)									
	Reserves and surplus							Other comprehensive income		Total
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Business reconstruction reserve	Retained earnings	Debt instrument through other comprehensive income	Actuarial gain / (loss)	Equity instruments through other comprehensive income	
<b>Balance as at 1 April 2020</b>	<b>70.92</b>	<b>36,812.98</b>	<b>22,454.56</b>	<b>15.00</b>	<b>17,776.99</b>	<b>46,632.25</b>	-	<b>(230.01)</b>	<b>709.15</b>	<b>1,24,241.84</b>
Profit for the year	-	-	-	-	-	8,805.96	-	-	-	8,805.96
Payment of dividend	-	-	-	-	-	(2,168.89)	-	-	-	(2,168.89)
Buyback of equity shares*	-	(6,392.69)	-	151.98	-	-	-	-	-	(6,240.71)
Transaction cost related to buyback of equity shares*	-	(1,447.29)	-	-	-	-	-	-	-	(1,447.29)
Less: Transfer to statement of profit and loss during the year	-	-	-	-	(1,073.02)	-	-	-	-	(1,073.02)
Other comprehensive income for the year(net of tax)	-	-	-	-	-	-	-	(8.85)	(47.23)	(56.08)
<b>Balance as at 31 March 2021</b>	<b>70.92</b>	<b>28,973.00</b>	<b>22,454.56</b>	<b>166.98</b>	<b>16,703.97</b>	<b>53,269.32</b>	-	<b>(238.86)</b>	<b>661.92</b>	<b>1,22,061.81</b>
Profit for the year	-	-	-	-	-	19,329.84	-	-	-	19,329.84
Payment of dividend	-	-	-	-	-	(2,587.90)	-	-	-	(2,587.90)
Other comprehensive income for the year(net of tax)	-	-	-	-	-	-	-	111.76	638.70	750.46
Less: Transfer to Statement of profit and loss during the year (refer note 64)	-	-	-	-	(1,640.00)	-	-	-	-	(1,640.00)
<b>Balance as at 31 March 2022</b>	<b>70.92</b>	<b>28,973.00</b>	<b>22,454.56</b>	<b>166.98</b>	<b>15,063.97</b>	<b>70,011.26</b>	-	<b>(127.10)</b>	<b>1,300.62</b>	<b>1,37,914.21</b>

\*Pursuant to the open offer for buyback of 75,99,014 nos. equity shares of ₹ 2 each bought and paid up capital of the company stand reduced by ₹ 151.98 lakh and equal amount been transferred to capital redemption reserve.

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

As per our report of even date attached

For and on behalf of the Board of Directors

For **Lodha & Co**  
Chartered Accountants  
Firm Registration No. 301051E

**Sandip Somany**  
Vice Chairman and Managing Director  
DIN: 00053597

**Dr. Rajendra Kumar Somany**  
Chairman and Managing Director  
DIN: 00053557

**N.K. Lodha**  
Partner  
M. No. 085155

**Pulkit Bhasin**  
Company Secretary  
ACS No.: A27686

**Om Prakash Pandey**  
Chief Financial Officer

Place : New Delhi  
Date : 11 May 2022

Place: Gurugram  
Date: 11 May 2022



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## 1. Corporate information

AGI Greenpac Limited (the 'Company') (formerly known as HSIL Limited) is a public limited company incorporated in India. The registered office of the Company is located in Kolkata and the corporate office is in Gurugram. The Company is engaged into the business of manufacturing and selling of Sanitary-ware, Faucets and Pipes under Building Products Division and Container Glass bottles, PET bottles and Security Caps and Closures under Packaging Products segment. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

These financial statements were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on 11<sup>th</sup> May 2022.

## 2. Application of new and revised Indian Accounting Standards ("Ind AS")

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

### 2.1 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### i. Amendments to Ind AS 103: Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the

amendment to have any significant impact in its financial statements.

#### ii. Amendments to Ind AS 16: Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### iii. Amendment to Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### iv. Amendment to Ind AS 109: Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

#### v. Amendment to Ind AS 116 - Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## 3. Significant accounting policies and other explanatory information

### 3.1 Statement of compliance with Indian Accounting Standards (Ind AS)

The financial statements of the Company have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended) and presentation requirement of Division II of the Schedule III of the Companies Act 2013. Accordingly, the financial statements for the year ended 31 March 2022 are prepared complying applicable Ind AS.

### 3.2 Historical cost convention

These financial statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value. (refer accounting policy of financial instruments)

### 3.3 Business combinations

Business combinations involving entities under common control are accounted for using the pooling of interest's method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

### 3.4 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

### 3.5 Revenue recognition

Revenue from contracts with customers are recognized when the performance obligation towards customer have been made i.e. on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction

price (net of variable consideration) allocated to that performance obligation. Revenue is recognized net of sales reductions such as discounts and sales incentives granted. This variable consideration is estimated based on the expected value of outflow.

#### Sale of products:

Revenue from the sale of products is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Sales-related warranties associated with the goods are integral to sales price and cannot be purchased separately, hence they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### Rendering of services:

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

#### Interest and dividends

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive payment is established.

### 3.6 Leases

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or 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



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises 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 leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised 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, if any. 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.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

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

## 3.7 Foreign currency transactions and translations

### Initial recognition

The Company's financial statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

### Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

### Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

## 3.8 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Additionally, when a property given on rent is vacated and the managements intention is to use the vacated portion for the purpose of its own business needs, Investment Properties are reclassified as Buildings. Investment properties are depreciated using the straight-line method over their estimated useful lives which is consistent with the useful lives followed for depreciating Property, Plant and Equipment.

## 3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

## Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

All other borrowing costs are expensed in the period in which they are incurred and reported in finance cost.

### 3.10 Government grants

The Company received refundable government loans at below market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments. The benefit of below- market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received. It is recognized as income when there is reasonable assurance that the Company will comply with all necessary conditions attached to the loans. Income from such benefit is recognized on a systematic basis over the period of the loan during which the company recognizes interest expense corresponding to such loans.

The company is entitled to subsidies from government in respect of certain government schemes.

Subsidies are recognized as income on a systematic basis over the periods in which the related costs for which it is intended to be compensated are expensed.

### 3.11 Employee benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

#### Defined contribution plans

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under Employees Provident Fund and Misc. Provisions Act, 1952 and short fall, if any, shall be made good by the company.

In respect of certain employee's contributions are made to a trust administrated by the Company/ employees.

#### Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet

date. Re-measurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) In case of non-accumulating compensated absences, when the absences occur.

#### Long-term employee benefits

Compensated absences which are allowed to carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

#### Taxation

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

#### Current tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement".

The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. The MAT Credit Entitlement is disclosed under the head 'Deferred tax liabilities (net)'.

### 3.12 Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although Ind AS 12, Income Taxes, specifies limited exemptions.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

### 3.13 Operating cycle

Based on the nature of products/activities of the Company and the normal time between purchase of raw materials and their realisation in cash or cash equivalents, the Company has determined

its operation cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 3.14 Operating expenses

Operating expenses are recognised in statement of profit or loss upon utilisation of the service or as incurred. Expenditure for warranties is recognised when the Company incurs an obligation, which is usually when the related goods are sold.

### 3.15 (a) Property, plant and equipment

Freehold land is carried at historical cost except for certain class of land which had been revalued in financial year 2009-10 and 2011-12. All other items of Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Property, plant and equipment are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.

The carrying amount of assets, including those assets that are not yet available for use, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of asset is determined. An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognised.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises the new part and is depreciated accordingly. Further, when major overhauling/ repair is performed, the cost associated with this is capitalised, if the recognition criteria are satisfied, and is then depreciated over the remaining useful life of asset or over the period of next overhauling due, whichever is earlier. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

reviewed at each financial year end and adjusted prospectively, if appropriate.

## (b) Intangible assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

## (c) Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress includes capital inventory.

### 3.16 Depreciation and amortisation

Depreciation is charged on a pro-rata basis on the straight line method at rates prescribed in Schedule II to the Companies Act, 2013 and is charged to the statement of profit and loss. Freehold land is not depreciated.

The estimated useful life of the items of property, plant and equipment are as follows:

Asset class	Useful life
<b>Property, plant and equipment</b>	
Plant and machinery	7.5-40 years*
Buildings	10-70 years**
Furniture and fixtures	10 years
Office equipment	5 years
Computer	3-6 years
Vehicles	8 years***
<b>Intangible assets</b>	
Technical know-how	10 years
Software	6 years

\* Furnaces, part of the glass plant of the Company, included in plant and machinery, are depreciated over a

life of 6.5 years which is different from life prescribed in Schedule II of the Act, based on independent chartered engineer certificate.

\*\* Temporary sheds, included in buildings, are depreciated over a smaller useful life than mentioned in the above table depending on the actual use of the asset.

\*\*\* Vehicles are being depreciated using written down value method as per life of 8 years mentioned in Schedule II of the Act, having residual value up to 10% at the end of the useful life of the asset.

### 3.17 Impairment of property, plant & equipment and intangible assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

### 3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand & at bank and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

### 3.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## 3.20 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase (net of tax credits where applicable), costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Costs of inventories are determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

## 3.21 Provisions and contingencies

A provision is recognised in the financial statements where there exists a present obligation as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes unless the outflow of resources is considered to be remote. Contingent assets are neither recognised nor disclosed in the financial statements.

## 3.22 Equity, reserves and dividend payments

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares/buyback of shares are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

Dividend distribution payable to equity shareholders are included in other current financial liabilities when the dividends have been approved in a general meeting prior to the reporting date.

## 3.23 Earnings per share

Basic earnings or loss per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during

the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, buyback, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings or loss per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 3.24 Fair value measurement

The Company measures financial instruments such as investments in mutual funds, investment in certain equity shares etc. at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 3.25 Financial instruments

### I. Financial assets

#### a. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

## b. Subsequent measurement

### (i) *Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### (ii) *Financial assets at fair value through other comprehensive income (FVOCI)*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### (iii) *Financial assets at fair value through profit or loss (FVTPL)*

A financial asset which is not classified in any of the above categories are subsequently fair valued through statement of profit and loss.

## c. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 45 details how the Company determines whether there has been a significant increase in credit risk.

## d. De-recognition of financial assets

A financial asset is derecognised when:

- The Company has transferred the right to receive cash flows from the financial assets or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognise the financial asset.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial assets. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## II. Financial liabilities

### Initial recognition and subsequent measurement

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

### III. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

### IV. 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.

### 3.26 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 46.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

### 3.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has mainly two operating/reportable segments: Building Products Manufacturing and Packaging Products segments. In identifying these operating segments, management generally follows the company's service lines representing its main products and services. Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources.

All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Company uses the same measurement policies as those used in its financial statements. In addition, unallocated assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

### 3.28 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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.

### 3.29 Non-Current Assets Held for Sale and Discontinued operations:

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:

- (i) Decision has been made to sell,
- (ii) The assets are available for immediate sale in its present condition,
- (iii) The assets are being actively marketed and
- (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell.

Non-current assets held for sale are not depreciated or amortised.

Discontinued operation is a component of the Company that has been disposed of or classified as held for sale and represents a major line of business.

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## 3.30 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### (i) Estimation of defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### (ii) Estimation of current tax and deferred tax

Management judgment is required for the calculation of provision for income - taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

### (iii) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain property, plant and equipment.

### (iv) Impairment of trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced

by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

### (v) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (refer note 46).

### (vi) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 4a - Property, Plant and Equipment

Description of assets	Land - Freehold	Right of Use Assets	Leasehold improvements	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
<b>I. Gross block</b>										
<b>Balance as at 1 April 2020</b>	<b>49,060.95</b>	<b>1,565.25</b>	<b>165.75</b>	<b>47,223.64</b>	<b>1,24,002.73</b>	<b>694.55</b>	<b>2,323.87</b>	<b>644.90</b>	<b>4,044.02</b>	<b>2,29,725.66</b>
Additions	-	478.52	-	540.03	12,907.00	65.37	435.92	106.62	302.45	14,835.91
Disposals/adjustment	(11.50)	52.75	-	438.57	7,837.86	32.05	(293.49)	102.46	(364.81)	7,793.89
<b>Balance as at 31 March 2021</b>	<b>49,049.45</b>	<b>2,096.52</b>	<b>165.75</b>	<b>48,202.24</b>	<b>1,44,747.59</b>	<b>791.97</b>	<b>2,466.30</b>	<b>853.98</b>	<b>3,981.66</b>	<b>2,52,355.46</b>
Additions	-	-	-	125.16	17,452.20	140.45	179.74	174.44	972.46	19,044.45
Disposals/adjustment	-	-	-	-	(6,695.78)	(5.03)	(3.11)	(18.00)	(289.93)	(7,011.85)
Reclassification to investment property (refer note 5)	(29,480.96)	-	-	(14,074.99)	-	-	-	-	-	(43,555.95)
Deletion on account of discontinued operations (refer note 61)	(174.90)	(1,596.55)	-	(13,970.98)	(44,410.48)	(582.38)	(717.01)	(633.23)	(782.85)	(62,868.38)
<b>Balance as at 31 March 2022</b>	<b>19,393.59</b>	<b>499.97</b>	<b>165.75</b>	<b>20,281.43</b>	<b>1,11,093.53</b>	<b>345.01</b>	<b>1,925.92</b>	<b>377.19</b>	<b>3,881.34</b>	<b>1,57,963.73</b>
<b>II. Accumulated depreciation and amortisation</b>										
<b>Balance as at 1 April 2020</b>	-	<b>55.66</b>	<b>123.26</b>	<b>7,553.71</b>	<b>37,974.79</b>	<b>323.10</b>	<b>1,172.32</b>	<b>349.44</b>	<b>1,504.85</b>	<b>49,057.13</b>
Depreciation and amortisation charge for the year (refer note 41)	-	114.78	1.70	1,421.49	9,443.39	110.55	236.86	144.56	602.45	12,075.78
Disposals/adjustment	-	37.13	-	63.40	8,161.31	108.72	(226.55)	151.73	3.24	8,298.98
<b>Balance as at 31 March 2021</b>	-	<b>207.57</b>	<b>124.96</b>	<b>9,038.60</b>	<b>55,579.49</b>	<b>542.37</b>	<b>1,182.63</b>	<b>645.73</b>	<b>2,110.54</b>	<b>69,431.89</b>
Depreciation and amortisation charge for the year (refer note 41)	-	107.52	1.70	1,350.21	10,444.71	113.47	263.94	116.57	737.07	13,135.19
Disposals/adjustment	-	-	-	-	(6,456.08)	(4.03)	(1.10)	(15.85)	(197.85)	(6,674.91)
Reclassification to investment property (refer note 5)	-	-	-	(2,500.98)	-	-	-	-	-	(2,500.98)
Deletion on account of discontinued operations (refer note 61)	-	(122.32)	-	(3,998.84)	(21,328.95)	(442.38)	(379.64)	(522.85)	(364.30)	(27,159.28)
<b>Balance as at 31 March 2022</b>	-	<b>192.77</b>	<b>126.66</b>	<b>3,888.99</b>	<b>38,239.17</b>	<b>209.43</b>	<b>1,065.83</b>	<b>223.60</b>	<b>2,285.46</b>	<b>46,231.91</b>
<b>Net block (I-II)</b>										
<b>Balance as at 31 March 2022</b>	<b>19,393.59</b>	<b>307.20</b>	<b>39.09</b>	<b>16,392.44</b>	<b>72,854.36</b>	<b>135.58</b>	<b>860.09</b>	<b>153.59</b>	<b>1,595.88</b>	<b>1,11,731.82</b>
<b>Balance as at 31 March 2021</b>	<b>49,049.45</b>	<b>1,888.95</b>	<b>40.79</b>	<b>39,163.64</b>	<b>89,168.10</b>	<b>249.60</b>	<b>1,283.68</b>	<b>208.25</b>	<b>1,871.12</b>	<b>1,82,923.57</b>

- Refer note 21 and 27 for details of property, plant and equipment hypothecated as security by the Company
- Land having carrying value of ₹ 17,191.01 lakh (previous year ₹ 17,191.01 lakh), mutation is pending in the name of company. (refer note 62)
- Borrowings cost have been capitalised during the year ₹ 322.74 lakh (previous year Nil)

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 4b - Capital work-in-progress

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Capital work in progress*	30,396.92	3,052.21
	<b>30,396.92</b>	<b>3,052.21</b>

\*Following expenditure incurred during construction period pending allocation/capitalisation:-

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Balance brought forward from previous year	-	-
<b>Add:</b>		
Raw material consumed	584.19	-
Packing material consumed	145.88	-
Stores and spares consumed	204.93	-
Power and fuel	1,124.81	-
Travelling and Conveyance	19.48	-
Rent and hiring charges	5.19	-
Employee benefits expense	490.37	-
Finance costs	220.73	-
Rates and taxes	349.98	-
Repair and maintenance	18.30	-
Miscellaneous expenses	95.66	-
<b>Total (A)</b>	<b>3,259.52</b>	<b>-</b>
<b>Less:</b>		
Sales	1,156.41	-
Other income	20.66	-
<b>Total (B)</b>	<b>1,177.07</b>	<b>-</b>
<b>Total (A-B)</b>	<b>2,082.45</b>	<b>-</b>

### (i) Details and Ageing of CWIP is as follows:

Particulars	(₹ in lakh)				
	As at 31 March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	29,465.84	860.85	70.23	-	30,396.92
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>					<b>30,396.92</b>

Particulars	(₹ in lakh)				
	As at 31 March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,354.05	667.36	26.75	-	3,048.16
Projects temporarily suspended	-	4.05	-	-	4.05
<b>Total</b>					<b>3,052.21</b>



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## (ii) The expected completion of project whose completion is over due is as follows: \*

(₹ in lakh)

Particulars	As at 31 March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Factory building and other civil work	3,600.67	-	-	-	3,600.67
Non factory building	128.91	-	-	-	128.91
Lazer marking with camera identification	60.00	-	-	-	60.00
Weight change parts	1.05	-	-	-	1.05
<b>Total</b>	<b>3,790.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,790.63</b>

(₹ in lakh)

Particulars	As at 31 March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Pressure casting machine	381.53	-	-	-	381.53
Non factory building	82.36	-	-	-	82.36
Other plant and machinery	75.96	-	-	-	75.96
Lazer marking with camera identification	60.00	-	-	-	60.00
Robotic Glazing System	-	40.78	-	-	40.78
Weight change parts	1.05	-	-	-	1.05
<b>Total</b>	<b>600.90</b>	<b>40.78</b>	<b>-</b>	<b>-</b>	<b>641.68</b>

\* Due to covid related restrictions/disturbances in global businesses and supply chain disturbed, which impacted the pace of execution of project.

## Note 5 - Investment Property

(₹ in lakh)

Particulars	Land - Freehold	Buildings	Total
<b>Gross Carrying Amount</b>			
<b>Balance as at 1 April 2021</b>	-	-	-
Additions	-	-	-
Disposals/adjustments	-	-	-
Addition: Investment Property - (reclassified from PPE w.e.f. 31 <sup>st</sup> March, 2022 (refer note 4a))	29,480.96	14,074.99	43,555.95
<b>Balance as at 31 March 2022</b>	<b>29,480.96</b>	<b>14,074.99</b>	<b>43,555.95</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at 1 April 2021</b>	-	-	-
Depreciation charge for the year	-	-	-
Disposals/adjustments for the year	-	-	-
Addition: Investment Property - (reclassified from PPE w.e.f. 31 <sup>st</sup> March, 2022 (refer note 4a))	-	2,500.98	2,500.98
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>2,500.98</b>	<b>2,500.98</b>
<b>Net Book Value as at 31 March 2022</b>	<b>29,480.96</b>	<b>11,574.01</b>	<b>41,054.97</b>

Investment property is recognised and valued using cost model. Depreciation is calculated using straight line method on the basis of useful life of assets as presented under accounting policy.

### (i) Contractual obligations

There is no contractual commitment for the acquisition of Investment Property.

### (ii) Capitalised borrowing cost

No borrowing costs were capitalised during the year ended 31 March 2022.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## (iii) Restrictions

There are no restrictions on remittance of income receipts or receipt of proceeds from disposals.

## (iv) Amount recognised in profit and loss for investment properties

Particulars	(₹ in lakh)	
	31 March 2022	31 March 2021
Rental income	-	-
Less: Direct operating expenses that generated rental income	-	-
Less: Direct operating expenses that did not generated rental income	-	-
<b>Profit/ (Loss) from leasing of investment properties</b>	<b>-</b>	<b>-</b>

## (v) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

## (vi) Fair value

The Company has not carried out fair valuation of investment property during the year.

## Note 6 - Other intangible assets

Description of assets	(₹ in lakh)			
	Technical know-how	Trade mark	Computer software	Total
<b>I. Gross block</b>				
<b>Opening balance as at 1 April 2020</b>	<b>103.47</b>	<b>178.77</b>	<b>297.39</b>	<b>579.63</b>
Additions	-	-	43.85	43.85
Disposals/adjustment	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>103.47</b>	<b>178.77</b>	<b>341.24</b>	<b>623.48</b>
Additions	-	-	37.56	37.56
Disposals/adjustment	-	-	-	-
Deletion on account of Discontinued Operations (refer note 61)	-	-	(89.45)	(89.45)
<b>Balance as at 31 March 2022</b>	<b>103.47</b>	<b>178.77</b>	<b>289.35</b>	<b>571.59</b>
<b>II. Accumulated amortisation</b>				
<b>Opening balance as at 1 April 2020</b>	<b>103.47</b>	<b>45.66</b>	<b>203.87</b>	<b>353.00</b>
Amortisation charge for the year	-	32.61	28.10	60.71
Disposals/adjustment	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>103.47</b>	<b>78.27</b>	<b>231.97</b>	<b>413.71</b>
Amortisation charge for the year	-	34.59	40.24	74.83
Disposals/adjustment	-	-	-	-
Deletion on account of Discontinued Operations (refer note 61)	-	-	(38.50)	(38.50)
<b>Balance as at 31 March 2022</b>	<b>103.47</b>	<b>112.86</b>	<b>233.71</b>	<b>450.04</b>
<b>Net block (I-II)</b>				
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>65.91</b>	<b>55.64</b>	<b>121.55</b>
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>100.50</b>	<b>109.27</b>	<b>209.77</b>



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 7 - Non current investments

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
	(₹ in lakh)			
<b>A. Fair value through other comprehensive income (FVOCI)</b>				
<b>I. Quoted investments (fully paid up)</b>				
Investments in equity instruments				
Neycer India Limited (face value ₹ 10 each)	-	-	125	0.01
<b>Quoted investments (I)</b>		-		<b>0.01</b>
<b>II. Unquoted investments (fully paid-up)</b>				
Investments in equity instruments				
Andhra Pradesh Gas Power Corporation Limited (face value ₹ 10 each)	8,04,000	2,086.00	8,04,000	1,104.23
Vyshali Energy Pvt Ltd. (face value ₹ 10 each)	5,874	0.59	4,600	0.46
Water Management and Plumbing Skill Council (formerly known as Indian Plumbing Skills Council) (face value ₹ 10 each)	50,000	5.00	60,000	6.00
Swastik Sanitarywares Limited (face value ₹ 10 each)	50	0.01	50	0.01
<b>Unquoted investments (II)</b>		<b>2,091.60</b>		<b>1,110.70</b>
Investments carried at FVOCI (AI+All)		2,091.60		1,110.71
<b>Total investments carried at fair value [A]</b>		<b>2,091.60</b>		<b>1,110.71</b>
<b>B. Investments carried at amortised cost</b>				
<b>Unquoted</b>				
<b>Government Securities</b>				
National Savings Certificates*	-	1.23	-	1.62
<b>Total investments carried at amortised cost [B]</b>		<b>1.23</b>		<b>1.62</b>
<b>Total investments (A+B)</b>		<b>2,092.83</b>		<b>1,112.33</b>
<b>Other disclosures</b>				
Aggregate book value of quoted investments		-		0.01
Aggregate amount of market value of quoted investments		-		0.01
Aggregate amount of unquoted investments		2,092.83		1,112.32

\* Deposited with government authorities

## Note 8 - Non-current financial assets - Loans

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>(Unsecured and considered good unless otherwise specified, as considered by the management)</b>		
Loans to related parties (refer note 54)*	75.50	-
	<b>75.50</b>	<b>-</b>

\* Loan carrying interest @8.75% p.a. is repayable in 58 monthly instalments

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 9 - Non-current financial assets - Other financial assets

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>(Unsecured and considered good by the management)</b>		
Other bank balances		
- Fixed deposit with maturity more than 12 months*	-	23.34
Security deposits	1,536.39	1,710.79
	<b>1,536.39</b>	<b>1,734.13</b>

\*Deposited with Government departments / Court as security Nil (previous year ₹ 23.34 lakh)

## Note 10 - Non current tax assets (net)

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Advance income-tax (net)	-	2,208.29
	-	<b>2,208.29</b>

## Note 11 - Other non-current assets

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>(Unsecured and considered good, unless stated otherwise, as considered by the management)</b>		
Capital advances	1,659.08	4,531.10
Doubtful advances	-	5.09
Less : Provision for doubtful advances	-	(5.09)
Prepaid expenses	183.52	157.25
Balance with government authorities @	1,094.45	1,091.53
	<b>2,937.05</b>	<b>5,779.88</b>

@ deposits against demand under dispute

## Note 12 - Inventories

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>(valued at cost or net realisable value, whichever is lower)</b>		
Raw materials @	8,156.94	15,942.25
Work-in-progress	340.08	3,305.98
Finished goods	16,245.41	19,789.89
Stores and spares @	3,055.01	3,104.41
Loose tools	9.50	6.15
Packing material	726.24	768.67
Oil, fuel, lubricant and others	1,629.01	696.46
	<b>30,162.19</b>	<b>43,613.81</b>
@Included above, goods-in-transit:		
Raw materials	792.71	2,135.70
Stores and spares	49.04	73.13
	<b>841.75</b>	<b>2,208.83</b>

Refer note 27 for information on inventory hypothecated as security by the Company



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 13 - Trade receivables

(₹ in lakh)

Particulars	As at	
	31 March 2022	31 March 2021
Trade receivables considered good - Unsecured*	30,639.90	31,729.85
Trade receivables with significant increase in credit risk	-	-
Trade receivables with credit impaired	2,034.05	1,950.36
	<b>32,673.95</b>	<b>33,680.21</b>
Less: Allowance for credit impaired	2,034.05	1,950.36
	<b>30,639.90</b>	<b>31,729.85</b>

\*Includes ₹ 115.03 lakh (previous year ₹1,581.08 lakh) receivable from Somany Home Innovation Limited, ₹ 4,373.79 lakh (previous year ₹225.14 lakh) receivable from Hindware Limited and ₹ 271.14 lakh (previous year ₹ 22.27 lakh) receivable from Hintastica Private Limited

Note: Trade receivables are hypothecated against the borrowings obtained by the Company as referred in note no. 27

(₹ in lakh)

Particulars	As at 31 March 2022						Total
	Outstanding for following period 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	
(i) Undisputed Trade Receivables – considered good*	21,593.48	8,650.98	283.34	108.33	3.77	-	30,639.90
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	2.06	277.25	392.87	608.98	573.22	1,854.38
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	179.67	179.67
<b>Total</b>	<b>21,593.48</b>	<b>8,653.04</b>	<b>560.59</b>	<b>501.20</b>	<b>612.75</b>	<b>752.89</b>	<b>32,673.95</b>
<b>Total Provision (iii+vi)</b>	-	<b>(2.06)</b>	<b>(277.25)</b>	<b>(392.87)</b>	<b>(608.98)</b>	<b>(752.89)</b>	<b>(2,034.05)</b>

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

(₹ in lakh)

Particulars	As at 31 March 2021						Total
	Outstanding for following period 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	
(i) Undisputed Trade receivables – considered good*	22,322.02	7,548.31	377.08	1,437.46	44.98	-	31,729.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	439.77	674.32	295.07	361.53	1,770.69
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – credit impaired	-	-	-	-	-	179.67	179.67
<b>Total</b>	<b>22,322.02</b>	<b>7,548.31</b>	<b>816.85</b>	<b>2,111.78</b>	<b>340.05</b>	<b>541.20</b>	<b>33,680.21</b>
<b>Total Provision (iii+v)</b>	<b>-</b>	<b>-</b>	<b>(439.77)</b>	<b>(674.32)</b>	<b>(295.07)</b>	<b>(541.20)</b>	<b>(1,950.36)</b>

## Movement in the allowance for credit impairment

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of the year	1,950.36	1,246.03
Expected credit loss provided during the year (refer note 42)	209.70	743.46
Amount written back during the year (net)	(126.01)	(39.13)
	<b>2,034.05</b>	<b>1,950.36</b>

## Note 14 - Cash and cash equivalents

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks	3,880.79	291.15
Cheques, drafts on hand	1.06	-
Cash in hand	95.63	66.67
Remittance in transit	-	15.76
	<b>3,977.48</b>	<b>373.58</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods

## Note 15 - Bank balances other than cash and cash equivalents

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Earmarked balances with banks</b>		
Unclaimed dividend accounts *	101.90	115.77
<b>Other bank balances</b>		
Held as margin money in fixed deposits ^	458.95	581.64
Fixed deposits with original maturity of more than three months but less than twelve months #	1,323.43	1,269.67
	<b>1,884.28</b>	<b>1,967.08</b>

Note

\* Not due for deposit in the investor education and protection fund



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

^ Against letter of credit issued by banks

# Includes ₹ 1,000 lakh (previous year ₹ 1,000 lakh) kept as lien with a bank against credit exposure on account of derivative/forward contract notional limit.

## Note 16 - Current financial assets - loans

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>(unsecured and considered good by the management)</b>		
Loans to related parties (refer note 54)*	21.00	-
	<b>21.00</b>	<b>-</b>

\* Loan carrying interest @8.75% p.a. is repayable in 58 monthly instalments

## Note 17 - Current financial assets - Other financial assets

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>(unsecured and considered good by the management)</b>		
<b>Derivatives instruments designated as hedge</b>		
- Foreign exchange forward contracts at FVTPL	1,012.61	1,359.11
<b>Other financial assets</b>		
Security and other deposits	1.25	1.25
Interest accrued but not due on deposits/loans	103.24	99.95
Other receivable*	59,235.44	1,943.21
	<b>60,352.54</b>	<b>3,403.52</b>

\* from related parties

- Other receivable includes Nil (previous year ₹ 1,077.29 lakh) from Hindware Limited, ₹ 82.42 lakh (previous year ₹ 388.82 lakh) from Somany Home Innovation Limited and ₹ 38.00 lakh (previous year ₹ 173.12 lakh) from Hintastica Private Limited
- Other receivable includes ₹ 59,095.55 lakh (previous year Nil) receivable from Hindware Limited on account of slump sale of BPD undertaking (refer note 61)

## Note 18 - Other current assets

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>(unsecured and considered good by the management)</b>		
Prepaid expenses	229.69	406.55
Balances with government authorities	4,251.32	3,478.17
Incentive receivables from government authorities (refer note 65)	2,463.73	1,825.00
Insurance claims receivable (refer note 58)	1,161.47	-
Others		
- Advance to suppliers	2,168.38	1,540.76
- Employee advances	164.17	80.22
- Other current assets	75.32	163.51
Doubtful advances*	24.35	42.85
Less : Provision for doubtful advances	(24.35)	(42.85)
	<b>10,514.08</b>	<b>7,494.21</b>

\* Doubtful advances of ₹ 18.50 lakh is transferred under slump sale (refer note 61)

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 19 - Equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
<b>Authorised:</b>				
Equity shares of ₹ 2 each	11,12,50,000	2,225.00	11,12,50,000	2,225.00
<b>Issued:</b>				
Equity shares of ₹ 2 each	7,23,00,220	1,446.00	7,23,00,220	1,446.00
<b>Subscribed and fully paid:</b>				
Equity shares of ₹ 2 each	6,46,97,381	1,293.95	7,22,96,395	1,445.93
Buy back of equity shares (refer note (g) below)	-	-	(75,99,014)	(151.98)
Forfeited shares	-	0.04	-	0.04
	<b>6,46,97,381</b>	<b>1,293.99</b>	<b>6,46,97,381</b>	<b>1,293.99</b>

### (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Equity shares outstanding at the beginning of the year	6,46,97,381	1,293.95	7,22,96,395	1,445.93
Less: Shares bought back during the year and cancelled	-	-	(75,99,014)	(151.98)
<b>Equity shares outstanding at the end of the year</b>	<b>6,46,97,381</b>	<b>1,293.95</b>	<b>6,46,97,381</b>	<b>1,293.95</b>

### (b) Shares held by promoters as defined in Companies Act, 2013 at the end of the year

S. No	Promoter name	As at 31 March 2022		As at 31 March 2021		%Change during the year
		No. of shares	% of holding	No. of shares	% of holding	
1	Somany Impresa Limited	3,28,95,000	50.84	3,28,95,000	50.84	No change
2	Dr. Rajendra Kumar Somany	34,10,000	5.27	34,10,000	5.27	No change
3	Sandip Somany	21,87,731	3.38	21,87,731	3.38	No change
4	Sumita Somany	1,61,000	0.25	1,61,000	0.25	No change
5	Divya Somany	1,46,912	0.23	1,46,912	0.23	No change
6	Sandip Somany HUF	95,832	0.15	95,832	0.15	No change
7	Shashvat Somany	76,244	0.12	76,244	0.12	No change
8	Matterhorn Trust	100	0.00	100	0.00	No change
<b>Total</b>		<b>3,89,72,819</b>	<b>60.24</b>	<b>3,89,72,819</b>	<b>60.24</b>	<b>No change</b>

### (c) Terms and rights attached to equity shares

The Company has issued only one class of equity shares having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after settling of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (d) List of shareholders holding more than 5% of the equity share capital of the Company as at: \*

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% of holding	No. of shares	% of holding
Somany Impresa Limited (Formerly known as Paco Exports Limited)**	3,28,95,000	50.84	3,28,95,000	50.84
Dr. Rajendra Kumar Somany	34,10,000	5.27	34,10,000	5.27

\*Information is furnished as per shareholder register as at the year end

\*\*Holding Company w.e.f. 31<sup>st</sup> December 2020



## Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

- (e) The Company has neither issued any equity shares as bonus nor issued share for consideration other than cash during the period of five years immediately preceding 31 March 2022 except as stated in note (g) below
- (f) The above figure of subscribed and paid up capital includes application and allotment money received on forfeited shares amounting to ₹ 0.04 lakh (Previous year ₹ 0.04 lakh)
- (g) During the previous year 2020-21, pursuant to the Buyback Offer dated 21<sup>st</sup> September 2020, the Company, has bought back 75,99,014 Equity Shares. As a result, the Paid-up Capital of the Company stands reduced from ₹ 1,445.93 lakh to ₹ 1,293.95 lakh ₹ 151.98 lakh from Securities Premium Account was transferred to Capital Redemption Reserve on buyback and cancellation of equity shares. The premium on buy back, buyback expenses and tax on distributable profit (as per section 115 QA of the income tax act 1961) of ₹ 7,688.00 lakh was utilised from Securities Premium Account.

### Note 20 - Other equity

Particulars	Reserves and surplus							Other comprehensive income	Total
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Business reconstruction reserve	Retained earnings	Actuarial gain / (loss)	Equity instruments through other comprehensive income	
<b>Balance as at 1 April 2020</b>	<b>70.92</b>	<b>36,812.98</b>	<b>22,454.56</b>	<b>15.00</b>	<b>17,776.99</b>	<b>46,632.25</b>	<b>(230.01)</b>	<b>709.15</b>	<b>1,24,241.84</b>
Profit for the year	-	-	-	-	-	8,805.96	-	-	8,805.96
Payment of dividend	-	-	-	-	-	(2,168.89)	-	-	(2,168.89)
Buyback of equity shares	-	(6,392.69)	-	151.98	-	-	-	-	(6,240.71)
Transaction cost related to buyback of equity shares	-	(1,447.29)	-	-	-	-	-	-	(1,447.29)
Goodwill impairment	-	-	-	-	(1,073.02)	-	-	-	(1,073.02)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	(8.85)	(47.23)	(56.08)
<b>Balance as at 31 March 2021</b>	<b>70.92</b>	<b>28,973.00</b>	<b>22,454.56</b>	<b>166.98</b>	<b>16,703.97</b>	<b>53,269.32</b>	<b>(238.86)</b>	<b>661.92</b>	<b>1,22,061.81</b>
Profit for the year	-	-	-	-	-	19,329.84	-	-	19,329.84
Less: Transfer to statement of Profit and Loss during the year (refer note 64)	-	-	-	-	(1,640.00)	-	-	-	(1,640.00)
Payment of dividend	-	-	-	-	-	(2,587.90)	-	-	(2,587.90)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	111.76	638.70	750.46
<b>Balance as at 31 March 2022</b>	<b>70.92</b>	<b>28,973.00</b>	<b>22,454.56</b>	<b>166.98</b>	<b>15,063.97</b>	<b>70,011.26</b>	<b>(127.10)</b>	<b>1,300.62</b>	<b>1,37,914.21</b>



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Nature and purpose of other reserves:

- Capital Reserve was created on amalgamation of certain entities/undertaking into the Company
- Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act
- General Reserve includes a sum of ₹ 10,000 lakh (previous year ₹ 10,000 lakh) transferred from Business Reconstruction Reserve which cannot be used for issuance of bonus shares and distribution of dividend
- Capital Redemption Reserve is created against redemption of preference and equity shares of the Company
- Business Reconstruction Reserve was created in accordance with a Scheme of arrangement approved by the Hon'ble High Court of Calcutta. This reserve can neither be utilised towards issuance of bonus shares nor towards distribution of dividend. Since written off inventory has been set off against withdrawal so it is indirectly used for the dividend
- Equity instruments through other comprehensive income: The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within Equity instruments through other comprehensive income within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised
- Dividend paid during the year ended 31 March 2022 of ₹ 2,587.90 lakh (₹ 4/- per equity share having nominal value of ₹ 2/- each) were approved for payment by the Shareholders at their AGM held on 24<sup>th</sup> September 2021
- During the previous year, pursuant to the Buyback Offer dated 21<sup>st</sup> September 2020, the Company, has bought back 75,99,014 Equity Shares upto period ended 31<sup>st</sup> December, 2020. As a result, the Paid-up Capital of the Company stands reduced from ₹ 1,445.93 lakh to ₹ 1,293.95 lakh.  
₹ 151.98 lakh from Securities Premium Account was transferred to Capital Redemption Reserve on buyback and cancellation of equity shares. The premium on buy back, buyback expenses and tax on distributable profit (as per section 115 QA of the income tax act 1961) of ₹ 7,688.00 lakh was utilised from Securities Premium Account.

## Note 21 - Non current financial liabilities - Borrowings

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>Measured at amortised cost</b>		
<b>Secured:</b>		
<b>Term loans from banks:</b>		
Foreign currency loans*	23,500.20	26,461.69
Rupee loans**	74,455.09	47,691.18
	<b>97,955.29</b>	<b>74,152.87</b>
<b>Unsecured:</b>		
Deferred payment liabilities^#	2,249.57	2,564.46
	<b>2,249.57</b>	<b>2,564.46</b>
	<b>1,00,204.86</b>	<b>76,717.33</b>
Less: Current maturities of long term borrowings (refer note 27)	13,839.91	9,177.62
	<b>86,364.95</b>	<b>67,539.71</b>

\*LIBOR - London Inter Bank Offer Rate : Interest rate ranging from 6 Months LIBOR+122 bps to 135 bps

\*\*REPO - Repo Rate based Lending Rate : Interest rate ranging from REPO +199 bps to 275 bps

^Net of deferred government grant (refer note 26)

#Interest free and subsidised loan from Telangana State Government. Interest rate ranging from 0 to 3%.

Note:

- Loans are secured by way of hypothecation of first pari-passu charge on movable fixed assets (both present and future) pertaining to the glass plants of

the Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties (both present and future) of



## Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

glass plants of the Company situated at Sanathnagar and Bhongir in Telangana.

- -Term loans aggregating to ₹ 9,096.85 lakh (previous year ₹ 11,760.75 lakh) are repayable in 5 half yearly instalments from July 2022 to July 2024
  - Term loans aggregating to ₹ 14,403.35 lakh (previous year ₹ 14,700.94 lakh) are repayable in 9 half yearly instalments from June 2022 to June 2026
  - Term loans aggregating to ₹ 9,300 lakh (previous year ₹ 9,800 lakh) are repayable in total 24 quarterly instalments from June 2022 to March 2028
  - Term loans aggregating to ₹ 9,500 lakh (previous year ₹ 10,000 lakh) are repayable in total 9 half yearly instalments from May 2022 to May 2026, since repaid subsequent to balance sheet date
  - Term loans aggregating to ₹ 18,000.00 lakh (previous year ₹ Nil) are repayable in total 24 quarterly instalments from Dec 2023 to Sept 2029, partly repaid amounting to ₹ 2,000.00 lakh subsequent to balance sheet date
  - Term loans aggregating to ₹ 1,500.00 lakh (previous year ₹ Nil) are repayable in total 27 quarterly instalments from Aug 2023 to Feb 2030
  - Term loans aggregating to ₹ 2,269.80 lakh (previous year ₹ Nil) are repayable in total 14 half yearly instalments from Mar 2024 to Sept 2030
2. Loan is secured by first pari-passu charge on fixed assets of the Company located at Sitarampur, Isnapur, PO Medak District, Hyderabad, Telangana.
    - Term loans aggregating to ₹ 21,250.00 lakh (previous year ₹ 23,750.00 lakh) are repayable in total 10 half yearly instalments from June 2022 to December 2026, partly repaid amounting to ₹ 12,750.00 lakh subsequent to balance sheet date
    - Term loans aggregating to ₹ 10,000.00 lakh (previous year ₹ Nil) are repayable in total 24 quarterly instalments from Sept 2023 to June 2029, since repaid subsequent to balance sheet date
  3. Loan is secured by first pari-passu charge by way of a mortgage over the immovable fixed assets (both present and future) of the sanitaryware plant of the Company situated at Bibinagar, Telangana
    - Term loans aggregating to ₹ 2,635.29 lakh (previous year ₹ 4,141.18 lakh) are repayable in total 7 equal quarterly instalments from May 2022 to November 2023, since repaid subsequent to balance sheet date
  4. Deferred payment liabilities from Telangana State Government (unsecured) is in respect of value added tax and central sales tax liabilities pertaining to the years 1999-2000 to 2012-2013 and are repayable by the end of financial year 31 March 2030
    - Deferred payment liabilities aggregating to ₹ 2,249.57 lakh (previous year ₹ 2,564.46 lakh) are repayable in yearly instalments from June 2022 to March 2030

### Note 22 - Non-current financial liabilities - Lease liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Lease liability (refer note 50)	-	94.46
	-	<b>94.46</b>

### Note 23 - Non-current financial liabilities - Other financial liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Other deposits	772.20	785.23
	<b>772.20</b>	<b>785.23</b>

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 24 - Non-current liabilities - provisions

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefits (refer note 48)</b>		
Provision for compensated absences	622.05	780.71
Provision for Long Service award	-	62.66
Provision for warranty	-	40.45
	<b>622.05</b>	<b>883.82</b>

### Details of movement in provision for warranty (including current portion)

Particulars	(₹ in lakh)	
<b>Balance as at 1 April 2020</b>	<b>18.45</b>	
Additional provisions recognised (included in Other expenses)	22.00	
Utilised during the year	-	
<b>Balance as at 31 March 2021</b>	<b>40.45</b>	
Additional provisions recognised (included in Other expenses)	24.00	
Provision related to BPD undertaking reversed due to slump sale	(64.45)	
Utilised during the year	-	
<b>Balance as at 31 March 2022</b>	<b>-</b>	

### Warranty claims:

The provision for warranty claims represent the present value of best estimate of the future outflow of economic benefits that will be required under the Company obligations for warranties under the local sale of goods. The estimate has been made based on historical warranty trends and may vary as a result of new materials, altered manufacturing process or other events. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on warranty period of certain products up to 12 years.

## Note 25 - Deferred tax liabilities (net)

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax liability arising on account of:</b>		
Difference between book balance and tax balance of property, plant and equipment	26,628.71	29,888.27
Right of use asset (net of lease liability)	74.34	-
	<b>26,703.05</b>	<b>29,888.27</b>
Deferred tax asset arising on account of:		
Investments at fair value through OCI	288.25	631.32
Provision for doubtful debts, loans and advances	719.29	698.29
Provision for employee benefits	203.91	350.79
MAT credit entitlement	-	2,322.73
Others	119.95	258.67
	<b>1,331.40</b>	<b>4,261.80</b>
	<b>25,371.65</b>	<b>25,626.47</b>
<b>Reconciliation of deferred tax assets/(liabilities)</b>		
Opening Balance	(27,949.20)	(25,426.02)
MAT credit entitlement	2,322.73	1,791.19
<b>Net opening deferred tax assets/(liabilities)</b>	<b>(25,626.47)</b>	<b>(23,634.83)</b>



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 25 - Deferred tax liabilities (net)(contd.)

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Deferred tax income/(expenses) recognised in statement of Profit and Loss during the year	(2,603.92)	(2,541.95)
Deferred tax income/(expenses) recognised in other comprehensive income during the year	(403.10)	18.77
Slump sale deferred tax liability reversal due to transfer of assets	5,584.57	-
MAT credit entitlement recognised/utilised during the year	(2,322.73)	531.54
<b>Sub total</b>	<b>254.82</b>	<b>(1,991.64)</b>
<b>Net deferred tax liability</b>	<b>(25,371.65)</b>	<b>(25,626.47)</b>

## Note 26 - Other non-current liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Employee related payables	25.30	112.71
Deferred government loan (refer note 21)	734.62	916.22
Other liabilities	5.63	5.56
	<b>765.55</b>	<b>1,034.49</b>

## Note 27 - Current financial liabilities - borrowings

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
<b>Secured borrowings</b>		
<b>From banks</b>		
Cash credit - loans repayable on demand	3.12	353.91
Working capital demand loan	16,030.00	12,520.00
	<b>16,033.12</b>	<b>12,873.91</b>
Current maturities of long-term borrowings (also refer note 21)	13,839.91	9,177.62
	<b>29,873.03</b>	<b>22,051.53</b>

### Details of security and term of repayment of each type of borrowing:

#### Secured borrowings

##### a) Cash credit facilities :

Cash credit facilities from banks is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the movable fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant. The security charge on Bahadurgarh plant and Bibinagar plant is to be released by respective lenders post consummation of Slump Sale transaction.

##### b) Short term loan facilities :

Working capital demand loan from banks repayable within 27 days to 49 days from disbursement and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the movable fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant. The security charge on Bahadurgarh plant and Bibinagar plant is to be released by respective lenders post consummation of Slump Sale transaction.

c) The interest rate for the above short term borrowing varies from 5% p.a. to 7.15% p.a.

d) The quarterly returns and statements of current assets filed by the Company with the banks and financial institutions does not have any material discrepancies in relation to books of accounts.

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 28 - Current financial liabilities - Lease liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Lease liability (refer note 50)	94.46	86.83
	<b>94.46</b>	<b>86.83</b>

## Note 29 - Trade payables

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
-Due to micro and small enterprises	2,501.06	2,394.76
-Other than micro and small enterprises*	19,238.58	20,617.95
	<b>21,739.64</b>	<b>23,012.71</b>

\* includes payable to Hindware Limited ₹ 0.03 lakh (previous year Nil)

Particulars	(₹ in lakh)						
	As at 31 March 2022						
	Outstanding for following period from due date of payment						Total
Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
i MSME	0.38	2,500.68	-	-	-	-	2,501.06
ii Others	330.31	10,094.11	8,367.00	418.56	12.46	7.38	19,229.82
iii Disputed-MSME	-	-	-	-	-	-	-
iv Disputed-Others	-	-	-	-	-	8.76	8.76
<b>Total</b>	<b>330.69</b>	<b>12,594.79</b>	<b>8,367.00</b>	<b>418.56</b>	<b>12.46</b>	<b>16.14</b>	<b>21,739.64</b>

Particulars	(₹ in lakh)						
	As at 31 March 2021						
	Outstanding for following period from due date of payment						Total
Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
i MSME	-	2,383.18	11.58	-	-	-	2,394.76
ii Others	2,180.98	11,481.93	6,839.21	61.10	26.12	19.85	20,609.19
iii Disputed-MSME	-	-	-	-	-	-	-
iv Disputed-Others	-	-	-	-	-	8.76	8.76
<b>Total</b>	<b>2,180.98</b>	<b>13,865.11</b>	<b>6,850.79</b>	<b>61.10</b>	<b>26.12</b>	<b>28.61</b>	<b>23,012.71</b>

## Disclosure under MSME Act, 2006

Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details as certified by the management are mentioned below:

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Principal amount overdue remaining unpaid to any supplier	-	11.58
Interest due thereon remaining unpaid to any supplier	-	1.69
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year	4.55	41.20
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	2.90	53.03
Interest accrued and remaining unpaid	7.82	54.72



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 30 - Current financial liabilities - Other financial liabilities

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	300.14	319.42
Unclaimed dividend *	101.90	115.77
Earnest money deposits	18.32	55.51
Security deposits/retention money **	170.20	606.97
<b>Others</b>		
Towards capital creditors	2,467.71	876.49
Employee related payables	2,235.95	2,126.08
Towards expenses payable ***	6,674.31	6,845.89
Commission payable to directors	956.95	274.18
Gratuity payable (net of obligation) (refer note 48)	40.52	307.70
Derivative payable (IRS)	178.61	682.24
Other payables	-	714.01
	<b>13,144.61</b>	<b>12,924.26</b>

\*Not due for deposit in investors education and protection fund

\*\*Includes ₹ 62.11 lakh (previous year ₹ 62.11 lakh) received from Hindware Limited and ₹ 12.07 lakh (previous year ₹ 12.07 lakh) received from Somany Home Innovation Limited

\*\*\*Includes ₹ 190.15 lakh (previous year ₹ 525.64 lakh) payable to Hindware Limited

## Note 31 - Other current liabilities

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances received from customers *	661.44	3,016.80
Employee related payables	-	36.86
Payable towards statutory dues	6,093.62	4,291.10
	<b>6,755.06</b>	<b>7,344.76</b>

\* Includes Nil (previous year ₹ 2,446.33 lakh) received from Hindware Limited

## Note 32 - Current liabilities - provisions

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefits (refer note 48)</b>		
Provision for compensated absences	133.28	209.54
Provision for long service award	0.71	8.52
Provision for rejection and breakage	476.45	644.10
	<b>610.44</b>	<b>862.16</b>

### Details of movement in provision for rejection and breakages

(₹ in lakh)

Particulars	As at 31 March 2022
<b>Balance as at 1 April 2020</b>	<b>814.24</b>
Additional provisions recognised (shown as net of revenue from operation)	99.15
Excess provision written back	(269.29)
<b>Balance as at 31 March 2021</b>	<b>644.10</b>
Additional provisions recognised (shown as net of revenue from operation)	288.23
Excess provision written back	(455.88)
<b>Balance as at 31 March 2022</b>	<b>476.45</b>

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 33 - Current tax liabilities (net)

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Provision for income tax	2,627.46	-
	<b>2,627.46</b>	<b>-</b>

## Note 34 - Revenue from operations

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Sale of goods	1,41,236.37	1,24,219.07
Sale of services	44.00	33.17
Other operating revenue @	1,763.10	1,737.22
	<b>1,43,043.47</b>	<b>1,25,989.46</b>
<b>i) Segment wise revenue information</b>		
a) Packaging products	1,43,632.43	1,25,870.23
b) Investment Property	-	-
c) Others	107.38	622.63
	<b>1,43,739.81</b>	<b>1,26,492.86</b>
Less : Inter segment revenue	(696.34)	(503.40)
<b>Total income from operations</b>	<b>1,43,043.47</b>	<b>1,25,989.46</b>

### ii) Unsatisfied Performance Obligation

Aggregated amount of Transaction Price allocated to the contracts that are fully or partially unsatisfied at the end of the reporting period

- Contract Liabilities (Advance received from customers) 661.44 3,016.80

### iii) Reconciliation of contract price vis a vis revenue recognised in profit and loss statement is as follows:-

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Contract Price	1,43,324.19	1,26,221.78
a) Sale of goods	1,41,517.09	1,24,451.39
b) Sale of services	44.00	33.17
c) Other operating revenue	1,763.10	1,737.22
<b>Adjustment:-</b>		
Discount/Rebate etc.	280.72	232.32
<b>Revenue recognised in the statement of profit and loss account</b>	<b>1,43,043.47</b>	<b>1,25,989.46</b>

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>@ Other operating revenue comprise of:</b>		
Export incentives	161.28	158.58
Sundry balances and liabilities no longer required, written back	488.88	459.20
Gain on foreign exchange fluctuations (net)	-	562.42
Insurance claims received	165.19	28.78
Scrap sales	935.08	517.71
Bad debts recovered	-	10.00
Miscellaneous receipts	12.67	0.53
	<b>1,763.10</b>	<b>1,737.22</b>



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 35 - Other income

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on financial assets *	341.30	1,103.81
Rental income	17.28	17.18
Profit on sale of property, plant and equipment	322.29	83.46
Government grant	244.52	116.30
Management fee	242.82	-
Insurance claims (refer note 58)	2,768.38	-
Miscellaneous income	356.00	86.59
	<b>4,292.59</b>	<b>1,407.34</b>

\* Interest income includes ₹ 201.02 lakh (previous year ₹ 805.35 lakh) received on income tax refund

## Note 36 - Cost of materials consumed

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock	5,642.30	4,277.29
Add: Purchases	45,901.11	36,411.49
Less: Closing stock	8,156.94	5,642.30
	<b>43,386.47</b>	<b>35,046.48</b>

## Note 37 - Purchases of traded goods

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Packaging and other products	240.62	1.32
	<b>240.62</b>	<b>1.32</b>

## Note 38 - Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Inventories at the end of the year:</b>		
Finished goods	16,245.41	12,121.02
Work-in-progress	340.08	275.02
Stock-in-trade	-	-
	<b>16,585.49</b>	<b>12,396.04</b>
<b>Inventories at the beginning of the year:*</b>		
Finished goods	12,121.02	15,387.91
Work-in-progress	275.02	293.60
Stock-in-trade	-	-
	<b>12,396.04</b>	<b>15,681.51</b>
<b>Change in stock</b>	<b>(4,189.45)</b>	<b>3,285.47</b>
	<b>(4,189.45)</b>	<b>3,285.47</b>

\*Refer note 61



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 39 - Employee benefits expense

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	12,918.83	11,668.81
Contribution to provident funds and other funds (refer note 48)*	655.65	574.77
Staff welfare expenses	501.16	504.42
	<b>14,075.64</b>	<b>12,748.00</b>

\* Net of reimbursement received from the government under Pradhan Mantry Rojgar Protsahan Yojna Scheme ₹ 5.31 lakh (previous year ₹ 24.30 lakh)

## Note 40 - Finance costs

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on financial liabilities	2,724.38	3,220.91
Interest expense on lease liabilities (refer note 50)	12.01	17.18
Other interest expense	72.03	79.00
	<b>2,808.42</b>	<b>3,317.09</b>

## Note 41 - Depreciation and amortisation expense

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation and amortisation of Property, plant and equipment (refer note 4a)	13,027.67	11,961.00
Depreciation on right of use assets (refer note 4a)	107.52	114.78
Amortisation of other intangible assets (also refer note 6)	74.83	60.71
Impairment of goodwill	-	1,073.02
Transfer from business reconstruction reserve pursuant to the Scheme (refer note 43)	-	(1,073.02)
Depreciation/amortisation capitalised on assets involved in property, plant and equipment capitalisation	(386.83)	-
Depreciation and amortisation of discontinued operations (refer note 61)	(2,825.30)	(2,673.62)
	<b>9,997.89</b>	<b>9,462.87</b>

## Note 42 - Other expenses

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Power and fuel	32,783.84	24,232.76
Consumption of stores and spares	6,898.87	6,143.68
Consumption of packing materials	11,424.72	8,252.19
Consumption of loose tools	53.93	55.88
Consumption of oil, fuel and lubricants	449.58	385.99
<b>Repairs and maintenance:</b>		
Buildings	483.93	501.10
Plant and machinery (net)	1,870.59	1,584.25
Others	11.20	12.47
Rent (including hire charges)	521.71	412.63
Rates and taxes	167.51	137.12
Director's sitting fees	23.90	24.10



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Insurance	584.26	547.09
Travelling and conveyance	672.69	354.02
Commission on sales	208.56	154.46
Freight and forwarding charges	183.55	135.34
Advertisement and publicity	82.90	88.17
Transportation and forwarding	1,431.14	1,383.38
Sales promotion expenses	71.95	38.18
Other selling expenses	190.14	372.78
Provision for expected credit loss (refer note 13)	209.70	743.46
Provision for doubtful advances (refer note 18)	-	24.35
Bad debts written off	126.06	39.13
Less: Withdrawal from provision for expected credit loss (refer note 13)	(126.01)	(39.13)
Bad debts written off (net)	0.05	-
Corporate social responsibility expenditure (refer note 56)	206.29	199.05
Charity and donation	-	76.00
Loss on foreign exchange fluctuation	577.87	-
Loss on sale/disposal of property, plant and equipment (net)	87.70	0.17
Management fee	1,490.04	987.86
Other directors commission	177.08	-
Miscellaneous expenses	2,259.95	1,426.83
	<b>63,123.65</b>	<b>48,273.31</b>

## Note 43 - Exceptional items

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Gain on transfer of BPD undertaking through slump sale (refer note (a) below)	5,775.00	-
Impairment of goodwill relating to Packaging products division (refer note (b) below)	-	(1,073.02)
	<b>5775.00</b>	<b>(1,073.02)</b>

- (a) Exceptional items for the year ending 31<sup>st</sup> March, 2022 includes ₹ 5,775 lakh representing gain on slump sale as more fully described in note 61.
- (b) Exceptional items for the year ending 31<sup>st</sup> March, 2021 includes loss of ₹ 1,073.02 lakh towards impairment of Goodwill relating to Packaging Product division.

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 44 - Current tax and deferred tax

### (a) Income tax expense through profit and loss

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Current tax:</b>		
Current income tax charge (including Minimum alternate tax)	4,458.53	2,137.66
Capital gains tax	4,885.39	-
Earlier year income tax *	(38.95)	(1,471.48)
	<b>9,304.97</b>	<b>666.18</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	(2,980.65)	2,541.95
MAT credit entitlement	-	(531.54)
<b>Total tax expense recognised in profit and loss account</b>	<b>6,324.32</b>	<b>2,676.59</b>

\* Earlier year income tax represents tax liability written back

### (b) Income tax on other comprehensive income

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Deferred tax</b>		
Re-measurement of defined benefit obligations	(60.03)	4.75
FVOCI financial assets	(343.07)	14.02
	<b>(403.10)</b>	<b>18.77</b>

### (c) Numerical reconciliation between average effective tax rate and applicable tax rate :

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 34.944% (31 March 2021: 34.944%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Profit before tax</b>	<b>25,654.16</b>	<b>11,482.55</b>
Domestic tax rate for the Company	34.944%	34.944%
Income tax of the Company at given tax rate	8,964.59	4,012.46
<b>Tax effect of :</b>		
- Net of non deductible expenses and income	72.76	197.94
- Incentives and concessions	-	(38.40)
- Earlier year income tax	(38.95)	(1,471.48)
Inventory write off from BRR (refer note 64)	(573.08)	-
Rate difference due Capital gain tax paid on slump sale exceptional gain	2,867.38	-
Deferred revenue expenditure	(78.92)	(83.64)
Slump sale DTL reversal due to transfer of assets	(5,584.57)	-
Discontinued operations	649.16	-
Others	45.95	59.71
<b>Income-tax recognised in statement of profit and loss</b>	<b>6,324.32</b>	<b>2,676.59</b>

(d) There is no change in statutory enacted income-tax rate during the financial year.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 45 - Financial instruments and risk review

### Capital management

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital structure consists of debt which includes the borrowings as disclosed in note 21 and 27 net of cash and cash equivalents as disclosed in note 14 and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of changes in equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Company attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors.

### The following table summarises the capital of the Company

Particulars	(₹ in lakh)	
	31 March 2022	31 March 2021
<b>Equity *</b>	<b>1,39,208.20</b>	<b>1,23,355.80</b>
<b>Liquid assets (cash and cash equivalent and current investments) (a)</b>	<b>3,977.48</b>	<b>373.58</b>
Current borrowings (note 27)	29,873.03	22,051.53
Non-current borrowings (note 21, 26)	87,099.57	68,455.93
<b>Total debt (b)</b>	<b>1,16,972.60</b>	<b>90,507.46</b>
<b>Net debt [c = (b) - (a)]</b>	<b>1,12,995.12</b>	<b>90,133.88</b>
<b>Total capital (equity + net debt)</b>	<b>2,52,203.32</b>	<b>2,13,489.68</b>
<b>Gearing ratio</b>		
Debt to equity	84%	73%
Net debt to equity ratio	81%	73%
*Equity balances also includes the business reconstruction reserve	25,063.97	26,703.97

### Categories of financial instruments

Categories of financial assets/ (liabilities)	Notes	31 March 2022			31 March 2021		
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
<b>Financial assets measured at amortised costs</b>							
Trade receivable	13	30,639.90	-	-	31,729.85	-	-
Loans	8,16	96.50	-	-	-	-	-
Other financial assets	9,17	60,876.32	-	-	3,778.54	-	-
Cash and bank balances	14, 15	5,861.76	-	-	2,340.66	-	-
Investments	7	1.23	-	-	1.62	-	-
<b>Loans and other receivables</b>		<b>97,475.71</b>	-	-	<b>37,850.67</b>	-	-
<b>Financial assets measured at fair value</b>							
Investments	7	2,091.60	-	981.77	1,110.71	-	(61.25)
Derivative contracts	17	1,012.61	(346.50)	-	1,359.11	(779.46)	-
<b>Financial assets at fair value</b>		<b>3,104.21</b>	<b>(346.50)</b>	<b>981.77</b>	<b>2,469.82</b>	<b>(779.46)</b>	<b>(61.25)</b>
<b>Total financial assets</b>		<b>1,00,579.92</b>	<b>(346.50)</b>	<b>981.77</b>	<b>40,320.49</b>	<b>(779.46)</b>	<b>(61.25)</b>
<b>Financial liabilities</b>							
<b>Financial liabilities measured at amortised cost</b>							
Current payables	27, 28, 29, 30	64,673.13	-	-	57,393.09	-	-
Non-current payables	22, 23	772.20	-	-	879.69	-	-

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 45 - Financial instruments and risk review (contd.)

(₹ in lakh)

Categories of financial assets/ (liabilities)	Notes	31 March 2022			31 March 2021		
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
Non-current borrowings	21	86,364.95	-	-	67,539.71	-	-
<b>Financial liabilities measured at amortised cost</b>		<b>1,51,810.28</b>	-	-	<b>1,25,812.49</b>	-	-
<b>Financial liabilities measured at fair value</b>							
Derivative liability (IRS) at fair value	30	178.61	(503.63)	-	682.24	(268.80)	-
<b>Financial liabilities at fair value</b>		<b>178.61</b>	<b>(503.63)</b>	-	<b>682.24</b>	<b>(268.80)</b>	-
<b>Total financial liabilities</b>		<b>1,51,988.89</b>	<b>(503.63)</b>	-	<b>1,26,494.73</b>	<b>(268.80)</b>	-
<b>Total financial assets/ (liabilities)</b>		<b>(51,408.97)</b>	<b>157.13</b>	<b>981.77</b>	<b>(86,174.24)</b>	<b>(510.66)</b>	<b>(61.25)</b>

### Financial risk management objective

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Company is not engaged in speculative treasury activities but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

The use of any derivative is approved by the management, which provide guidelines on the acceptable levels of interest rate risk, credit risk, foreign exchange risk and liquidity risk and the range of hedging requirement against these risks.

### Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed to credit risk for receivables, cash and cash equivalents, short term investments, financial guarantee and derivative financial instruments.

### Cash and cash equivalents and short term investments

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant deposit balances other than those required for its day to day operations.

### Trade receivables

The Company extends credits to customer in normal course of the business. The Company considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customer.

The Company monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdiction and industries and operate in large independent markets. The Company also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods is 45 to 90 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically. There is a customer who represent more than 10 per cent of total net revenue from operations during the year.

The Company does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

### Expected credit loss :

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 45 - Financial instruments and risk review (contd.)

allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%)
Not due for payment	0
Up to 6 months	0
From 6 months to 1 year	0
From 1 year to 3 years	10 to 100
More than 3 years	100

### Ageing of past due trade receivables

Period	(₹ in lakh)	
	31 March 2022	31 March 2021
Not due for payment	21,593.48	22,322.02
Up to 6 months	8,653.04	7,548.31
From 6 months to 1 year	560.59	816.85
From 1 year to 3 years	1,113.95	2,451.83
More than 3 years	752.89	541.20

### Ageing of impaired trade receivables

Period	(₹ in lakh)	
	31 March 2022	31 March 2021
Not due for payment	-	-
Up to 6 months	2.06	-
From 6 months to 1 year *	277.25	439.77
From 1 year to 3 years	1,001.85	969.39
More than 3 years	752.89	541.20

\* Based upon lifetime expected credit loss

### Financial guarantee

The Company has not given any financial guarantee.

### Liquidity risk:

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due.

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date and, where applicable, their effective interest rates.

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 45 - Financial instruments and risk review (contd.)

(₹ in lakh)

Particulars	As at 31 March 2022				Total
	Notes	not later than one year	later than one year and not later than five years	later than five years	
<b>Financial liabilities</b>					
Borrowings - bank loans	Note 21, 27	29,701.95	64,654.71	19,631.75	1,13,988.41
Borrowings - other loans	Note 21,26	171.07	1,534.99	1,278.13	2,984.19
Current payables	Note 28,29,30	34,800.10	-	-	34,800.10
Non-current payables	Note 23	-	-	772.20	772.20
<b>Total</b>		<b>64,673.12</b>	<b>66,189.70</b>	<b>21,682.08</b>	<b>1,52,544.90</b>

(₹ in lakh)

Particulars	As at 31 March 2021				Total
	Notes	not later than one year	later than one year and not later than five years	later than five years	
<b>Financial liabilities</b>					
Borrowings - bank loans	Note 21, 27	21,555.03	52,657.64	12,814.11	87,026.78
Borrowings - other loans	Note 21,26	496.50	1,262.29	1,721.89	3,480.68
Current payables	Note 28,29,30	35,353.57	-	-	35,353.57
Non-current payables	Note 23	-	98.84	785.23	884.07
<b>Total</b>		<b>57,405.10</b>	<b>54,018.77</b>	<b>15,321.23</b>	<b>1,26,745.10</b>

### Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, including :

Forward foreign exchange contract to hedge the exchange rate risk arising on the export and imports of its products.

Forward foreign exchange derivative contract to contract to hedge the exchange rate risk arising on translation of payment of foreign currency loan.

Forward foreign exchange interest rate swap contract to hedge the exchange rate risk arising on translation of payment on interest.

### Currency risk

The Company undertakes various transactions denominated in foreign currencies, consequently, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Company transacts business primarily in Indian Rupee, USD, Euro and GBP. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopted a policy of selective hedging based on risk perception of the management. Foreign exchange hedging contracts are carried at fair value.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 45 - Financial instruments and risk review (contd.)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	(in lakh)	
		As at 31 March 2022	As at 31 March 2021
Trade receivables	USD	11.78	11.36
	EUR	0.00	-
Trade payables	USD	61.00	118.77
	EUR	11.34	2.70
	GBP	0.46	0.33
Borrowings	USD	310.00	360.00
Accrued interest	USD	2.13	2.58

Currency rate	(In ₹)	
	As at 31 March 2022	As at 31 March 2021
USD	75.8071	73.5047
EUR	84.6599	86.0990
GBP	99.5524	100.9509

Of the above foreign currency exposures, following exposures are not hedged:

Particulars	Currency	(in lakh)	
		As at 31 March 2022	As at 31 March 2021
Trade receivables	USD	11.78	11.36
	EUR	0.00	-
Trade payables	USD	61.00	118.77
	EUR	11.34	2.70
	GBP	0.46	0.33
Borrowings	USD	190.00	200.00
Accrued interest	USD	2.13	2.58

### Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, Euro and GBP to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

Currency	Change in currency exchange rate	(₹ in lakh)	
		Effect on profit before tax 31 March 2022	Effect on profit before tax 31 March 2021
USD	5%	(1,369.67)	(1,727.32)
	-5%	1,369.67	1,727.32
EUR	5%	(48.02)	(11.64)
	-5%	48.02	11.64
GBP	5%	(2.30)	(1.67)
	-5%	2.30	1.67

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of each reporting period.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 45 - Financial instruments and risk review (contd.)

### Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debts. Its objective in managing its interest rate risk is to ensure that it always maintain sufficient head room to cover interest payment from anticipated cash flows which is regularly reviewed by the board/nominated committee as well.

The following table demonstrates the sensitivity in the interest rate with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the interest rates is given below:

Particulars	Change in interest rate	Effect on profit before tax	
		31 March 2022	31 March 2021
Long term borrowings from bank	0.50%	489.78	(370.76)
	-0.50%	(489.78)	370.76

(₹ in lakh)

### Commodity risk

The Company is exposed to the movement in the price of key raw material and other traded goods in the domestic and international markets. The Company has in place policies to manage exposure to fluctuation the prices of key raw materials used in operations. The Company enter into contracts for procurement of raw material and traded goods, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.

## Note 46 - Fair value measurement

### Fair valuation techniques and inputs used

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique and key input
	As at 31 March 2022	As at 31 March 2021		
Foreign currency forward contracts	1,012.61	1,359.11	2	Market approach
Derivative payable (IRS)	178.61	682.24	2	Market approach
Non current investments	2,091.60	1,110.71	3*	Comparable Company Method

(₹ in lakh)

### \* Reconciliation of level 3 fair value hierarchy

Particulars	Unlisted shares irrevocably designated as at FVTOCI	
	As at 31 March 2022	As at 31 March 2021
Opening balance	1,110.71	1,171.50
Addition during the year	0.13	0.46
Transfer during the year	(1.00)	-
Transfer in slump sale	(0.01)	-
Gains or losses		
- in other comprehensive income	981.77	(61.25)
<b>Closing balance</b>	<b>2,091.60</b>	<b>1,110.71</b>

(₹ in lakh)

### Other financial instruments

The carrying amount of the financial assets and liabilities carried at amortised cost is considered a reasonable approximation of fair value.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 47 - Segment reporting

### Identification of segment:

The company operating business are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Post Slump Sale of BPD undertaking, the Company has reassessed and identified business segment as per the applicable Ind AS- the same is as under:

- Packaging Product Division: consisting of container and speciality glass business, PET bottles business and security caps and closure business
- Investment Property: consisting of land & buildings owned by the Company and given on lease
- Others: includes wind power generation and other activities

BPD Undertaking transferred through slump sale w.e.f. 31<sup>st</sup> March, 2022, the segment information related to BPD undertaking has been shown as under the head "Discontinued Operations" below."

The activities of the company are primarily limited with in the Indian Territories having no variation in risk and returns. Consequently, information in respect of geographical segment in not given

**Unallocated items:** The corporate and other segment includes general corporate income and expense items, which not allocated to any business segment

Particulars	Packaging Product Division	Investment Property	Others	Inter segment elimination	Unallocated	Total	(₹ in lakh)
							Building Products Division (Discontinued Operations) (Refer note 61)
<b>Segment revenue *</b>							
For the year ended 31 March 2022	<b>1,43,632.43</b>	-	<b>107.38</b>	<b>(696.34)</b>	-	<b>1,43,043.47</b>	<b>88,139.76</b>
For the year ended 31 March 2021	1,25,870.23	-	622.63	(503.40)	-	1,25,989.46	59,270.02
<b>Other income</b>							
For the year ended 31 March 2022	<b>3,808.09</b>	-	<b>0.02</b>	-	<b>484.48</b>	<b>4,292.59</b>	<b>4,912.20</b>
For the year ended 31 March 2021	565.35	-	33.97	(517.88)	1,325.90	1,407.34	1,388.57
<b>Segment results</b>							
For the year ended 31 March 2022	<b>23,787.66</b>	-	<b>(24.50)</b>	-	<b>(3,061.92)</b>	<b>20,701.24</b>	<b>4,125.19</b>
For the year ended 31 March 2021	19,642.57	-	16.42	-	(1,079.64)	18,579.35	91.24
<b>Finance cost</b>							
For the year ended 31 March 2022						<b>2,808.42</b>	<b>3,778.85</b>
For the year ended 31 March 2021						3,317.09	3,870.95

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

**Note 47 - Segment reporting (contd.)**

Particulars	Packaging Product Division	Investment Property	Others	Inter segment elimination	Unallocated	Total	(₹ in lakh)	
							Building Products Division (Discontinued Operations) (Refer note 61)	
<b>Exceptional items</b>								
For the year ended 31 March 2022	-	-	-	-	-	-	-	<b>7,415.00</b>
For the year ended 31 March 2021	-	-	-	-	-	-	-	-
<b>Income tax (including deferred tax)</b>								
For the year ended 31 March 2022						<b>6,253.29</b>		<b>71.03</b>
For the year ended 31 March 2021						3,782.61		(1,106.02)
<b>Profit after tax</b>								
For the year ended 31 March 2022						<b>11,639.53</b>		<b>7,690.31</b>
For the year ended 31 March 2021						11,479.65		(2,673.69)
<b>Other information</b>								
<b>Segment assets</b>								
31 March 2022	<b>2,08,286.66</b>	<b>41,054.97</b>	<b>354.43</b>	-	<b>78,253.39</b>	<b>3,27,949.45</b>		-
31 March 2021	1,67,522.87	-	1,700.39	(98.85)	5,728.47	1,74,852.88		1,10,749.35
<b>Segment liabilities</b>								
31 March 2022	<b>1,06,422.84</b>	-	<b>30.98</b>	-	<b>82,287.43</b>	<b>1,88,741.25</b>		-
31 March 2021	84,094.34	-	608.26	-	2,590.17	87,292.76		74,953.67
<b>Capital expenditure</b>								
For the year ended 31 March 2022	<b>40,265.07</b>	-	-	-	<b>197.44</b>	<b>40,462.51</b>		<b>11,141.23</b>
For the year ended 31 March 2021	12,207.41	-	3.14	-	308.95	12,519.50		5,288.74
<b>Depreciation and amortisation</b>								
For the year ended 31 March 2022	<b>9,567.00</b>	-	<b>55.59</b>	-	<b>375.29</b>	<b>9,997.88</b>		<b>2,825.30</b>
For the year ended 31 March 2021	8,954.86	-	119.60	-	388.41	9,462.87		2,673.62
<b>Other non-cash expenses</b>								
<b>Provision for doubtful debts and advances</b>								
For the year ended 31 March 2022	<b>209.70</b>	-	-	-	-	<b>209.70</b>		<b>0.71</b>
For the year ended 31 March 2021	767.81	-	-	-	-	767.81		5.09

\* Revenue from a customer represents approximately ₹93,038.72 lakh (40.25% )(Previous year ₹59,504.30 lakh (32.12% )) of the company's total revenue within India.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 48 - Employee benefits

### A. Defined contribution plan

The Company operates defined contribution retirement benefit plans for all eligible employees. The assets of the plans are held separately from those of the Companies in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company's contribution to Provident Fund and Superannuation Fund aggregating to ₹ 752.11 lakh (net of amount capitalised and reimbursement received from government) (previous year ₹ 766.88 lakh) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

### B. Defined benefit plans

#### Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company Scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity Scheme administered by the Birla Sun Life Insurance Company Limited.

#### Details of the Company's defined benefit plans are as follows:

Particulars	(₹ in lakh)	
	Funded plan	
	Gratuity	
	31 March 2022	31 March 2021
Current service cost	276.31	261.49
Net interest expense/(income)	15.41	25.59
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>291.72</b>	<b>287.08</b>
<b>Re-measurement on the net defined benefit liability</b>		
Net actuarial (gain)/loss	(106.92)	84.75
Expected return on plan assets excluding interest income	(64.87)	(71.15)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(171.79)</b>	<b>13.60</b>
<b>I. Net asset/(liability) recognised in the balance sheet as at 31 March</b>		
1. Present value of defined benefit obligation (net of slump sale impact)	1,142.55	2,524.71
2. Fair value of plan assets (net of slump sale impact)	1,102.03	2,217.01
3. Deficit	40.52	307.70
4. Current portion of the above	40.52	307.70
<b>II. Change in the obligation during the year ended 31 March</b>		
1. Present value of defined benefit obligation at the beginning of the year	2,524.71	2,311.48
2. Expenses recognised in the statements of profit and loss		
- Current service cost	276.31	261.49
- Interest expense	178.13	150.79
3. Recognised in other comprehensive income		
<b>Re-measurement gains / (losses)</b>		
- Actuarial (gain)/loss arising from experience adjustments	8.71	165.57
- Actuarial (gain)/loss from financial assumptions	(115.63)	(80.82)
4. Benefit payments	(195.63)	(283.80)
Less:- Transferred under slump sale (refer note 61)	(1,534.05)	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>1,142.55</b>	<b>2,524.71</b>

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 48 - Employee benefits (contd.)

(₹ in lakh)

Particulars	Funded plan	
	Gratuity	
	31 March 2022	31 March 2021
<b>III. Change in fair value of assets</b>		
1. Fair value of plan assets at the beginning of the year	2,217.01	1,801.41
2. Recognised in the statement profit and loss		
- Expected return on plan assets	162.72	125.20
3. Recognised in other comprehensive income		
<b>Re-measurement gains / (losses)</b>		
- Actual return on plan assets in excess of the expected return	64.87	71.15
4. Contributions by employer (including benefit payments recoverable)	332.70	503.05
5. Benefit payments	(195.63)	(283.80)
Less:- Transferred under slump sale (refer note 61)	(1,479.64)	-
<b>Fair value of plan assets at the end of the year</b>	<b>1,102.03</b>	<b>2,217.01</b>

### IV. The major categories of plan assets

The Company made annual contribution to the Birla Sun Life Insurance Company Limited ('BSL') of an amount advised by the BSL. The Company was informed by BSL that the planned assets are held in growth/fixed interest bonds.

### V. Actuarial assumptions

1. Discount rate	7.34%	6.95%
2. Expected rate of increase in compensation level	6.50%	6.50%
3. Attrition rate	1.00%	1.00%
4. Expected rate of return on plan assets	7.34%	6.95%
5. Mortality table	IALM 2012-14	IALM 2012-14
6. Superannuation age	58	58

### VI. Sensitivity analysis

(₹ in lakh)

Particulars	31 March 2022		31 March 2021	
	Change in assumption	Effect on gratuity obligation	Change in assumption	Effect on gratuity obligation
Discount rate	0.50%	(127.22)	0.50%	(125.71)
	-0.50%	138.62	-0.50%	137.12
Expected rate of increase in compensation level	0.50%	136.37	0.50%	134.24
	-0.50%	(126.49)	-0.50%	(124.29)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the balance sheet.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 48 - Employee benefits (contd.)

### VII. Experience adjustments:

(₹ in lakh)

	Year ended				
	2021-22	2020-21	2019-20	2018-19	2017-18
1. Defined benefit obligation	1,142.55	2,524.71	2,311.48	1,851.76	2,157.84
2. Fair value of plan assets	1,102.03	2,217.01	1,801.41	1,685.08	2,032.75
3. Surplus/(deficit)	(40.52)	(307.70)	(510.07)	(166.68)	(125.09)
4. Experience adjustment on plan liabilities gain/(loss)	(8.71)	(165.57)	(48.01)	(95.92)	104.39

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### C. Other long-term benefits - Compensated absences (unfunded)

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Amounts recognised in the balance sheet</b>		
Non current (refer note 24)	622.05	780.71
Current (refer note 32)	133.28	209.54
	<b>755.33</b>	<b>990.25</b>
<b>Amounts recognised in the statement of profit and loss</b>		
Current service cost	116.54	119.13
Interest cost	67.34	65.42
Actuarial loss	69.35	45.01
<b>Total included in employee benefits expense</b>	<b>253.23</b>	<b>229.56</b>
<b>Reconciliation of opening and closing balances of benefit obligations</b>		
<b>Change in benefit obligation</b>		
Defined benefit obligation at the beginning of the year	990.25	962.12
Interest cost	67.34	65.42
Current service cost	116.54	119.13
Benefits paid	(230.94)	(201.43)
Actuarial loss	69.35	45.01
Less:- Transferred under slump sale (refer note 61)	(257.21)	-
<b>Defined benefit obligation at the end of the year</b>	<b>755.33</b>	<b>990.25</b>

The average duration of remaining working life at the end of the reporting period is 15.40 years (previous year 15.64 years).

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 49 - Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit for the year attributable to owners of the Company from continuing operations (₹ in lakh)	11,639.53	11,479.65
Profit for the year attributable to owners of the Company from discontinued operations (₹ in lakh)	7,690.31	(2,673.69)
<b>Profit for the year attributable to owners of the Company including discontinued operations (₹ in lakh)</b>	<b>19,329.84</b>	<b>8,805.96</b>
Weighted average number of equity shares (nos.)	6,46,97,381	6,92,61,290
Nominal value per share (₹)	2.00	2.00
Earnings per share - basic and diluted - Continuing Operations (₹)	17.99	16.57
Earnings per share - basic and diluted - Discontinued Operations (refer note 61) (₹)	11.89	(3.86)
<b>Earnings per share - basic and diluted - Continuing and Discontinued Operations (₹)</b>	<b>29.88</b>	<b>12.71</b>

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same

## Note 50 - Ind AS 116 Leases

The company recorded the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right of use asset.

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

Break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	94.46	86.83
Non current lease liabilities	-	94.46
<b>Total</b>	<b>94.46</b>	<b>181.29</b>

Movement in lease liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	181.29	-
Addition	-	473.01
Finance cost accrued during the period	12.01	17.18
Deletions	-	-
Payment of lease liabilities	(98.84)	(308.90)
<b>Balance at the end</b>	<b>94.46</b>	<b>181.29</b>



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 50 - Ind AS 116 Leases (contd.)

Details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Less than one year	98.84	98.84
One to five years	-	98.84
More than five years	-	-
<b>Balance at the end</b>	<b>98.84</b>	<b>197.68</b>

Rental expense recorded for short-term leases was ₹ 558.88 lakh (Previous period ₹ 469.90 lakh) for the year ended March 31, 2022.

## Note 51 - Contingent liabilities not provided for in respect of:

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Demands raised by the excise / service-tax / income-tax / sales tax authorities against which appeals have been filed	396.06	410.34
b) Demands raised by the sales tax authorities against which appeal filed (entry tax)	4,168.29	4,168.29
c) Claims against the Company not acknowledged as debts	1,998.60	1,874.44

## Note 52 - Capital and other commitments

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	7,551.45	18,467.03
b) Export obligation under Export Promotion Capital Goods license of Export Import Policy	4,605.89	7,370.98
c) Bank guarantees outstanding (other than financial guarantee)	2,767.66	2,997.75

## Note 53 - Payment to statutory auditors (excluding goods and service tax)

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditors	11.75	11.00
Other services*	11.14	10.10
For reimbursement of expenses	4.05	3.04
	<b>26.94</b>	<b>24.14</b>

\* includes ₹ 7.00 lakh for certification and other work related to slump sale (₹ 7.00 lakh in previous year for buyback related certifications)



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 54 - Related party transactions

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

### List of related parties

Relationship	Name of related party
Key management personnel (KMP)	<b>Executive directors</b>
	Dr. Rajendra Kumar Somany (Chairman & Managing Director)
	Mr. Sandip Somany (Vice Chairman & Managing Director)
	<b>Executives</b>
	Mr. Om Prakash Pandey (CFO)
	Mr. Pulkit Bhasin (CS)
	<b>Non-executive directors</b>
	Mrs. Sumita Somany
	Mr. G.L. Sultania
	Mr. Ashok Jaipuria (cease to be a director w.e.f. 27 <sup>th</sup> May, 2020)
	Mr. V.K. Bhandari
	Mr. N.G. Khaitan
	Ms. Himalyani Gupta
	Mr. Rakesh Sarin
	Mr. Anil Wadhva
Relatives of Key management personnel (KMP)	Mr. Shashvat Somany (son of Mr. Sandip Somany)
Holding Company	Somany Impresa Limited (w.e.f. 31 <sup>st</sup> Dec, 2020)
Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	Textool Mercantile Private Limited
	Hintastica Private Limited
	Khaitan & Co., LLP
	HSIL Relief Fund
	HSIL Corporate Social Responsibility Foundation
	Krishna Somany Charity Trust
Others	R.K. Somany Foundation
	Somany Home Innovation Limited (Associate of Somany Impresa Limited)
	Hindware Limited (Subsidiary of Somany Home Innovation Limited) (formerly known as Brillloca Limited)
Post employment benefit plan	Somany Provident Fund Institution
	HSIL Gratuity Trust

The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 54 - Related party transactions (contd.)

(₹ in lakh)

Particulars	Key management personnel and their relatives		Entities where significant influence is exercised by KMP & their relatives / Others	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Transactions during the year*</b>				
<b>Rent paid to</b>				
Textool Mercantile Private Limited	-	-	2.92	-
<b>Rent received from</b>				
Somany Home Innovation limited	-	-	85.29	144.89
Hindware Limited	-	-	745.31	745.31
<b>Interest on loan</b>				
Mr. Om Prakash Pandey	1.19	-	-	-
<b>Payment for professional services to</b>				
Khaitan & Co. LLP	-	-	-	1.25
<b>Payment for management services received from</b>				
Somany Home Innovation limited	-	-	2.37	87.42
Hindware Limited	-	-	1.48	249.66
Hintastica Private Limited	-	-	36.15	-
<b>Payment for management services to</b>				
Hindware Limited	-	-	1,713.76	1,193.26
<b>Salary given to</b>				
Mr Shashvat Somany	73.64	74.89	-	-
<b>Loan given to</b>				
Mr. Om Prakash Pandey	100.00	-	-	-
<b>Repayment of Loan given by</b>				
Mr. Om Prakash Pandey	3.50	-	-	-
<b>Donation given to</b>				
HSIL Relief Fund	-	-	-	10.00
Krishna Somany Charitable Trust	-	-	-	20.00
R.K. Somany Foundation	-	-	-	20.00
<b>Sale of investment</b>				
Hindware Limited	-	-	1.00	-
<b>Sale of goods/services to</b>				
Hintastica Private Limited	-	-	245.12	19.31
Somany Home Innovation limited	-	-	-	536.08
Hindware Limited	-	-	93,524.17	59,678.27
<b>Cash Discount given</b>				
Hindware Limited	-	-	485.45	173.97
<b>Purchase of goods from</b>				
Hintastica Private Limited	-	-	0.52	0.06
Somany Home Innovation limited	-	-	1.12	11.38
Hindware Limited	-	-	314.09	17.48
<b>Sale of CWIP (including leasehold rights of land) to</b>				
Hintastica Private Limited	-	-	-	622.00
<b>Purchase of assets from</b>				
Hindware Limited	-	-	1.17	32.96
<b>Sale of assets to</b>				
Hindware Limited	-	-	7.97	-
Somany Home Innovation limited	-	-	0.94	-

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

**Note 54 - Related party transactions (contd.)**

(₹ in lakh)

Particulars	Key management personnel and their relatives		Entities where significant influence is exercised by KMP & their relatives / Others	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Hintastica Private Limited	-	-	199.70	-
<b>Slump sale</b>				
Hindware Limited	-	-	69,995.55	-
<b>Reimbursement of expenses received from</b>				
Hintastica Private Limited	-	-	-	176.77
Somany Home Innovation limited	-	-	3.47	7.50
Hindware Limited	-	-	219.26	10.86
<b>Reimbursement of expenses paid to</b>				
Hindware Limited	-	-	10.40	3.58
<b>Reimbursement of VAT/CST liability</b>				
Hindware Limited	-	-	96.21	-
<b>Contribution made to</b>				
Somany Provident Fund Institution	-	-	181.39	124.50
HSIL Corporate Social Responsibility Foundation	-	-	206.29	199.05
HSIL Gratuity Trust	-	-	332.70	503.05
<b>Security Deposit received from</b>				
Somany Home Innovation limited	-	-	-	12.07
Hindware Limited	-	-	-	62.10
<b>Balances outstanding at the year end</b>				
Mr. Shashvat Somany - Payable	-	2.77	-	-
Mr. Om Prakash Pandey - Receivable	97.69	-	-	-
Hintastica Private Limited - Receivable	-	-	309.14	195.39
Somany Home Innovation Limited - Receivable	-	-	185.38	1,955.05
Hindware Limited - Receivable due to slump sale (net of advance of ₹ 10,900 lakh)	-	-	59,095.55	-
Hindware Limited - Receivable	-	-	4,121.50	-
Hindware Limited - Payable	-	-	-	1,731.65

\* exclusive of GST, wherever applicable.

The remuneration and other transactions with members of key managerial personnel during the year was as follows:

(₹ in lakh)

Particulars	Key management personnel and their relatives	
	31 March 2022	31 March 2021
<b>Remuneration to key management personnel *</b>		
Dr. Rajendra Kumar Somany	885.41	562.22
Mr. Sandip Somany	885.41	214.98
Mr. Om Prakash Pandey (CFO)	159.61	114.37
Mr. Pulkit Bhasin (CS)	22.10	14.84
Commission and other payments to non-executive directors	200.98	136.54

\* exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done on Company as a whole.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 54 - Related party transactions (contd.)

(₹ in lakh)

Particulars	Key management personnel and their relatives	
	31 March 2022	31 March 2021
<b>Remuneration payable</b>		
Dr. Rajendra Kumar Somany	397.39	37.51
Mr. Sandip Somany	397.78	130.21
Non-executive directors	177.08	112.44
Mr. Om Prakash Pandey	2.85	16.79
Mr. Pulkit Bhasin	1.16	0.85

The remuneration and other transactions with members of key managerial personnel during the year was as follows:

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	Short-term employee benefits #	2,059.61
Post-employment benefits		
- Defined contribution plan \$	93.90	56.52
- Defined benefit plan *	-	-
- Other long-term benefits *	-	-
<b>Total</b>	<b>2,153.51</b>	<b>1,042.95</b>

# Including bonus, sitting fee, commission on accrual basis and value of perquisites.

\$ including provident fund, leave encashment paid and any other benefit.

\* As the liability for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

### Disclosure pursuant to Regulation 34(3) read with Schedule V, part A, Clause 2(2A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

Promoter/promoter group companies holding more than 10% of equity share capital of the Company:

(₹ in lakh)

Particulars	Nature of Transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Somany Home Innovation Limited</b>			
<b>Transaction during the year</b>	Sale of goods	-	536.08
	Purchase of goods	1.12	11.38
	Rent received	85.29	144.89
	Management fees received	2.37	87.42
	Security deposit received	-	12.07
	Reimbursement of expenses received	3.47	7.50
	Sale of fixed assets	0.94	-
<b>Outstanding balance as the end of the year - Receivable</b>		<b>185.38</b>	<b>1,955.05</b>

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 54 - Related party transactions (contd.)

		(₹ in lakh)	
Particulars	Nature of Transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Hindware Limited</b>			
<b>Transaction during the year</b>			
	Sale of Goods	93,524.17	59,678.27
	Purchase of goods	314.09	17.48
	Rent received	745.31	745.31
	Management Fees received	1.48	249.66
	Management Fees paid	1,713.76	1,193.26
	Reimbursement of expense paid	10.40	3.58
	Reimbursement of expense received	219.26	10.86
	Reimbursement of VAT/CST liability	96.21	-
	Cash discount given	485.45	173.97
	Sale of investment	1.00	-
	Security deposit received	-	62.10
	Sale of assets	7.97	-
	Purchase of assets	1.17	32.96
	Slump sale	69,995.55	-
	<b>Outstanding balance as the end of the year - Receivable due to slump sale (including net of advance of ₹ 10,900 lakh)</b>	<b>59,095.55</b>	<b>-</b>
	<b>Outstanding balance as the end of the year - Receivable / (Payable)</b>	<b>4,121.50</b>	<b>(1,731.65)</b>
<b>Hintastica Private Limited</b>			
<b>Transaction during the year</b>			
	Sale of Goods	245.12	19.31
	Purchase of Goods	0.52	0.06
	Sale of CWIP (including leasehold rights of land)	-	622.00
	Sale of assets to	199.70	-
	Management Fees received	36.15	-
	Reimbursement of expense received	-	176.77
	<b>Outstanding balance as the end of the year - Receivable</b>	<b>309.14</b>	<b>195.39</b>

## Note 55 - Expenditure on ceramic and applied research centre\*

		(₹ in lakh)	
Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
<b>(As certified by the management)</b>			
	Salaries, wages and bonus	101.83	96.15
	Contribution to provident and other funds	4.12	3.54
	Others	50.60	44.11
		<b>156.55</b>	<b>143.80</b>

\* Related to discontinued operations

## Note 56 - Corporate social responsibility

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms, with the provisions of the said Act, the Company was to spend a sum of ₹ 200.33 lakh (previous year ₹ 198.48 lakh) towards CSR activities during the year ended 31 March 2022. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives,



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 56 - Corporate social responsibility (contd.)

however, the committee expects finalization of such proposals in due course. During the year ended 31 March 2022, the Company has contributed the following sums towards CSR initiatives.

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Amount required to be spent by the company during the year	200.33	198.48

(ii) Amount of expenditure incurred

Particulars	Paid in cash	Paid in cash
On construction/acquisition of any asset	59.08	29.21
On purposes other than above	147.21	169.84
	<b>206.29</b>	<b>199.05</b>

(iii) Shortfall at the end of the year

(iv) Nature of CSR activities

- Skill Enhancing Vocational Training (Kaushal Vridhi)
- Enhancement of Health Care Facilities
- COVID-19 prevention and relief measures
- Installation of CCTV cameras
- Road safety initiatives

## Note 57 - Disclosure of struck off companies

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013:

S No.	Name of struck off Company	Nature of transactions with struck-off Company	(₹ in lakh)		Relationship with the struck-off Company
			Balance as at 31 March 2022	Balance as at 31 March 2021	
1	Safe Parenterals Private Limited	Sale of goods	13.16	6.32	Customer
2	Classic Enterprises Private Limited	Purchase of goods	-	2.37	Vendor
3	Glasspower Engineering India Private Limited	Purchase of goods	(0.45)	-	Vendor

Details of other struck off entities holding equity shares in the Company is as below

S No.	Name of struck off Company	No. of shares held (In no.)	Paid-up as at 31 March 2022 (In ₹)	Paid-up as at 31 March 2021 (In ₹)
1	Prakash Leasing Ltd	515	1,030	1,030

## Note 58 - Insurance claim

There was a fire incident at Bhongir plant in the year 2020. The company has recognised insurance claim income of ₹ 1,456.91 lakh against loss/damage of machinery during the current year as final settlement of reinstatement value. The company has already incurred cost on replacement/ refurbishment of machinery. Further, the insurance company has completed the Loss assessment under "Loss of Profit (LOP)" terms and has assessed the final LOP claim of ₹ 1,311.47 lakh. The balance amount of ₹ 1,161.47 lakh (net of ₹ 150 lakh received/ accounted for during the current year) has been recognized as other income in current year.

# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 59 - Financial instruments by category

(₹ in lakh)

Particulars	31 March 2022			31 March 2021		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
<b>Non current financial assets</b>						
Investments	2,091.60	-	1.23	1,110.71	-	1.62
Loans	-	-	75.50	-	-	-
Other financial assets	-	-	1,536.39	-	-	1,734.13
<b>Current financial assets</b>						
Trade receivable	-	-	30,639.90	-	-	31,729.85
Cash and cash equivalents	-	-	3,977.48	-	-	373.58
Bank balances other than cash and cash equivalents	-	-	1,884.28	-	-	1,967.08
Loans	-	-	21.00	-	-	-
Other financial assets	-	1,012.61	59,339.93	-	1,359.11	2,044.41
<b>Total financial assets</b>	<b>2,091.60</b>	<b>1,012.61</b>	<b>97,475.72</b>	<b>1,110.71</b>	<b>1,359.11</b>	<b>37,850.67</b>
<b>Non current financial liabilities</b>						
Non-current borrowings	-	-	86,364.95	-	-	67,539.71
Lease liabilities	-	-	-	-	-	94.46
Other financial liabilities	-	-	772.20	-	-	785.23
<b>Current financial liabilities</b>						
Current borrowings	-	-	29,873.03	-	-	22,051.53
Lease liabilities	-	-	94.46	-	-	86.83
Trade payables	-	-	21,739.64	-	-	23,012.71
Other financial liabilities	-	178.61	12,966.00	-	682.24	12,242.02
<b>Total financial liabilities</b>	<b>-</b>	<b>178.61</b>	<b>151,810.28</b>	<b>-</b>	<b>682.24</b>	<b>125,812.49</b>

## Note 60 - Ratios disclosure

S No.	Particulars	As at 31 March 2022	As at 31 March 2021	Variance (%)	Remarks
(i)	Current Ratio (times) Total current assets / Total current liabilities	1.84	1.34	38	The variance in the above ratio is due to slump sale transaction during the year.
(ii)	Total Debts to Equity Ratio (times) (Non-current borrowings + Current borrowings) / Net worth Non Current borrowings includes deferred government grant Net worth = Equity share capital + Securities premium account + General reserve + Retained earnings+ Capital redemption reserve+Actuarial gain/(loss)	1.04	0.94	10	
(iii)	Debt Service Coverage Ratio (times)* (Profit after Tax + Depreciation + Interest on loan + Loss/(gain) on sale of property, plant and equipment) / (Interest on loan + Loan and lease repayment)	2.47	2.17	14	
(iv)	Return on Equity (%) (Profit for the year / Net worth) Net worth = Equity share capital + Securities premium account + General reserve + Retained earnings+ Capital redemption reserve+Actuarial gain/(loss)	17.14	9.18	87	The variance in the above ratio is due to exceptional gain on account of slump sale transaction during the year.
(v)	Inventory Turnover (times)^ (Cost of goods sold / Average inventories)	1.53	1.82	-16	



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 60 - Ratios disclosure (contd.)

S No.	Particulars	As at 31 March 2022	As at 31 March 2021	Variance (%)	Remarks
(vi)	Trade Receivables Turnover (times)^ (Revenue from Operations / Average trade receivables)	4.70	6.07	-23	
(vii)	Trade Payables Turnover (times)^ (Total Purchases / Average trade payables)	5.57	5.94	-6	
(viii)	Net Capital Turnover (times)^ (Revenue from Operations / Average working capital) Working capital = Current assets - Current liabilities	3.67	7.42	-51	The variance in the above ratio is due to slump sale transaction during the year.
(ix)	Net Profit Ratio (%)* (Profit for the year / Revenue from operations)	8.36	4.75	76	The variance in the above ratio is due to exceptional gain on account of slump sale transaction during the year.
(x)	Return on Capital Employed (%)* (Earnings before interest and tax / Capital employed) Capital employed = Net worth + Borrowings + Deferred tax liability- Other intangible assets	12.64	8.81	43	The variance in the above ratio is due to exceptional gain on account of slump sale transaction during the year.

\* Includes discontinued operations

^ Current year ratio is based upon continuing operations only

## Note 61 - Discontinued operations and Assets held for sale

### (i) Discontinued operations

The Board of Directors of the Company in their meeting held on 15<sup>th</sup> January 2022, had approved sale of the Building Product Division (the "BPD Undertaking") to Hindware Limited (formerly known as Brilloca Limited) by way of slump sale for Sale Consideration of ₹ 63,000.00 lakh and taken on record Business Transfer Agreement (the "BTA"). The above sale consideration was subject to closing date adjustment (as defined under the "BTA"). The mutually agreed Closing conditions (customary condition) have been met accordingly.

- The date of consummation of Slump Sale transaction was closing business hours of 31<sup>st</sup> March 2022 (the "Effective Date").
- The Exceptional Items (Income) for the year ended 31<sup>st</sup> March 2022 of ₹ 5,775 lakh is on account of gain on Slump Sale of BPD Undertaking.
- Based on above and in accordance with applicable Accounting Standards, the performance/results of BPD Undertaking has been shown as under the head "Discontinued Operations".
- The consideration of ₹ 59,095.55 lakh (net of advance received) has been shown under other current financial assets.



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 61 - Discontinued operations and Assets held for sale (contd.)

The financial performance related to discontinued operations for the year are presented below:

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>		
Revenue from operations	88,139.76	59,270.02
Other income	4,912.20	1,388.57
<b>Total income (I)</b>	<b>93,051.96</b>	<b>60,658.59</b>
<b>EXPENSES</b>		
Cost of materials consumed	57,918.90	37,777.31
Purchases of stock-in-trade		-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	58.24	756.14
Employee benefits expense	11,764.75	9,534.85
Finance costs	3,778.85	3,870.95
Depreciation and amortisation expense	2,825.30	2,673.62
Other expenses	14,719.58	9,825.43
<b>Total expenses (II)</b>	<b>91,065.62</b>	<b>64,438.30</b>
<b>Profit before tax (I-II)</b>	<b>1,986.34</b>	<b>(3,779.71)</b>
Tax Expense	770.21	(1,106.02)
<b>Profit after tax</b>	<b>1,216.13</b>	<b>(2,673.69)</b>

The net cashflow incurred by discontinued business is presented below:

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Operating	1,057.72	4,824.39
Investing	(9,078.05)	(1,842.87)
Financing	8,768.57	(5,098.63)
<b>Net cash (outflow)/inflow</b>	<b>748.24</b>	<b>(2,117.11)</b>

### (ii) Assets held for sale

The Board of Directors of the Company in their meeting held on 15<sup>th</sup> January 2022, had approved for sale/ disposal of one of the Company's faucet manufacturing plant, situated at RIICO Industrial Area, Bhiwadi, in the State of Rajasthan ("Bhiwadi Plant") which has been shut down since 2014. Accordingly, the same has been shown under "Non-current Assets held for sale" in accordance with IND AS 105- " Non current assets held for sale and discontinued operations".

Major classes of assets and liabilities classified as held for sale Bhiwadi plant:

Particulars	(₹ in lakh)	
	As at 31 March 2022	
<b>Group(s) of assets classified as held for sale</b>		
Property, plant and equipment		437.49
Investments		0.30
Other non current assets		0.52
Cash and cash equivalents		0.12
Other current assets		12.52
<b>Total assets held for sale</b>		<b>450.95</b>
<b>Liabilities related to group of assets classified as held for sale</b>		
Trade payables and other liabilities		0.15
<b>Total liabilities held for sale</b>		<b>0.15</b>



# Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

## Note 62 - Details of title deeds of Immovable properties not held in the name of the company

Particulars	Description of item of property	Gross Carrying Value (₹ in lakh)	Title deeds held in the name of	Whether title holder is a director, promoter or relative of the same	Property held since which date	Reason for not being held in name of company
Property, plant and equipments	Land, Glass-1, Sanathnagar	17,191.02	Associated Glass Industries Limited	NA	29.06.1981	This land was acquired through acquisition of Associated Glass Industries Limited which got merged/ amalgamated with the company and name change in the name of the company is pending.

## Note 63

- a) The Company does not have any charge which is yet to be registered with Registrar of Companies(ROC) beyond the statutory period.
- b) The below charges are pending for satisfaction as per the ROC records:-

Name of Bank	Date of creation of charge	Amount	Reason for non satisfaction of charge
ICICI Bank Limited	27-11-2014	98,57,000.00	The loan has been repaid and NOC is pending from the bank.
HDFC Bank Limited	23-08-2014	72,93,689.00	The loan has been repaid and NOC is pending from the bank.
Axis Bank Limited	22-07-2014	96,53,000.00	The loan has been repaid and NOC is pending from the bank.

## Note 64 - Inventory write off and utilisation of BRR

- a) Pursuant to Slump Sale, a joint physical inventory assessment was carried out/done by both the parties (the Company and Hindware Limited) and on verification/assessment, inventory amounting to ₹ 1,640 lakh had been identified as slow moving as agreed between parties not to be transferred under slump sale arrangement.
- b) The Company has written off the above stated slow moving inventory and the Board of Directors of the Company has approved utilization of Business Reconstruction Reserve (BRR) by ₹ 1,640 lakh, pertaining to write-off of slow moving inventory during the year ended 31<sup>st</sup> March 2022. The aforesaid utilization against BRR is in line with the Scheme of Arrangement approved by the Hon'ble High court of Kolkata vide its order dated 26<sup>th</sup> March 2010."

## Note 65 - Government subsidy

As per the investment promotion policy of Telangana State Government for the mega projects, BPD undertaking was eligible for different subsidies and grants. During the year ended 31 March 2022, the subsidy related to SGST refund has been sanctioned by concerned authority for ₹ 3,825.64 lakh for financial year 2019-2020 and 2020-2021 and also

received adhoc payment ₹ 1,500 lakh on this account. Other income of the current year includes ₹ 3,963.73 lakh (including ₹ 138.09 lakh for Packaging Products Division) relating to the subsidy (Previous year - Nil).

## Note 66 - Name change

Pursuant to the issuance of the fresh certificate of incorporation dated 20<sup>th</sup> April 2022 by Registrar of Companies, West bengal, the name of Company stands changed from HSIL Limited to AGI Greenpac Limited.

## Note 67 - Dividend

The Board of Directors have recommended a dividend of 250% i.e. ₹ 5/- (previous year ₹ 4/-) on equity share of ₹ 2/- each for the year ended 31<sup>st</sup> March 2022 subject to approval of shareholders in the ensuing Annual General Meeting.

## Note 68 - Covid-19 pandemic

The Company is closely monitoring the impact of the COVID-19 pandemic and believes that there will not be any adverse impact on the long term operations and performance of the Company.

## Note 69 - Other Disclosures

- (a) The Company does not have any benami property held in its name. No proceedings have been initiated on or

## Significant accounting policies and other explanatory information to the financial statements

for the year ended 31 March 2022

- are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder
- (b) The Company have not traded or invested in crypto currency or virtual currency during the financial year
- (c) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment
- (d) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017
- (e) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority
- (f) Utilisation of borrowed funds and share premium
- (i) 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
- (ii) 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 to or on behalf of the ultimate beneficiaries
- (g) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account

### Note 70 - Social security code

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. 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 the Code becomes effective.

**Note 71** - Previous period figures have been regrouped / re-arranged wherever considered necessary to confirm to the current year's classification.

As per our report of even date attached

For and on behalf of the Board of Directors

For **Lodha & Co**  
Chartered Accountants  
Firm Registration No. 301051E

**Sandip Somany**  
Vice Chairman and Managing Director  
DIN: 00053597

**Dr. Rajendra Kumar Somany**  
Chairman and Managing Director  
DIN: 00053557

**N.K. Lodha**  
Partner  
M. No. 085155

**Pulkit Bhasin**  
Company Secretary  
ACS No.: A27686

**Om Prakash Pandey**  
Chief Financial Officer

Place : New Delhi  
Date : 11 May 2022

Place: Gurugram  
Date: 11 May 2022



## AGI Greenpac Limited

(Formerly known as HSIL Limited)

**CIN:** L51433WB1960PLC024539

**Registered Office:** 2, Red Cross Place, Kolkata – 700 001, West Bengal, India

**Phone:** +91-33-2248 7407/5668

**E-mail:** [hsilinvestors@hsilgroup.com](mailto:hsilinvestors@hsilgroup.com); **Website:** [www.agigreenpac.com](http://www.agigreenpac.com)

### NOTICE

Notice is hereby given that the 62<sup>nd</sup> Annual General Meeting of the members of AGI Greenpac Limited (Formerly known as HSIL Limited) will be held on Thursday, 22 September 2022 at 2:00 P.M. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

#### Ordinary Business

1. To consider and adopt:

The audited financial statements of the Company for the financial year ended 31 March 2022, the reports of the Board of Directors and Auditors thereon.

2. To declare Dividend on Equity Shares for the year ended 31 March 2022.
3. To appoint a Director in place of Dr. Rajendra Kumar Somany (DIN: 00053557) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Lodha & Co., as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 67<sup>th</sup> Annual General Meeting of the Company and to fix their remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory enactment or modifications thereof) and based on the recommendation of the Audit Committee and Board of Directors ("Board"), M/s. Lodha & Co., Chartered Accountants (Firm Registration No.301051E) be and is hereby re-appointed as the Statutory Auditors of the Company to hold office for the second term of five consecutive years i.e. from conclusion of the 62<sup>nd</sup> Annual General Meeting till the conclusion of the 67<sup>th</sup> Annual General Meeting of the Company at such remuneration as set out in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** the Board of the Company or any Committee thereof be and is hereby authorised

to decide and/or alter the terms and conditions of the appointment including the remuneration for subsequent financial years and do such necessary acts, deeds, things and matters as may be considered necessary on behalf of the Company."

By order of the Board  
**For AGI Greenpac Limited**  
(Formerly known as HSIL Limited)

**(Pulkit Bhasin)**

Place: Gurugram  
Date: 11 May 2022

Company Secretary  
Membership No.: A27686

#### NOTES:

1. The Explanatory statement containing the relevant details with respect to Item No. 4 pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
2. In view of the current circumstances due to pandemic caused by COVID-19 prevailing in the country, requiring social distancing, and pursuant to General Circulars Nos. 14/2020, 17/2020, 20/2020, 02/2021 and 02/2022 dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021 and 5 May 2022 respectively issued by Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 issued by Securities and Exchange Board of India ("SEBI Circulars"), the 62<sup>nd</sup> Annual General Meeting ("AGM") of the Company is being conducted through VC/OAVM, which does not require the physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
3. Pursuant to MCA Circulars, since the AGM is conducted through VC/OAVM, where physical presence of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies under Section 105 of the Companies Act, 2013 ("Act") is not available for this AGM. However, in pursuance of Sections 112

## ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

and 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting for participation and voting in the AGM through VC/OAVM.

4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. A copy of the financial statements of the Company for the financial year ended 31 March 2022 together with the Auditors' and Directors' Reports thereon are enclosed.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 15 September 2022 to Thursday, 22 September 2022 (both days inclusive). Dividend on Equity Shares, if declared at the meeting, will be paid to those shareholders whose names appear in the Company's Register of Members/List of Beneficial Owners as on close of business hours of Wednesday, 14 September 2022. The dividend, if declared, shall be paid by Thursday, 29 September 2022.
7. Dividend, if declared, at the Annual General Meeting will be credited to the bank account of respective shareholders through National Electronic Clearing Service (NECS)/Electronic Clearing Service (ECS) where such facility is available. Members holding shares in electronic mode are therefore requested to furnish their bank particulars in which they wish to receive dividend, through their Depository Participants (DPs). Members holding shares in physical form and desirous of availing the NECS/ECS facility, are requested to update their bank particulars by sending it to the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Private Limited, directly for instant credit of dividend and other cash entitlements.

Shareholders of the Company are informed that pursuant to the provisions of Section 124(5) of the Act, the amount of dividend which remains unpaid/unclaimed for a period of 7 consecutive years is required to be transferred to the 'Investor Education & Protection Fund' (IEPF) constituted by the Central Government. Accordingly, unpaid/unclaimed dividend upto the year 2013-2014 has been transferred to IEPF.

Shareholders who have not encashed their dividend warrant(s) for the year from 2014-2015 to 2020-2021 are requested to make claim with the Company immediately. Dividend declared by the Company for the financial year 2014-2015, remain unpaid/unclaimed is due for transfer on or after 27 October 2022 to IEPF. A statement containing names, last known addresses

and unpaid dividend of such shareholders is available on the website of the Company [www.agigreenpac.com](http://www.agigreenpac.com)

Shareholders whose amount has been transferred to IEPF as above may claim refund from IEPF in accordance with provisions of the Act and rules made thereunder.

Further, pursuant to the provisions of Section 124 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years, the Company is required to transfer such equity shares of the members to the demat account of the IEPF. The Company has sent a communication to all shareholders concerned and had also published a Notice in the leading Newspaper both in English and Vernacular paper, with respect to the formalities and process of such transfers. Accordingly, the Company has transferred 13010 equity shares of ₹ 2/- each to IEPF in respect of the shareholders whose dividend was not encashed for seven consecutive years from 2013-2014, data of which are available on the website of the Company. Similarly, the Company will transfer such shares to demat account of IEPF Authority on which dividend for 2014-2015 will remain unclaimed for seven consecutive years, as per the guidelines issued by the concerned authority(ies) from time to time.

8. Members holding shares in physical form and desirous of making a nomination or cancellation/variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit the prescribed Form No. SH.13 to the Registrar and Share Transfer Agent of the Company for nomination and Form No. SH.14 for cancellation/variation as the case may be. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their respective Depository Participants (DPs).
9. As a part of 'Green Initiative', members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar and Share Transfer Agent in case the shares are held by them in physical form.
10. Members of the Company who have multiple folios in identical name(s) are requested to apply for consolidation of such folio(s) and send the relevant Share Certificates to the Company's Registrar and Share Transfer Agent ("RTA") viz. M/s. Maheshwari



Datamatics Private Limited, 23, R. N. Mukherjee Road, 5<sup>th</sup> Floor, Kolkata -700 001, for necessary endorsement thereon.

11. In conformity with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the FY 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the FY 2021-22 are also available on the Company's website [www.agigreenpac.com](http://www.agigreenpac.com), websites of National Stock Exchange of India Limited and BSE Limited i.e. [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively and on the website of Central Depository Services (India) Limited ("CDSL") i.e. [www.evotingindia.com](http://www.evotingindia.com).
12. Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Share Transfer Agent of the Company for payment of dividend to members electronically. The Company is continuing to extend the facility of electronic credit of dividend directly to the respective bank accounts of the member(s) through ECS/NECS/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

As directed by SEBI, the members holding shares in physical form are requested to submit particulars of their bank account alongwith the original cancelled cheque bearing the name of the member to RTA/ Company to update their bank account details for online payment of dividend as being declared by the Company.

Members holding shares in demat form are requested to update their bank account details with their respective Depository Participant. The Company or RTA cannot act on any request received directly from the members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the members. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. 1 April 2020 and the Company is required to deduct income tax at source 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. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in

physical mode) by clicking on <http://mdpl.in/form> and depositories (in case of shares held in demat mode) on or before Tuesday, 13 September 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at higher rates as mentioned in the Finance Act, 2020.

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms/ declarations/documents through their respective custodian who is registered on National Securities Depository Limited ("NSDL") platform, on or before the aforesaid timelines.

13. No request for effecting transfer of shares in physical form is being processed w.e.f. 1 April 2019, in terms of Press Release No. 49/2018 dated 3 December 2018 of SEBI except in case of transmission, transposition of shares subject to necessary compliances.
14. As required under Regulations 26(4) and 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the relevant information in respect of Directors seeking re-appointment at the Annual General Meeting is provided herein below and forms a part of this Notice.
15. For shareholders holding shares in physical form, please send all correspondence including requests for change of address etc. to RTA of the Company.
16. The Company has designated an exclusive e-mail id "[hsilinvestors@hsilgroup.com](mailto:hsilinvestors@hsilgroup.com)" for redressal of shareholders' complaints/grievances.
17. Since the AGM will be held through VC/OAVM facility, the Route Map is not annexed in this Notice.
18. Institutional Investors who are members of the Company, are encouraged to attend and vote in the AGM through VC/OAVM facility.
19. The Board of Directors have appointed Mr. Pravin Kumar Drolia, Company Secretary in whole-time practice, Kolkata (Membership No. F2366, CP: 1362), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and make, within two

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working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

21. The result declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.agigreenpac.com](http://www.agigreenpac.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
22. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e. 22 September 2022.
23. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
24. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of Listing Regulations (as amended) and MCA Circulars, the Company is providing facility of remote

e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorised e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

### THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND ATTENDING AGM THROUGH VC/OAVM ARE AS UNDER:

- (i) The e-voting period begins at 9:00 a.m. (IST) on Monday, 19 September 2022 and ends at 5:00 p.m. (IST) on Wednesday, 21 September 2022. During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) i.e. on Thursday, 15 September 2022 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The members who have cast their votes by remote e-voting prior to the AGM may also participate in the AGM through VC/OAVM facility but shall not be entitled to cast their votes again.
  - (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 on e-voting facility provided by listed companies, individual shareholders holding shares in demat mode are allowed to vote through their respective demat accounts maintained with Depositories and DPs. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.
- (iv) Login method for e-voting and attending AGM through VC/OAVM for individual shareholders holding shares in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding shares in demat mode with <b>CDSL</b>	<p>A. 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 URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>B. After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider ("ESP") for casting his/her vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting. Additionally, there are also links provided to access the system of all ESPs i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the websites of ESPs directly.</p> <p>C. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</p> <p>D. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from the e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending an OTP on registered mobile number and e-mail id as recorded in the demat account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also to directly access the system of all ESPs.</p>



Type of shareholders	Login Method
Individual Shareholders holding shares in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. 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 name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a personal computer or on a mobile. 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 name and you will be redirected to website of e-voting service provider for casting your vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting.</li> </ol>
Individual Shareholders (holding shares in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to the website of e-voting service provider for casting your vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting.

**Important note:** Shareholders who are unable to retrieve User ID/ Password are advised to use "Forget User ID" and "Forget Password" option available at abovementioned websites.

**Dedicated helpdesk for individual shareholders holding shares in demat mode for any technical issues related to login/e-voting through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding shares in demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding shares in demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call on toll free no.: 1800 1020 990 and 1800 22 44 30.

(v) Login method for e-voting and attending AGM through VC/OAVM for physical shareholders and shareholders other than individual holding in demat form.

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
2. Click on "Shareholders" module.
3. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in physical form should enter Folio Number registered with the Company.

4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

PAN	<p><b>For physical shareholders and other than individual shareholders holding shares in demat form</b></p> <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders, if any)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field .</li> </ul>



## ACCELERATING AMBITIONS. PACKAGING EXCELLENCE.

7. After entering these details appropriately, click on "SUBMIT" tab.
  8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) For shareholders holding shares in physical form the details can be used only for e-voting on the resolutions contained in this Notice.
  - (vii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
  - (viii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xii) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
  - (xiii) If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES AND MOBILE NUMBERS ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For physical shareholders - Please provide necessary details like folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card), mobile number by email to RTA of the Company at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
2. For demat shareholders - Shareholders shall update their e-mail addresses and mobile numbers in respect of electronic holdings with their concerned depository participants by following due procedure as advised by them.

### **INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the AGM through Laptops/IPads for better experience.
3. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [hsilinvestors@hsilgroup.com](mailto:hsilinvestors@hsilgroup.com) by Monday, 12 September 2022. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The members are also requested to send their queries, if any, by



Monday, 12 September 2022 mentioning their name, demat account number/folio number, email id, mobile number at [hsilinvestors@hsilgroup.com](mailto:hsilinvestors@hsilgroup.com).

**INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
3. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
4. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their votes.
5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively, Non-Individual Members are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer and to the Company at the email address viz; [hsilinvestors@hsilgroup.com](mailto:hsilinvestors@hsilgroup.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any query or issues regarding attending AGM and e-voting from the CDSL e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact on toll free no. 1800 22 55 33.

**Note for Non - Individual Members and Custodians**

1. Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no. 1800 22 55 33.

**EXPLANATORY STATEMENT CONTAINING THE RELEVANT DETAILS WITH RESPECT TO ITEM NO. 4 PURSUANT TO REGULATION 36(5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LISTING REGULATIONS")**

**Item No. 4**

M/s. Lodha & Co., Chartered Accountants (M/s. Lodha & Co.), Firm Registration No. 301051E, were appointed as Statutory Auditors of the Company by the shareholders in the Annual General Meeting held on 3 August 2017 for a period of five consecutive years from conclusion of the 57<sup>th</sup> Annual General Meeting till conclusion of the 62<sup>nd</sup> Annual General Meeting ("AGM") of the Company. Accordingly, the first term of M/s. Lodha & Co., will expire by efflux of time on the conclusion of 62<sup>nd</sup> AGM of the Company.

M/s. Lodha & Co. have given their consent for re-appointment as Statutory Auditors of the Company and have issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ("the Act") and the rules made thereunder. M/s. Lodha & Co. have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder and have also provided confirmation that they have subjected themselves to peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid certificate issued by the 'Peer Review Board of ICAI'.

Accordingly, based on the recommendations of the Audit Committee and the Board of Directors on their skillset, governance, independence, quality of audit and market standing, it is proposed to re-appoint M/s. Lodha & Co., Chartered Accountants as Statutory Auditors of the Company for the second term of 5 (five) consecutive years who shall hold office from the conclusion of 62<sup>nd</sup> Annual General Meeting till the conclusion of 67<sup>th</sup> Annual General

Meeting of the Company at an annual remuneration of ₹ 13.14 lakhs plus applicable taxes and reimbursement of out of pocket expenses incurred for providing the Auditing Services for the Financial Year 2022-2023. For the remaining tenure, the Board of Directors in consultation with the Audit Committee will determine the statutory audit fee as may be mutually agreed by the Statutory Auditors.

M/s. Lodha & Co. having its head office at 14, Government Place East, Kolkata - 700069 was founded in 1941. It has branches in Mumbai, Delhi, Hyderabad, Chennai and Jaipur. The firm has 16 Partners. The firm provides Assurance, Taxation, Accounting and Advisory Services. It has an experience of working with several multinational companies, listed entities and companies with multi-products and services. It is empanelled with Comptroller and Auditor General of India and Reserve Bank of India and is currently eligible to carry out Statutory Audit of Maharatna and large Public Sector Banks. Further, the firm is registered with Public Company Accounting Oversight Board (PCAOB) and therefore, it is eligible to conduct the audit of Indian subsidiaries/associates of companies listed in the USA. The firm has more than 80 years of professional experience and presence in major Business Groups, Banks and various Non-Government and Government organisations in India.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

The Board recommends the Resolution under item no. 4 of the accompanying notice for approval of the shareholders of the Company as an ordinary resolution.



**Information on the Director seeking re-appointment pursuant to the provisions of Regulation 36(3) of the Listing Regulations and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India**

<b>Age</b>	84 years
<b>No. of Shares held</b>	3410000
<b>Qualification</b>	Commerce Graduate from St. Xavier's College, Calcutta University
<b>Brief Resume and nature of his expertise in specific functional areas</b>	<p>Dr. Rajendra Kumar Somany possesses an extensive 67 years working experience and provides the strategic direction and vision to the Company.</p> <p>He is an active member of Rotary for past 60 years. He is an executive Board member and Senior Fellow member of Indian Green Building Council (IGBC), Chairman of Water Management and Plumbing Skill Council (Formerly known as Indian Plumbing Skills Council). He assisted the Bureau of Indian Standards to develop quality standards for the Sanitaryware Industry and instrumental in aligning the Indian Standards with European counterparts. He was the Chairman of Council of Indian Employers, President of The Associated Chambers of Commerce and Industry of India (ASSOCHAM) and PHD Chamber of Commerce and Industry (PHDCCI) and Employers' Federation of India.</p> <p>He is a founder President of Bahadurgarh Chamber of Commerce and Industry. He is a fellow member of Chartered Management Institute of Directors, Institute of Materials, Minerals and Mining, UK (IOM<sup>3</sup>) and Life Fellow of the All India Management Association. He is an emeritus member of American Ceramic Society. He is the Chairman of Corporate Affairs Committee and CSR Committee of the Company.</p>
<b>Name of other listed entities in which the Directorship is held</b>	Nil
<b>Chairman/Member of the Committees of Board of other listed companies</b>	Nil
<b>Relationships between Directors inter se and other Key Managerial Personnel of the Company</b>	He is related to Mr. Sandip Somany, Vice-Chairman and Managing Director and Ms. Sumita Somany, Director of the Company.
<b>Remuneration sought to be paid</b>	As per the scale as approved by the shareholders of the Company in the Annual General Meeting held on 19 September 2020
<b>Remuneration last drawn</b>	₹ 522.67 lakhs
<b>Date of first appointment on the Board</b>	9 January 1988
<b>The number of Board meetings attended during the Year</b>	5/5
<b>Name of other companies in which the Directorship is held</b>	6
<b>Membership/Chairmanship of the Committees of other companies</b>	Nil

Note: For other details please refer the Report on Corporate Governance which forms part of this Annual Report.

# Corporate Information

## BOARD OF DIRECTORS

### **Dr. Rajendra Kumar Somany**

Chairman and  
Managing Director

### **Mr. Sandip Somany**

Vice-Chairman and  
Managing Director

### **Ms. Sumita Somany**

Non-executive  
Non-Independent Director

### **Mr. Girdhari Lal Sultania**

Non-executive  
Non-Independent Director

### **Mr. Nand Gopal Khaitan**

Independent Director

### **Mr. Vijay Kumar Bhandari**

Independent Director

### **Mr. Anil Wadhwa**

Independent Director

### **Ms. Himalyani Gupta**

Independent Director

### **Mr. Rakesh Sarin**

Independent Director

## COMPANY SECRETARY

Mr. Pulkit Bhasin

## STATUTORY AUDITORS

M/s. Lodha & Co.,  
Chartered Accountants

## INTERNAL AUDITORS

M/s Bakertilly DHC Pvt. Ltd. (FY22)  
M/s Protiviti India Member Pvt. Ltd.  
(FY23)

## REGISTERED OFFICE

2, Red Cross Place, Kolkata - 700 001  
Tel: +91 33 2248 7407/5668  
Email: [hsilinvestors@hsilgroup.com](mailto:hsilinvestors@hsilgroup.com)

## CORPORATE OFFICE

301-302, Park Centra, Sector 30,  
National Highway 8,  
Gurugram - 122 001  
Tel: +91 124 4779200/201

## BANKERS

Axis Bank Ltd.  
Canara Bank  
Central Bank of India  
Citibank N.A.  
DBS Bank India Ltd.  
HDFC Bank Ltd.  
Federal Bank Ltd.  
Standard Chartered Bank  
State Bank of India  
The Hongkong and Shanghai  
Banking Corporation Limited

## PLANT LOCATIONS - PACKAGING PRODUCTS DIVISION

### **AGI Glaspac**

Glass Factory Road, Off Motinagar,  
P.B. No. 1930, Sanathnagar P.O.,  
Hyderabad - 500 018, Telangana  
Tel: +91 4023 831771  
Fax: +91 4023 831787

Glass Factory Road,  
Bhongir - 508 116,  
Nalgonda District, Telangana  
Tel: +91 8685 246600

## Garden Polymers

KIADB Industrial Area, Lakamanhalli,  
Dharwad - 580 004, Karnataka  
Tel: +91 836 2461390

Khasra No. 122,  
Pachwadoon, Mauja Central  
Hope Town, Pargana  
(Selaqui) Dehradun -  
248197, Uttarakhand  
Tel: +91 135 2699150

Survey No.208 to 218, Sitarampur,  
Isnapur - 502 307,  
Patancheru (Mandal),  
Sangareddy Dist., Telangana  
Tel: +91 8455 225868

## AGI Clozures

Survey No. 208 to 218, Sitarampur,  
Isnapur - 502 307,  
Patancheru (Mandal),  
Sangareddy Dist., Telangana  
Tel: +91 8455 225511

**AGI Greenpac Limited**  
(Formerly known as HSIL Limited)

**Registered Office**

2, Red Cross Place, Kolkata - 700 001  
Tel: +91 33 22487407/5668  
E-mail: [hsilinvestors@hsilgroup.com](mailto:hsilinvestors@hsilgroup.com)

**Corporate Office**

301- 302, III Floor, Park Centra, Sector 30,  
N.H. 8, Gurugram, Haryana 122 001  
Tel: +91 124 4779200