

## Mitsuchem Plast Ltd.

(Formerly known as Mitsu Chem Pvt. Ltd.)

329, Gala Complex, Din Dayal Upadhyay Road,  
Mulund (W), Mumbai - 400 080, Maharashtra, INDIA.

T : + 91 22 25920055 F : + 91 22 25920077

E : mcpl@mitsuchem.com W : www.mitsuchem.com

CIN : L25111MH1988PLC048925



Date: August 17, 2020.

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai- 400001

Script Code : 540078

### **Sub: Submission of Annual Report of the Company for the Financial Year 2019-20 and Notice of the 32nd Annual General Meeting.**

Dear Sir/Madam,

Pursuant to Regulations 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed herewith the Annual Report of the Company for financial year 2019-20, including the Notice of the 32nd Annual General Meeting of the Company scheduled on Wednesday, September 9, 2020 at 4.00 p.m. IST through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM").

Kindly take the same on records.

Thanking you.

Yours truly,

**FOR MITSU CHEM PLAST LIMITED**

*Drishti Thakker*

**Drishti Thakker**  
**Compliance Officer**

*Encl: as above*

#### Manufacturing Units

Unit-I: N-83/84, MIDC, Tarapur,  
Boisar, Dist. Palghar -401506.  
Maharashtra.

Unit-II: J-237, MIDC, Tarapur,  
Boisar, Dist. Palghar -401506.  
Maharashtra.

Unit-III: Plot No. 24/11, 24/12, 24/15, 24/88 & 25/1,  
Village-Talavali ( Lohop ) , Post: Majgaon,  
Opp. Birla Carbon Ind-P Ltd., Tal. Khalapur,  
Dist: Raigad, Pin: 410220. Maharashtra, India.

• Industrial Containers • Furniture Parts • Automotive Parts • Medical Devices etc.

**Blow Molding | Injection Molding | Custom Molding**



*in step with*  
**TOMORROW**

**2019-20**

**Annual  
Report**

**Mitsu Chem Plast Limited**

# Across the pages

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## Investor Information

Market Capitalisation as at 31st March 2020	₹ 8,269.731 Lakhs
CIN	L25111MH1988PLC048925
BSE Code	540078
Dividend Declared	₹ 0.20/- per equity share
AGM Date	9th September 2020

Please find our online version at:  
<http://www.mitsuchem.com/investors/annual-report>

Or simply scan to download



**Disclaimer:** This document contains statements about expected future events and financials of Mitsu Chem Plast Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

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We are happy to inform that we migrated from the SME Platform of BSE to the Main Board on 27th May 2020, through a virtual listing ceremony, the first-ever in the history of BSE, India.

## Highlights FY 2019-20

₹ **13,854.83**  
Lakhs

Revenue from  
Operations

₹ **1,617.50**  
Lakhs  
EBIDTA

**11.65%**  
EBIDTA Margin

₹ **397.51**  
Lakhs  
PAT

**2.87%**  
PAT Margin

EBIDTA: Earnings before interest, depreciation, tax and amortisation, PAT: Profit after tax

  
**Mitsu**  
You visualize... we make it.  
**Mitsuchem Plast Ltd.**

मिसुचेम प्लास्ट लिमिटेड

# Who we are?

We are Mitsu Chem Plast Limited, a certified polymer-based molded products manufacturing company, engaged in the business of manufacturing and marketing of technically-driven innovative products. We cater the fast-growing industry segments, our products find their application base across end-user segments like Industrial packaging solutions, Lifestyle products, Automotive components, Hospital furniture parts, Infrastructure related products and Emergency handling solutions. Manufactured at our three top-notch facilities in Maharashtra, our products undergo in-house testing and quality control checks.

## Mission

To challenge ourselves continuously to innovate and create value for people associated with us beyond their expectations and become one of the finest global companies.

## Corporate Philosophy

### 1. Safety: Safety of people and environment

Every single corporate activity is continuously monitored so as to protect our employees and preserve the environment

### 2. Quality: Deliver desired quality

To deliver the desired right quality at the first time and then every time

### 3. Dignity: Maintain dignity of people and work

Dignity and love for work and people is of utmost importance to excel

## Core Values

The way of life at Mitsu is inspired and guided by its seven core values :

1. Employees Welfare
2. Quality Consciousness
3. Customer Delight
4. Innovations
5. Cost Cutting, but no Corner Cutting
6. Value Engineering
7. Environment-Friendly

These values have been inculcated in every member and form a performance mapping standard within the Company at all levels of operations.

3

Manufacturing Facilities

12

Injection Molding Machines

43

Blow Molding Machines

19,200+

Metric Tons Per Annum

# Being a partner of choice for the majority OEM's across diverse industries, our key products include:



1. **Molded Industrial Plastic Packaging Products** such as Drums, Jerry Cans, Bottles, Jars and its accessories



2. **Infrastructural Furniture Parts** such as chair shells



3. **Hospital Furniture Parts** such as Panels, Railings, Planks, Trolley Parts; Rescue & safety equipment such as Spine Board



4. **Automotive Components** such as Washer Tanks, Rainhood

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# From the Chairman's Desk



“

The steps we take today will define tomorrow. To achieve this feat, we have always believed in 'Value creation through Innovation'. Living by our promises, we endeavour to provide best quality products through continuous improvement and innovation.

”

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## Dear Shareholders,

I am writing to you amidst the uncertain times of the global pandemic caused by Covid-19. I sincerely hope that you, your families and loved ones are safe and healthy and taking due care. Our top-most priority during these times has been the safety of our workforce. With a long-term view on maintenance, one of the critical tasks was to ensure continuity of operations in all our projects. We engaged with our customers on a regular basis and ensured smooth conduct of all the maintenance activities in the projects. Complying to the safety measures as per the Government norms, our plants were running to a capacity of 30% and 40% in the months of April and May, respectively.

After completing the mandatory two years' listing requirement, along with all other statutory capital requirements, it gives me immense pleasure to inform you that your Company has migrated to the main board of BSE platform. With this, your Company's shares are now available for trading on the main platform of BSE, since 27th May 2020. We are sure this will improve liquidity and bring in a new set of investors to the Company's fold.

Financially, we reported net revenues of ₹ 13,854.83 Lakhs, EBITDA of ₹ 1,617.50 Lakhs and PAT of ₹ 397.51 Lakhs, an increase of 11.06%, 49.71% and 10.74%, respectively. On the Operations front, we continued to believe in the policy of Customer first, enabling us to focus on quality product, timely delivery and commitment. These have been the mainstay of our success for the last 30 years and I am sure we will continue the same in future as well.

During the year, we successfully completed the expansion of our new facility at Khalapur, Maharashtra; we expect the benefits of the increased capacity to accrue from the FY 2020-21. Our continued focus on product innovation and customer satisfaction has enabled us to add new customers during the year and achieve new milestones. In the month of February this year, our 'Mitsu Spine Board (stretcher)' won an award in the SME Healthcare category at The Economic Times Polymer Award 2020.

We strengthened our Board representation, by inducting Ms. Neha Uddar as Non-Executive Independent Director. She is a qualified Chartered Accountant with more than 35 years of experience and has worked with Reliance Industries, Reliance Foundation and Thirumalai Chemicals Ltd, in the past.

Our talented team of employees will be the key driver of all our initiatives going ahead. I am deeply grateful to the team of Mitsu for their tireless efforts and sincere commitment towards taking forward the organisation's vision of running the business in a transparent and sustainable manner.

I, along with my entire leadership team, would like to thank our esteemed Board members, valued customers, joint venture partners, shareholders, business associates, suppliers and all other stakeholders, for their continued support and encouragement.

Best Regards,  
**Jagdish Dedhia**  
(Chairman & Whole-time Director)



# Innovation for tomorrow

Innovation improves the process of solving problems as they arise. We, at Mitsui, believe in finding solutions even before the problems arise. We continuously strive to create a robust organisation for sustainable future through means of innovation.

## dntoUch CORONA SWORD

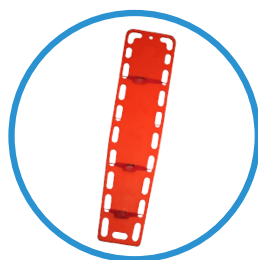
allows user to hygienically go about their day-to-day activities without touching contaminated surfaces.



### FEATURES:

- Easily disinfected by sanitizers
- Very firm grip for fingers
- Plastic pouch to avoid infecting other things in pocket
- Made out of strong plastic material
- Sleek design and light weight
- Key chain friendly

## 'Mitsu Spine Board (Stretcher)'



Awarded 'Excellence in Plastics' for 'Mitsu Spine Board (Stretcher)' in the Healthcare (SME) category at the ET Polymer Awards 2020

# Board of Directors



**Mr. Jagdish L. Dedhia**  
*Chairman & Whole-time Director*



**Mr. Sanjay M. Dedhia**  
*Jt. Managing Director*



**Mr. Manish M. Dedhia**  
*Jt. Managing Director*



**Ms. Neha S. Huddar**  
*Additional (Independent) Director*



**Mr. Dilip K. Gosar**  
*Independent Director*



**Mr. Ashish H. Doshi**  
*Independent Director*



# Embracing change.

## *Emerging stronger.*

The world is going through an unprecedented phase of Covid-19. These are difficult times and everyone has their own response to such situations. These circumstances help identify inner strength and aid in discovering your resiliency. The flexibility to adapt and evolve is one such key skill demonstrating resilience. We believe in learning how to be more adaptable to respond in a better way.



# Corporate Information

## BOARD OF DIRECTORS

**Mr. Jagdish L. Dedhia**

*Chairman & Whole-time Director*

**Mr. Sanjay M. Dedhia**

*Jt. Managing Director*

**Mr. Manish M. Dedhia**

*Jt. Managing Director*

**Mr. Dilip K. Gosar**

*Independent Director*

**Mr. Ashish H. Doshi**

*Independent Director*

**\*Ms. Neha S. Huddar**

*Additional (Independent) Director*

*\*Appointed as on 1st February 2020*

## COMPANY SECRETARY

**Ms. Drishti S. Thakker**

*Appointed as on 3rd June 2019*

## CHIEF FINANCIAL OFFICER

**Mr. Manish M. Dedhia**

## STAUTORY AUDITORS

**P. V. Dalal & Co.**

*Chartered Accountants*

1504/05, Yogi Paradise-A,  
Yogi Nagar, New Link Road,  
Borivali (W),  
Mumbai - 400091

## REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri (E), Mumbai - 400059

## INTERNAL AUDITOR

**V. J. Shah & Co.**

*Chartered Accountants*

## REGISTERED OFFICE

329, Gala Complex, 3rd Floor,  
Din Dayal Upadhyay Marg,  
Mulund (W), Mumbai - 400080



## NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting (“AGM”) of the Members of **Mitsu Chem Plast Limited** will be held on Wednesday, September 9, 2020 at 4.00 p.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS:

#### **Item No. 1: Adoption of Financial Statement and Reports thereon.**

To consider and adopt the Audited financial statement of the Company for the financial year ended March 31, 2020, together with the Report of the Board of Directors and the Auditors thereon and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

#### **Item No. 2: Declaration of Dividend.**

To declare a dividend on equity shares for the financial year ended March 31, 2020 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** a dividend of ₹ 0.20/- (Twenty paise only) per equity share of ₹ 10/- (Ten rupees) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2020.”

#### **Item No. 3: Appointment of Director in place of retiring Director.**

To appoint a Director in place of Mr. Jagdish L. Dedhia (DIN: 01639945) who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, pass the following resolution as an

#### **Ordinary Resolution:**

**“RESOLVED THAT** Mr. Jagdish L. Dedhia (DIN: 01639945), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, whose office shall be liable to retirement by rotation.”

### SPECIAL BUSINESS:

#### **Item No. 4: Appointment of M/s. Gokhale & Sathe as Statutory Auditors of the Company for filling casual vacancy.**

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

**“RESOLVED THAT** pursuant to the provisions of section 139 (8) of the Companies Act, 2013 read with rules framed thereunder (including any statutory modifications and re-enactment if any thereof for the time being in force), M/s. Gokhale & Sathe (Firm Registration No. 103264W), Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. P. V. Dalal & Co., Chartered Accountants (Firm Registration No. 102049W) and shall hold office from April 1, 2020 until the conclusion of this Annual General Meeting of the Company at such remuneration plus applicable

## NOTICE (Contd.)

taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

### **Item No. 5: Appointment of M/s. Gokhale & Sathe as Statutory Auditors of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) and re-enactment(s) if any thereof for the time being in force), M/s. Gokhale & Sathe (Firm Registration No. 103264W) be and are hereby appointed as Statutory Auditors of the Company for a tenure of five years from the conclusion of 32nd Annual General Meeting till the conclusion of the 37th Annual General meeting of the Company at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company”.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

### **Item No. 6: Appointment of Ms. Neha Huddar as an Independent Director of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“Act”) and rules framed thereunder and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Neha Huddar (DIN- 00092245), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. February 1, 2020 and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation for a term upto 5 (five) consecutive years w.e.f. February 1, 2020.

## NOTICE (Contd.)

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

### **Item No. 7: Adoption of new set of Articles of Association**

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

**“RESOLVED THAT** pursuant to the provisions of Section 14 read with Companies (Incorporation) Rules, 2014, and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) and re-enactment(s) if any

thereof, for the time being in force), and subject to such terms, conditions, amendments, or modifications, if any, as may be required or suggested by the Registrar of Companies and other appropriate authorities, and as approved and recommended by the Board of Directors, the new set of Articles of Association of the Company, be and is hereby approved and adopted in total exclusion, substitution and suppression of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**For and On Behalf of Board of Directors**

**Jagdish Dedhia**

Chairman & Whole-Time Director

DIN: 01639945

Date: August 7, 2020

Place: Mumbai

### **Registered office:**

329, Gala Complex, 3rd Floor,  
Din Dayal Upadhyay Marg,  
Mulund (W), Mumbai – 400 080.

## NOTES:

1. In view of the continuing restrictions on the movement of persons at several places in the country caused by outbreak of COVID – 19, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. An Explanatory Statement pursuant to Section 102 of the Act relating to the Special Businesses to be transacted at the AGM, is annexed hereto and forms part of this Notice.
3. The relevant details, pursuant to Regulation 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM is annexed hereto and forms integral part of the Notice.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed to this Notice.
6. Institutional / Corporate Shareholders (i.e. other than individuals/ HUF/ NRI etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body resolution / Authorisation etc. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorisation shall be sent to the Scrutinizer by email through its registered email address to [csshreyahshah@gmail.com](mailto:csshreyahshah@gmail.com) with a copy marked to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in).
7. As per the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name are advised to make nomination in respect of their shareholding. Members holding shares in dematerialized form can lodge their nomination with their DP(s) and Member holding shares in physical form are required to fill and submit Form No. SH-13 (available on request) with the Company’s RTA.
8. Members holding shares in dematerialized form are requested to intimate any changes pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), bank



## NOTES: (Contd.)

details, NECS, mandates, nominations, per of attorney etc., to their Depository Participant. Member holding shares in physical form are requested to intimate any of the above changes to the Company's Registrar and Share Transfer Agent M/s. Bigshare Services Pvt. Ltd. ("RTA")

9. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday September 3, 2020 to Wednesday September 9, 2020 (both days inclusive).
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Tuesday, September 8, 2020 through email on investor@mitsuchem.com. The same will be replied by the Company suitably.

### 11. Dispatch of Annual Report through electronic mode:

- (a) In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report for the FY 2019-20 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 2019-20 will also be available on the Company's website [www.mitsuchem.com](http://www.mitsuchem.com) and on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com).
- (b) For receiving all communication (including Annual Report) from the Company electronically, Members holding shares in dematerialised

mode are requested to register / update their email addresses with the relevant Depository Participant or at <https://bigshareonline.com/InvestorRegistration.aspx>.

### 12. Dividend:

- (a) The Company has fixed Wednesday, September 2, 2020 as the 'Record Date' for determining entitlement of members to final dividend of ₹ 0.20 per Equity Share for the financial year ended March 31, 2020, if approved at the AGM.
- (b) Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service.
- (c) Shareholders are requested to register / update their complete bank details:
  - (i) with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and
  - (ii) with the RTA of the Company, if shares are held in physical mode.
- (d) Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. April 1, 2020. No tax will be deducted on payment of dividend to the resident

**NOTES: (Contd.)**

- individual shareholders if the total dividend paid does not exceed ₹ 5,000/-.
- (e) 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 (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
- (f) A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source at <https://www.bigshareonline.com/dividendTDS.aspx> by 11.59 p.m. IST on Wednesday, September 2, 2020.
- (g) Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits at <https://www.bigshareonline.com/dividendTDS.aspx> by 11.59 p.m. IST on Wednesday, September 2, 2020.
- (h) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
- 13. Procedure for joining the AGM through VC / OAVM:**
- The Company will provide VC / OAVM facility to its Members for participating at the AGM.
- (a) Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>.
- Select the **"Mitsu Chem Plast Limited"** and 'September 9, 2020' and register with your following details: -
- A. Demat Account No. or Folio No:**  
Enter your 16 digit Demat Account No. or Folio No
- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
  - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
  - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant

## NOTES: (Contd.)

(DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

- Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).
- (b) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.
- (c) Facility to join the meeting shall be opened 15 mins before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
- (d) Members who need assistance before or during the AGM, can contact Link Intime India Private Limited (“LI IPL”) on instameet@linkintime.co.in or call on 022-49186175. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
- (e) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
- (f) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
- (g) Members who would like to express their views or ask questions during the AGM may register themselves with the

Company on investor@mitsuchem.com. The Speaker Registration will be open upto September 5, 2020. Only those members who are registered will be allowed to express their views or ask questions. Other shareholders may ask questions to the panellist, via active chat-board during the meeting

- (h) Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
- (i) Please remember speaking serial number and start your conversation with panellist only when moderator of the meeting/ management will announce the name and serial number for speaking by switching on video mode and audio of your device.

### 14. Procedure for Remote e-Voting And e-Voting at the AGM:

- (a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means (“e-voting”). Members may cast their votes remotely through remote e-voting platform provided by LI IPL.
- (b) Further, the facility for voting through electronic voting system will also be made available at the Meeting (“InstaMeet”) and members attending the Meeting who have not cast their

**NOTES: (Contd.)**

vote(s) by remote e-voting will be able to vote at the Meeting through InstaMeet.

- (c) Members, who will be present in the AGM through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Members who have voted through Remote e-Voting prior to the AGM will be eligible to attend/ participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting
- (d) The voting period begins on Sunday September 6, 2020 at 10.00 A.M. and ends on Tuesday September 8, 2020 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, September 2, 2020, may cast their vote electronically. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by LIPL upon expiry of the aforesaid period.
- (e) The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

**Procedure for remote E-voting:**

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>.

**Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:**

- Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

**1. User ID:** Enter your User ID

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB)/ Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**

## NOTES: (Contd.)

- Shareholders/ members holding shares in **NSDL demat account shall provide 'D', above**
  - Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).
- NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under '**SHARE HOLDER**' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).

7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

### **If you have forgotten the password:**

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question

**NOTES: (Contd.)**

and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

**Procedure for E-Voting at the AGM:**

- (a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

- (b) Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
- (c) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- (d) Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- (e) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- (f) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

## NOTES: (Contd.)

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

### 15. Scrutinizer's Report:

- (a) The Company has appointed Ms. Shreya Shah (ACS 39409 and COP No. 15859), to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
- (b) The Scrutinizer shall after the conclusion of voting at the AGM, count the votes cast during the AGM and unblock the votes cast through remote e-voting and issue, not later than 48

hours 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.

- (c) The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mitsuchem.com](http://www.mitsuchem.com) and on the website of LIIPL immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in this Notice can be obtained for inspection by writing to the Company at its email ID [investor@mitsuchem.com](mailto:investor@mitsuchem.com) till the date of the AGM.

**For and On Behalf of Board of Directors**

**Jagdish Dedhia**

Chairman & Whole-Time Director

DIN: 01639945

Date: August 7, 2020

Place: Mumbai

### Registered office:

329, Gala Complex, 3rd Floor,  
Din Dayal Upadhyay Marg,  
Mulund (W), Mumbai – 400 080.

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

**The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No. 4 to 7 of the accompanying this Notice.**

#### **Item No. 4 & 5:**

M/s. P. V. Dalal & Co., Chartered Accountants, (Firm Registration No. 102049W) were appointed as Statutory Auditors to hold office from the conclusion of the 29th AGM of the Company until the conclusion of the 34th AGM, subject to ratification of their appointment by the shareholders at every AGM. However, they expressed their inability to continue as Statutory Auditors of the Company up to the conclusion of their appointment period vide their letter dated May 14, 2020 due to the expanded scale and scope of operations of the Company's three (3) manufacturing units situated at different locations resulting into a high devotion of time and engagement of number of experienced persons, resulting into a casual vacancy in the office of Statutory Auditors of the Company.

In view of above, the Board of Directors ("Board") appointed M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) as Statutory Auditors of the Company to fill the casual vacancy caused by the said resignation effective from April 1, 2020 till the conclusion of this AGM.

Further, the Board at their meeting held on June 29, 2020 after considering the experience and expertise, has recommended appointment of M/s. Gokhale & Sathe, Chartered Accountants as Statutory Auditors of the Company to hold office for a tenure of 5 (five) consecutive years from the conclusion of this AGM till the

conclusion of the 37th AGM of the Company at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of the Company.

The Company has received consent letter and eligibility certificate from M/s. Gokhale & Sathe to act as Statutory Auditors of the Company, along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act 2013 and the rules made thereunder.

The Board recommends the Resolutions set out at Item No. 4 & 5 for approval by the Members.

None of the Directors, Key Managerial Personnel and/or their relatives are in any way concerned or interested, financially or otherwise in the said resolutions.

#### **Item No. 6:**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed Ms. Neha Huddar as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013, to hold office as an Independent Director of the Company for a tenure of 5 (five) consecutive years w.e.f. February 1, 2020. The Company has received a notice in writing under Section 160(1) of the Act, from a member proposing the candidature of Ms. Neha Huddar, for the office of Independent Director of the Company.



## ANNEXURE TO NOTICE (Contd.)

Brief Profile of Ms. Neha Huddar is provided in the Annexure to the Notice pursuant to the provisions of the listing regulations and Secretarial Standard -2 on General Meetings, issued by the Institute of Company Secretaries of India.

The Company has also received declaration from Ms. Neha Huddar that she meets the criteria of independence as prescribed both under Section 149(6) of the Act.

The Board considered Ms. Neha Huddar's skills, experience and knowledge and is of the view that the appointment of Ms. Neha Huddar on the Company's Board as Independent Director is desirable and would be of immense benefit to the Company and hence it recommends the said Ordinary Resolution at Item No. 6 for approval by the Members.

Except Ms. Neha Huddar, none of the Directors, Key Managerial Personnel and/or their relatives are in any way concerned or interested, financially or otherwise in the said resolution.

### **Item No. 7:**

In order to align the Articles of Association

(AOA) in conformity with the Companies Act, 2013 including the Rules/Regulations made thereunder and Table F thereto, your Directors desires to replace and substitute the existing AOA of the Company, with new set of AOA, which is drafted in alignment with the provisions of the Companies Act, 2013 and Table F to the Act, which sets out the model AOA, for a company limited by shares.

The Board of Directors in their meeting held on August 7, 2020 proposed adoption of a new set of AOA in replacement and substitution, of the existing AOA, with new AOA, subject to the approval of the members of the Company, by way of a special resolution, as required under Section 14 of the Act. The new AOA is available on the website of the Company i.e. [www.mitsuchem.com](http://www.mitsuchem.com).

The Board recommends the Resolution at Item No. 7 for approval by the Members.

None of the Directors, Key Managerial Personnel and/or their relatives are in any way concerned or interested, financially or otherwise in the said resolution.

**For and On Behalf of Board of Directors**

**Jagdish Dedhia**

Chairman & Whole-Time Director  
DIN: 01639945

Date: August 7, 2020

Place: Mumbai

### **Registered office:**

329, Gala Complex, 3rd Floor,  
Din Dayal Upadhyay Marg,  
Mulund (W), Mumbai - 400 080.

## DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTH COMING ANNUAL GENERAL MEETING

### [PURSUANT TO REGULATION 26(4) & 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 ON GENERAL MEETINGS]

Name of Director	<b>Mr. Jagdish Dedhia</b>	<b>Ms. Neha Huddar</b>
Date of Birth	10/12/1960	21/04/1961
Date of First Appointment	12/04/1990	01/02/2020
Qualification	B. Sc.	Chartered Accountant
Expertise in specific functional areas	Vast experience in Plastic Industry. Please refer Company's website: www.mitsuchem.com for detailed profile.	Experience in the fields of Accounts, Taxation, Audit and Internal controls. Please refer Company's website: www.mitsuchem.com for detailed profile.
Terms and conditions of appointment or re-appointment	Re - appointment liable to retire by rotation	Appointment as Independent Director of the Company, not liable to retire by rotation
Directorships in other listed entities as on March 31, 2020	NIL	Bodal Chemicals Ltd.
Membership of any Committees of other listed entities as on March 31, 2020	NIL	Bodal Chemicals Ltd. 1. Audit committee- Member 2. Nomination & Remuneration Committee- Member
No of Equity Shares held in the Company	11,68,092 Equity Shares	NIL
Relationship between directors inter-se	Immediate Relative of Mr. Manish Dedhia and Mr. Sanjay Dedhia.	None

#### For and On Behalf of Board of Directors

Date: August 7, 2020

Place: Mumbai

**Jagdish Dedhia**

Chairman & Whole-Time Director

DIN: 01639945

#### Registered office:

329, Gala Complex, 3rd Floor,

Din Dayal Upadhyay Marg,

Mulund (W), Mumbai - 400 080.

## Directors' Report

The Board of Directors (“Board”) of the Company are pleased to present their Thirty Second Annual Report and Audited Financial Statements of the Company for the Financial Year (“FY”) ended March 31, 2020.

### FINANCIAL SUMMARY AND HIGHLIGHTS

	(₹ in Lakhs)	
Particulars	FY 2019-20	FY 2018-19
Total Income	13886.72	12501.65
Profit Before Interest and Depreciation	1617.50	1080.42
Interest & Finance Costs	634.92	403.22
Depreciation & Amortization Expenses	400.80	245.20
<b>Profit Before Tax</b>	<b>581.78</b>	<b>431.99</b>
Tax Expenses	184.27	72.97
<b>Profit After Tax</b>	<b>397.51</b>	<b>359.02</b>
Surplus carried to Balance Sheet	397.51	359.02
<b>Earnings Per Share</b>		
Basic	3.29	3.00
Diluted	3.29	3.00

### OVERVIEW OF COMPANY PERFORMANCE

The Company achieved a domestic turnover of ₹ 13,793.94 Lakhs (PY ₹ 12,408.82 Lakhs) and an export turnover of ₹ 15.25 Lakhs (PY ₹ 33.01 Lakhs).

The Net Profit of the Company, for the FY under review was increased to ₹ 397.51 Lakhs as against ₹ 359.02 lakhs during the previous year 2018-19.

### IMPACT OF COVID 19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity causing significant disturbance and slowdown of economic activity and business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel and closure / lockdown of production facilities. Measures were taken to contain the spread of the virus, including travel bans, quarantines,

social distancing and closures of non-essential services etc. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees. As of March 31, 2020, work from home was enabled for the employees to work remotely and securely. Although there are uncertainties due to the pandemic, The Company is confident to navigate the challenges ahead and gain market share. The Management is closely analyzing and monitoring the situation and getting prepared to emerge stronger in the longer term.

### TRANSFER TO RESERVES

There is no amount proposed to be transferred to Reserves out of profits of the FY 2019 -20.

### DIVIDEND

Based on the Company's performance, the Board at their meeting held on June 29, 2020 recommended a dividend of ₹ 0.20/- per equity share of the face value of ₹ 10 each (@ 2%) for

## Directors' Report (Contd.)

the FY 2019-20, which is subject to approval of the members at the ensuing Annual General Meeting ("AGM") of the Company. The dividend, if approved at the AGM, will be paid to those shareholders whose names appear in the Register of Members as on the Record Date i.e. Wednesday, September 2, 2020.

### CHANGE IN NATURE OF BUSINESS

There has been no change in nature of business of the Company during the FY under review.

### SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

The Company does not have any Subsidiary, Joint venture or an Associate Company.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT

#### Migration of Equity Shares from BSE SME Platform to BSE Mainboard Platform:

The Company is pleased to announce that the equity shares of the Company which were listed on SME Platform of BSE, has now been migrated & admitted to dealings on the Mainboard Platform of BSE w.e.f. May 27, 2020.

### SHARE CAPITAL

#### Increase in Authorised Share Capital

The members of the Company vide their resolution passed through Postal Ballot approved increase in Authorised Share Capital of the Company from ₹ 4,02,50,000/- (Rupees Four Crores Two Lakhs and Fifty Thousand Only) divided into 40,25,000 (Forty Lakhs Twenty Five Thousand) Equity Shares of ₹ 10/- (Rupees Ten

Only) each to ₹ 12,08,00,000 /- (Rupees Twelve Crores and Eight Lakhs Only) divided into 1,20,80,000 (One Crore Twenty Lakhs and Eighty Thousand) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

### Issue and allotment of Bonus Shares

The members of the Company vide their resolution passed through Postal Ballot approved the issue of 80,48,400 equity shares as bonus shares in the ratio of 2:1 (i.e. two equity shares for every one equity share already held). The Board approved the allotment of said Bonus shares at their meeting held on January 30, 2020.

### Buy Back of Securities/ Sweat Equity/ Employees Stock Option Plan

During the FY under review, the Company has not bought back any of its securities or issued any Sweat Equity Shares or provided any Stock Option Scheme to the employees.

### EXTRACT OF ANNUAL RETURN

The extract of Annual Return in prescribed **Form MGT-9** as required under Section 92(3) of the Companies Act, 2013 ("**Act**") and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed as "**Annexure-I**" to this Report and also available on the website of the Company at [www.mitsuchem.com](http://www.mitsuchem.com).

### DIRECTORS AND KEY MANAGERIAL PERSONNELS

The Board of the Company is duly constituted in accordance with the requirements of the Act read with the Listing Regulations.

### Change in Composition of Board

During the year, Mrs. Ameeta Dedhia (DIN: 07510425) demitted office as Non-Executive Non- Independent Director with effect from

## Directors' Report (Contd.)

February 1, 2020. The Board places on record its deepest gratitude and appreciation towards valuable contribution made by Mrs. Ameeta Dedhia to the growth and governance of the Company during her tenure.

The Board at their meeting held on January 30, 2020, on the recommendation of the Nomination and Remuneration Committee have appointed Ms. Neha Huddar (DIN: 00092245) as an Additional Director w.e.f. February 1, 2020 to hold the office as an Independent Director upto the conclusion of the 32nd AGM of the Company. Ms. Neha Huddar is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and has an experience of more than 35 years in the fields of Accounts, Taxation, Audit and Internal controls.

Considering her expertise and experience, the Board has proposed to appoint Ms. Neha Huddar as an Independent Director of the Company, for a period of 5 (five) consecutive years, which is subject to approval of the members of the Company.

### Retirement by rotation

Mr. Jagdish Dedhia (DIN: 01639945), Whole-Time Director of the Company retires by rotation at the forthcoming AGM in accordance with provisions of Section 152 of the Act and the Articles of Association of the Company and being eligible, offers himself for re-appointment.

The brief resume and other details relating to the Directors who are proposed to be appointed/re-appointed, as required to be disclosed under Regulation 36(3) of the Listing Regulations is furnished along with the Explanatory Statement to the Notice of the 32nd AGM.

### Number of meetings of the Board

The Board of the Company met 6 (six) times during the FY 2019-20 in accordance with the provisions of the Act and rules made there under. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms a part of this Report.

### Board Performance Evaluation:

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, its Committees and individual directors. The Nomination and Remuneration Committee has laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and Individual Directors has to be made such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/Non-Executive Directors/Executive Directors and the Chairman of the Company.

### Independent Directors

The Company has received declarations from all the Independent Directors of the Company affirming compliance with the criteria of independence laid under the provisions of Section 149(6) of the Act and under Regulation 16(1)(b) of Listing Regulations.

As per the Companies (Appointment and Qualifications of Directors) Fifth Amendment Rules, 2019, all the Independent Directors of the Company have registered with the Indian

## Directors' Report (Contd.)

Institute of Corporate Affairs for inclusion of their names in the comprehensive repository maintained by the Ministry of Corporate Affairs.

As stipulated by the Code of Independent Directors pursuant to the Act and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on March 24, 2020 inter alia to:

- (i) Evaluate the performance of Non-Independent directors and the Board as a whole;
- (ii) Evaluate the performance of the Chairman and Managing Director of the Company; and
- (iii) Evaluate the quality, quantity and timelines of flow of information between the executive management and the Board.

All Independent Directors were present at the meeting. The Directors expressed their satisfaction with the evaluation process.

### Key Managerial Personnel

Pursuant to Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Manish Dedhia, Managing Director & Chief Executive Officer, and Ms. Drishti Thakker, Company Secretary & Compliance Officer (appointed w.e.f. June 3, 2019) were the Key Managerial Personnel of the Company during the year under review.

### COMMITTEES OF THE BOARD

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted various committees. The statutorily mandated committees constituted under the provisions

of the Act and Listing Regulations are Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

The Committees have been mandated to operate within their terms of reference, approved by the Board to focus on the specific issues and ensure expedient resolution on diverse matters.

The composition, terms of reference and other details of the above mentioned committees are provided in the Corporate Governance Report forming part of this Annual Report.

### Whistle Blower Policy /Vigil Mechanism

As per the provisions of Section 177(9) and (10) of the Act, the Company has adopted a Whistle Blower Policy for establishing a vigil mechanism for Directors and Employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and provide adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in appropriate or exceptional cases. The said policy has been hosted on the Company's website at [www.mitsuchem.com](http://www.mitsuchem.com).

### Nomination and Remuneration Policy

Pursuant to the provision of Section 178 of the Act and Regulation 19 of Listing Regulations, the Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy relating to remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees, along with the criteria for appointment and removal of the Directors, Key Managerial

## Directors' Report (Contd.)

Personnel and Senior Management Personnel of the Company. The said policy has been annexed to this Report and marked as **"Annexure-II"** and has been hosted on the Company's website [www.mitsuchem.com](http://www.mitsuchem.com).

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, the Directors of the Company state and confirm that:

- a. in the preparation of the annual accounts for the financial year 2019-20, the applicable accounting standards 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 judgments 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 March 31, 2020 and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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 were adequate and operating effectively.

### PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS:

Particulars of loans given and investments made by the Company pursuant to Section 186 of the Act read with the Companies (Meeting of Board and its powers) Rules, 2014 as on March 31, 2020, are set out in Notes to the Financial Statements of the Company. There are no guarantees issued, or securities provided by the Company in terms of Section 186 of the Companies Act, 2013, read with the Rules issued thereunder.

### CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Act and Rules framed there under are applicable to the Company from the current year 2020-21. Pursuant to Section 135 of the Act, the Board at their meeting held on August 7, 2020 has constituted a Corporate Social Responsibility Committee to monitor the CSR activities of the Company. The Committee has been authorized to recommend a CSR Policy to the Board and ensure compliance with the Laws, Rules & Regulations governing the CSR. The Composition of the CSR Committee is as under:

Sr. No.	Name of Members	Category	Position held in the Committee
1	Mr. Manish Dedhia	Executive Director	Chairman
2	Mr. Jagdish Dedhia	Executive Director	Member

**Directors' Report (Contd.)**

Sr. No.	Name of Members	Category	Position held in the Committee
3	Mr. Dilip Gosar	Non-Executive Independent Director	Member
4	Ms. Neha Huddar	Non-Executive Independent Director	Member

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

The details of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are as below:

**A. CONSERVATION OF ENERGY**

The Company is making continuous efforts on ongoing basis to conserve the energy by adopting innovative measures to reduce wastage and optimize consumption. Some of the specific measures undertaken are:

- (i) Steps taken or impact on conservation of energy:
  - a. Traditional Florescent tube lights of 40 watts were replaced with 18 watts LED Tube Lights which resulted into energy saving of approx. 55%.
  - b. Retrofitted with Variable Frequency Drive in 40 HP Screw Air Compressor resulted 33 % energy saving.
  - c. Energy Saving Heaters installed replacing the traditional heaters and resulted into energy saving of approx. 10%

- (ii) Steps taken by the company for utilizing alternate sources of energy including waste generated:
 

Energy Audit carried out for arresting air leakage in system which resulted into energy saving of approx. 10% by plugging air leak.
- (iii) The capital investment on the energy conservation equipments: ₹ 5.64 Lakhs

**B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**

- (i) The efforts made towards technology absorption:
  - a. Mould profile study has given insight of improved cooling line in different moulds. This has improved productivity ranging between 9% to 18% in different moulds.
  - b. Automatic wadding machine is used for wadding of caps which has increased productivity and resulted into reduction in cost by approx. 60%.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
 

Single moulds upgraded into family moulds which in turn has increased productivity by 50%.
- (iii) The details of Imported Technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable
- (iv) The expenditure incurred on Research & Development: ₹ 1.21 Lakhs



## Directors' Report (Contd.)

### C. FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars	Amount (₹ In Lakhs)
Foreign exchange earnings	15.25
Foreign exchange outgo	2216

### RISK MANAGEMENT

The Audit Committee has been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures, developing, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risks which the Company may be exposed to.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

### AUDITORS

#### a) Statutory Auditors & their Report

Pursuant to the provisions of section 139 of the Act and the rules framed thereunder, M/s P. V. Dalal & Co., Chartered Accountants, Mumbai (Registration no. 102049W) were appointed as Statutory Auditors of the Company from the conclusion of the 29th AGM of the Company held on September 27, 2017 till the conclusion of the 34th AGM, subject to ratification of their appointment at every AGM.

M/s P. V. Dalal & Co., Chartered Accountants expressed their inability to continue as Statutory Auditors of the Company up to the

conclusion of their appointment period vide their resignation letter May 14, 2020 due to the expanded scale and scope of operations of the Company's three (3) manufacturing units situated at different locations resulting into a high devotion of time and engagement of number of experienced persons.

The Board appointed M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) as Statutory Auditors of the Company to fill the casual vacancy caused by the said resignation effective from April 1, 2020 till the conclusion of the ensuing AGM.

In the terms of Section 139 of the Act read with Company (Audit & Auditors) Rules, 2014, the Board of Directors recommended appointment of M/s. Gokhale & Sathe, Chartered Accountants as Statutory Auditors of the Company to hold office for a tenure of 5 (five) consecutive years from the conclusion of this AGM till the conclusion of the 37th AGM of the Company to be held in the calendar year 2025.

The Auditors' Report to the Shareholders for the FY under review is annexed to this Report and it does not contain any reservation, qualification or adverse remark. The comments in the Auditors' Report read with notes to the accounts are self-explanatory.

#### b) Secretarial Auditor & their Report

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Haresh Sanghvi, Practising Company Secretary (CoP No. 3675), for conducting Secretarial

## Directors' Report (Contd.)

Audit of the Company for the FY ended on March 31, 2020.

Secretarial Audit Report issued by Mr. Haresh Sanghvi in Form MR-3 forms part to this Report as **"Annexure- III"**. The remarks mentioned in the said report are self-explanatory.

### c) Internal Auditor

Pursuant to the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014, the Company has appointed M/s. V. J. Shah & Co., Chartered Accountants as the Internal Auditor of the Company.

The Internal Audit reports are reviewed by the Audit Committee on quarterly basis.

### d) Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors and the Secretarial Auditor to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

### DISCLOSURE UNDER PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE ACT:

The Company has zero tolerance towards sexual harassment at the workplace and hence, has constituted an Internal Complaints Committee and have formulated Sexual Harassment Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder, which is available at the Registered Office of the Company and is accessible to all the employees of the Company. During the FY under review, the Company has not received any complaint.

### PUBLIC DEPOSITS

During the FY under review, the Company has not accepted any deposits from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review as required under Regulation 34 read with Schedule V of the Listing Regulations is annexed to this Report as **"Annexure-IV"**.

### CORPORATE GOVERNANCE

Since the Company was listed on the SME platform of BSE Ltd. as on March 31, 2020, the provisions of Corporate Governance as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of Listing Regulations were exempted to the Company for the FY ended March 31, 2020. However, as a measure of good Corporate Governance, a Report on Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations, are provided in a separate section and is annexed to this Report and marked as **"Annexure V"**.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to the financial statements. Internal audits are undertaken on a quarterly basis by Internal Auditors covering all units and business operations to independently validate the existing controls. Reports of the Internal Auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. The

## Directors' Report (Contd.)

Audit Committee evaluates the efficiency and adequacy of the financial control system in the Company and strives to maintain the standards in the Internal Financial Control.

### PREVENTION OF INSIDER TRADING:

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Board has formulated code of conduct for regulating, monitoring and reporting of trading of shares by Insiders. This code lays down guidelines, procedures to be followed and disclosures to be made by the insiders while dealing with shares of the Company and cautioning them on consequences of non-compliances. The code is available on the website of the Company at [www.mitsuchem.com](http://www.mitsuchem.com).

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Act during the FY were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the FY which were in conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the notes to the Financial Statements.

### PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details are required under Section 197(12) of the Act read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014 is forming part of the Directors' Report for the year ended March 31, 2020 and is annexed to this Report and marked as "Annexure VI".

During FY 2019-20, no employee, whether employed for whole or part of the year, was drawing remuneration exceeding the limits mentioned under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable mandatory Secretarial Standards.

### APPRECIATION & ACKNOWLEDGEMENTS

The Board wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by all the employees more particularly ensuring business as usual in spite of COVID-2019 impact. The Directors take this opportunity to express their grateful appreciation for the encouragement, cooperation and support received from all the stakeholders including but not limited to the Government authorities, bankers, customers, suppliers and business associates. The Directors are thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its management.

For and on behalf of the Board

**Jagdish Dedhia**

Chairman & Whole-Time Director  
DIN: 01639945

Date: August 7, 2020

Place: Mumbai

## ANNEXURE-I

## FORM NO. MGT-9

## Extract of the Annual Return as on the financial year ended March 31, 2020

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

## I. REGISTRATION AND OTHER DETAILS

i.	CIN:	L25111MH1988PLC048925
ii.	Registration Date:	23/09/1988
iii.	Name of the Company:	MITSU CHEM PLAST LIMITED
iv.	Category:	Company Limited by shares
	Sub-Category of the Company	Indian Non-Government Company
v.	Address of the Registered Office and contact details:	329, Gala Complex, 3rd Floor, Din Dayal Upadhyay Marg, Mulund (W), Mumbai - 400 080. Tel.: 022-25920055, Fax: 022-25920077 Email: investor@mitsuchem.com Website: www.mitsuchem.com
vi.	Whether Listed Company:	Yes, Listed on BSE Limited.
vii.	Name, Address and Contact details of Registrar and Transfer Agent:	<b>Bigshare Services Pvt. Ltd.</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400 059. Ph: + 91-22-6263 8200, Fax: +91-22-6263 8299 Website: www.bigshareonline.com

## II. PRINCIPAL BUSINESS ACTIVITIES

All the business activities contributing 10 % or more of the total turnover of the Company

Sr. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1	Manufacture of plastic articles for the packing of goods (plastic bags, sacks, containers, boxes, cases, carboys, bottles etc.)	22203	88

## III. PARTICULAR OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
	Not Applicable				

## ANNEXURE-I (Contd.)

### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

Category of Shareholder	No. of Shares held at the beginning of the year : 01/04/2019				No. of Shares held at the end of the year :31/03/2020				% Change	
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %		
<b>(A) Shareholding of Promoter and Promoter Group</b>										
<b>Indian</b>										
(a)	INDIVIDUAL / HUF	2668200	0	2668200	66.30	8004600	0	8004600	66.30	0.00
(b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)									
(i)	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL (A)(1) :</b>	<b>2668200</b>	<b>0</b>	<b>2668200</b>	<b>66.30</b>	<b>8004600</b>	<b>0</b>	<b>8004600</b>	<b>66.30</b>	<b>0.00</b>
<b>Foreign</b>										
(a)	BODIES CORPORATE									
(b)	INDIVIDUAL									
(c)	INSTITUTIONS									
(d)	QUALIFIED FOREIGN INVESTOR									
(e)	ANY OTHERS (Specify)									
	<b>SUB TOTAL (A)(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	Total holding for promoters									
	<b>(A)-(A)(1) + (A)(2)</b>	<b>2668200</b>	<b>0</b>	<b>2668200</b>	<b>66.30</b>	<b>8004600</b>	<b>0</b>	<b>8004600</b>	<b>66.30</b>	<b>0.00</b>
<b>(B) Public shareholding</b>										
<b>Institutions</b>										
(a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(c)	MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00

## ANNEXURE-I (Contd.)

Category of Shareholder		No. of Shares held at the beginning of the year : 01/04/2019				No. of Shares held at the end of the year : 31/03/2020				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(f)	FII'S	0	0	0	0.00	0	0	0	0.00	0.00
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(i)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL (B)(1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-institutions</b>										
(a)	BODIES CORPORATE	571200	0	571200	14.19	1665000	0	1665000	13.79	(0.40)
(b)	INDIVIDUAL									
(i)	(CAPITAL UPTO TO Rs. 1 Lakh)	192000	0	192000	4.77	210600	0	210600	1.74	(3.03)
(ii)	(CAPITAL GREATER THAN Rs. 1 Lakh)	540000	0	540000	13.42	2021400	0	2021400	16.74	3.32
(c)	ANY OTHERS (Specify)									
(i)	HINDU UNDIVIDED FAMILY	49200	0	49200	1.22	160200	0	160200	1.33	0.10
(ii)	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	CLEARING MEMBER	0	0	0	0.00	0	0	0	0.00	0.00
(iv)	NON RESIDENT INDIANS (NRI)	0	0	0	0.00	0	0	0	0.00	0.00
(v)	NON RESIDENT INDIANS (REPAT)	0	0	0	0.00	0	0	0	0.00	0.00
(vi)	NON RESIDENT INDIANS (NON REPAT)	3600	0	3600	0.09	10800	0	10800	0.09	0.00
(vii)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
(viii)	EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
(ix)	OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
(x)	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
(xi)	IEPF	0	0	0	0.00	0	0	0	0.00	0.00

## ANNEXURE-I (Contd.)

Category of Shareholder		No. of Shares held at the beginning of the year : 01/04/2019				No. of Shares held at the end of the year : 31/03/2020				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL (B)(2) :</b>	<b>1356000</b>	<b>0</b>	<b>1356000</b>	<b>33.70</b>	<b>4068000</b>	<b>0</b>	<b>4068000</b>	<b>33.70</b>	<b>0.00</b>
	Total Public Shareholding									
	<b>(B)-(B)(1) + (B)(2)</b>	<b>1356000</b>	<b>0</b>	<b>1356000</b>	<b>33.70</b>	<b>4068000</b>	<b>0</b>	<b>4068000</b>	<b>33.70</b>	<b>0.00</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>										
(a)	SHARES HELD BY CUSTODIANS									
(i)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL (C)(1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	(C)-(C)(1)		0		0.00	0	0	0	0.00	0.00
	<b>Grand Total (A) + (B) + (C)</b>	<b>4024200</b>	<b>0</b>	<b>4024200</b>	<b>100.00</b>	<b>12072600</b>	<b>0</b>	<b>12072600</b>	<b>100.00</b>	<b>0.00</b>

### (ii) Shareholding of Promoters

Sr. No	NAME	Shareholding at the beginning of the year : 01/04/2019			Shareholding at the end of the year: 31/03/2020			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	JIGNA SANJAY DEDHIA	142666	3.55	0.0000	427998	3.55	0.0000	0.00
2	JALPA MANISH DEDHIA	142666	3.55	0.0000	25200	0.21	0.0000	-3.34
3	AMEETA JAGDISH DEDHIA	144277	3.59	0.0000	432828	3.59	0.0000	0.00
4	JAGDISH DEDHIA	389363	9.68	0.0000	1168092	9.68	0.0000	0.00
5	SANJAY MAVJI DEDHIA	390974	9.72	0.0000	1172922	9.72	0.0000	0.00
6	MANISH MAVJI DEDHIA	390974	9.72	0.0000	1575720	13.05	37.7292	3.34
7	LILAVANTI MAVJI DEDHIA	533640	13.26	0.0000	1600920	13.26	0.0000	0.00
8	VIMLABEN LILADHAR DEDHIA	533640	13.26	0.0000	1600920	13.26	0.0000	0.00
	<b>Total</b>	<b>2668200</b>	<b>66.30</b>	<b>0.0000</b>	<b>8004600</b>	<b>66.30</b>	<b>7.4271</b>	<b>0.00</b>

## ANNEXURE-I (Contd.)

## (iii) Change in Promoters' Shareholding

NAME	Share holding at the beginning of the year 01/04/2019		Share holding at the end of the year 31/03/2020	
	Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
At the beginning of the year	2668200	66.30	2668200	
Add: Bonus Issue	5336400	44.20	8004600	66.30
At the end of the year			<b>8004600</b>	<b>66.30</b>

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	NAME	No. of Shares at the beginning of the year: 01/04/2019	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	NOPEA CAPITAL SERVICES PRIVATE LIMITED	1,11,600	30-Mar-19	0		1,11,600	0.92
			05-Apr-19	26400	Buy	1,38,000	1.14
			24-May-19	24000	Buy	1,62,000	1.34
			07-Jun-19	8400	Buy	1,70,400	1.41
			05-Jul-19	10200	Buy	1,80,600	1.50
			12-Jul-19	1200	Buy	1,81,800	1.51
			30-Aug-19	600	Buy	1,82,400	1.51
			22-Nov-19	-13200	Sale	1,69,200	1.40
			29-Nov-19	-22800	Sale	1,46,400	1.21
			07-Feb-20	292800	Bonus	4,39,200	3.64
	4,39,200	31-Mar-20	0		4,39,200	3.64	
2	VALUE DISTRIBUTORS PRIVATE LIMITED	1,27,200	30-Mar-19	0		1,27,200	1.05
			07-Feb-20	254400	Bonus	3,81,600	3.16
		3,81,600	31-Mar-20	0		3,81,600	3.16
3	VINOD HARILAL JHAVERI	1,08,000	30-Mar-19	0		1,08,000	0.89
			07-Feb-20	216000	Bonus	3,24,000	2.68
		3,24,000	31-Mar-20	0		3,24,000	2.68
4	TIA ENTERPRISES PRIVATE LIMITED	76,800	30-Mar-19	0		76,800	0.64
			07-Feb-20	153600	Bonus	2,30,400	1.91
		2,30,400	31-Mar-20	0		2,30,400	1.91



## ANNEXURE-I (Contd.)

Sr. No	NAME	No. of Shares at the beginning of the year: 01/04/2019	Date	Increase/Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
5	ARYAMAN CAPITAL MARKETS LIMITED	99,600	30-Mar-19	0		99,600	0.83
			05-Apr-19	-1200	Sale	98,400	0.82
			12-Apr-19	1200	Buy	99,600	0.83
			26-Apr-19	2400	Buy	1,02,000	0.84
			10-May-19	12000	Buy	1,14,000	0.94
			24-May-19	9600	Buy	1,23,600	1.02
			07-Jun-19	-9600	Sale	1,14,000	0.94
			14-Jun-19	3600	Buy	1,17,600	0.97
			21-Jun-19	600	Buy	1,18,200	0.98
			28-Jun-19	600	Buy	1,18,800	0.98
			05-Jul-19	-9600	Sale	1,09,200	0.90
			12-Jul-19	2400	Buy	1,11,600	0.92
			26-Jul-19	1800	Buy	1,13,400	0.94
			09-Aug-19	6600	Buy	1,20,000	0.99
			23-Aug-19	-12600	Sale	1,07,400	0.89
			30-Aug-19	600	Buy	1,08,000	0.89
			27-Sep-19	-12600	Sale	95,400	0.79
			11-Oct-19	-13800	Sale	81,600	0.68
			25-Oct-19	-8400	Sale	73,200	0.61
			01-Nov-19	-2400	Sale	70,800	0.59
			08-Nov-19	-9000	Sale	61,800	0.51
			22-Nov-19	7200	Buy	69,000	0.57
			29-Nov-19	36000	Buy	1,05,000	0.87
			06-Dec-19	-33600	Sale	71,400	0.59
	13-Dec-19	600	Buy	72,000	0.60		
	20-Dec-19	-4200	Sale	67,800	0.56		
	27-Dec-19	7800	Buy	75,600	0.63		
	10-Jan-20	600	Buy	76,200	0.63		
	17-Jan-20	15600	Buy	91,800	0.76		
	24-Jan-20	-3000	Sale	88,800	0.74		

## ANNEXURE-I (Contd.)

Sr. No	NAME	No. of Shares at the beginning of the year: 01/04/2019	Date	Increase/Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
			29-Jan-20	-5400	Sale	83,400	0.69
			07-Feb-20	166800	Bonus	2,50,200	2.07
			28-Feb-20	-19800	Sale	2,26,800	1.88
			13-Mar-20	1800	Buy	2,28,600	1.89
			20-Mar-20	5400	Buy	2,34,000	1.94
			27-Mar-20	-19800	Sale	2,14,200	1.77
			31-Mar-20	1800	Buy	2,16,000	1.79
		2,16,000	31-Mar-20	0		2,16,000	1.79
6	SHRI RAVINDRA MEDIA VENTURES PRIVATE LIMITED	69,600	30-Mar-19	0		69,600	0.58
			07-Feb-20	139200	Bonus	2,08,800	1.73
		2,08,800	31-Mar-20	0		2,08,800	1.73
7	HANSRAJ HEMRAJ MARU	64,800	30-Mar-19	0		64,800	0.54
			07-Feb-20	129600	Bonus	1,94,400	1.61
		1,94,400	31-Mar-20	0		1,94,400	1.61
8	HEMANT HANSRAJ MARU	62,400	30-Mar-19	0		62,400	0.52
			07-Feb-20	124800	Bonus	1,87,200	1.55
		1,87,200	31-Mar-20	0		1,87,200	1.55
9	RAJNI KANTILAL SHAH	40,800	30-Mar-19	0		40,800	0.34
			07-Feb-20	81600	Bonus	1,22,400	1.01
		1,22,400	31-Mar-20	0		1,22,400	1.01
10	HARSHA RAJESHBHAI JHAVERI*	0	30-Mar-19			0	0.00
			06-Dec-19	33600	Buy	33,600	0.28
			07-Feb-20	67200	Bonus	1,00,800	0.83
		1,00,800	31-Mar-20	0		1,00,800	0.83

## ANNEXURE-I (Contd.)

Sr. No	NAME	No. of Shares at the beginning of the year: 01/04/2019	Date	Increase/Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
11	OVERSKUD MULTI ASSET MANAGEMENT PRIVATE LIMITED#	44,400	30-Mar-19	0		44,400	0.37
			05-Apr-19	-13200	Sale	31,200	0.26
			12-Apr-19	-1200	Sale	30,000	0.25
			26-Apr-19	-1200	Sale	28,800	0.24
			10-May-19	-12000	Sale	16,800	0.14
			24-May-19	-16800	Sale	0	0.00
			07-Jun-19	2400	Buy	2,400	0.02
			05-Jul-19	1800	Buy	4,200	0.03
			23-Aug-19	4800	Buy	9,000	0.07
			27-Sep-19	1200	Buy	10,200	0.08
			04-Oct-19	-6000	Sale	4,200	0.03
			01-Nov-19	600	Buy	4,800	0.04
			22-Nov-19	7200	Buy	12,000	0.10
			06-Dec-19	-600	Sale	11,400	0.09
			13-Dec-19	-1200	Sale	10,200	0.08
			20-Dec-19	5400	Buy	15,600	0.13
			10-Jan-20	-600	Sale	15,000	0.12
			17-Jan-20	-15000	Sale	0	0.00
	27-Mar-20	1800	Buy	1,800	0.01		
	31-Mar-20	-1800	Sale	0	0.00		

\*Not in the list of top 10 shareholders as on 01-04-2019. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31-03-2020

# Ceased to be in the list of top 10 shareholders as on 31-03-2020. The same is reflected above since the shareholder was one of the top 10 shareholder as on 01-04-2019

## ANNEXURE-I (Contd.)

## v. Shareholding of Directors and Key Managerial Personnel

Sr. No	NAME	Shareholding at the beginning of the year: 01/04/2019		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% total Shares of the Company				No. of Shares	% total Shares of the Company
1	MANISH MAVJI DEDHIA	390974	3.24	30-Mar-2019			390974	3.24
			4.35	10-Jan-2020	134,266	Buy	525240	4.35
			13.05	07-Feb-2020	1,050,480	Bonus	1575720	13.05
		1575720	13.05	31-Mar-2020			1575720	13.05
2	SANJAY MAVJI DEDHIA	390974	3.24	30-Mar-2019			390974	3.24
			9.72	07-Feb-2020	781,948	Bonus	1172922	9.72
		1172922	9.72	31-Mar-2020			1172922	9.72
3	JAGDISH DEDHIA	389363	3.23	30-Mar-2019			389363	3.23
			3.23	16-Aug-2019	1	Buy	389364	3.23
			9.68	07-Feb-2020	778,728	Bonus	1168092	9.68
		1168092	9.68	31-Mar-2020			1168092	9.68
4	NEHA HUDDAR	0	0.00	30-Mar-2019	-	-	0	0.00
		0	0.00	31-Mar-2020	-	-	0	0.00
5	ASHISH DOSHI	0	0.00	30-Mar-2019	-	-	0	0.00
		0	0.00	31-Mar-2020	-	-	0	0.00
6	DILIP GOSAR	0	0.00	30-Mar-2019	-	-	0	0.00
		0	0.00	31-Mar-2020	-	-	0	0.00
7	DRISHTI THAKKER	0	0.00	30-Mar-2019	-	-	0	0.00
		0	0.00	31-Mar-2020	-	-	0	0.00

## ANNEXURE-I (Contd.)

### V. INDEBTEDNESS

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

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year i.e. April 1, 2019</b>				
i) Principal Amount	3836.3	876.93	-	4713.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3836.3</b>	<b>876.93</b>		<b>4713.23</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	671.31	97.16	-	768.47
Reduction	-55.74	-		-55.74
<b>Net Change</b>	<b>615.57</b>	<b>97.16</b>		<b>712.73</b>
<b>Indebtedness at the end of the financial year i.e. March 31, 2020</b>				
i) Principal Amount	4451.86	974.09		5425.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4451.86</b>	<b>974.09</b>		<b>5425.95</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lakhs)

Particulars of Remuneration	Mr. Jagdish Dedhia (Whole-time Director)	Mr. Sanjay Dedhia (Managing Director)	Mr. Manish Dedhia (Managing Director)	Total Amount
<b>Gross salary</b>				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	81.25	81.25	81.25	243.75
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-

## ANNEXURE-I (Contd.)

(₹ In Lakhs)

Particulars of Remuneration	Mr. Jagdish Dedhia	Mr. Sanjay Dedhia	Mr. Manish Dedhia	Total Amount
	(Whole-time Director)	(Managing Director)	(Managing Director)	
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
<b>Commission</b>				
- as % of profit	-	-	-	-
- others				
Others	-	-	-	-
<b>Total</b>	<b>81.25</b>	<b>81.25</b>	<b>81.25</b>	<b>243.75</b>
<b>Total (A)</b>				<b>243.75</b>
Ceiling as per the Act	Within the limits as approved by the Shareholders			

## B. Remuneration to other directors:

(₹ In Lakhs)

Particulars of Remuneration	Total Amount		
	Mr. Dilip Gosar	Mr. Ashish Doshi	Ms. Neha Huddar*
<b>Independent Directors</b>			
• Fee for attending board / committee meetings	0.58	0.48	0.11
• Commission	-	-	
• Others	-	-	
<b>Total (1)</b>	<b>0.58</b>	<b>0.48</b>	<b>0.11</b>
<b>Other Non-Executive Directors</b>	<b>Mrs. Ameeta Dedhia**</b>		
• Fee for attending board / committee meetings	0.33		
• Commission	-		
• Others	-		
<b>Total (2)</b>	<b>0.33</b>		
<b>Total (B)=(1+2)</b>	<b>1.50</b>		
<b>Total Managerial Remuneration (A+B)</b>	<b>245.25</b>		
<b>Overall Ceiling as per the Act</b>	NA#		

\* Mrs. Ameeta Dedhia resigned as a director w.e.f. February 1, 2020.

\*\* Ms. Neha Huddar has been appointed as an additional director w.e.f. February 1, 2020.

# The Remuneration to the Managerial Personnel is given as per Schedule V of the Companies Act, 2013.

## ANNEXURE-I (Contd.)

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(₹ In Lakhs)

Particulars of Remuneration	Key Managerial Personnel		Total Amount
	*Ms. Drishti Thakker (Company Secretary)	Mr. Manish Dedhia (CFO)	
<b>Gross salary</b>			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.38	-	4.38
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
<b>Commission</b>			
- as % of profit	-	-	-
- others	-	-	-
<b>Total</b>	<b>4.38</b>	<b>-</b>	<b>4.38</b>

\*Ms. Drishti Thakker resigned on February 4, 2019 and was appointed as the Company Secretary and Compliance Officer of the Company w.e.f June 3, 2019.

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NONE		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NONE		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NONE		
Compounding					

## ANNEXURE-II

### REMUNERATION POLICY OF MITSU CHEM PLAST LIMITED FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT

#### 1. Preamble:

- a) The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" means officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
- b) This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act").

#### 2. Aims & Objectives:

While formulating this Policy, the Nomination and Remuneration Committee ("**NRC**") has considered the factors laid down under Section 178(4) of the Act which are, as under:

- a) 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;

- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### 3. Matters to be dealt with, perused and recommended to the Board by the NRC:

The Committee shall:

- a) To determine the remuneration package for any Executive Directors as well as remuneration payable to the non-executive Directors and senior management from the year to year;
- b) To help in determining the appropriate size, diversity and composition of the Board;
- c) To recommend to the Board appointment/reappointment and removal of Directors and senior management;
- d) To frame criteria for determining qualifications, positive attributes and independence of Directors;
- e) To create an evaluation framework for Non-executive & Independent Directors and the Executive Board;



## ANNEXURE-II (Contd.)

- f) Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

### 4. Policy for appointment and removal of Director, KMP, Senior Management:

#### I. Appointment criteria and qualifications:

##### a) Managing / Whole-time / Executive Director:

- i For the purpose of selection of the Managing / Whole-time / Executive Director, the NRC shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.
- ii The Committee shall also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

##### b) Independent Director:

- i. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management. In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the

Company so as to enable the Board to discharge its function and duties effectively.

- ii. The NRC shall ensure that the candidate identified for appointment as a Director fulfills the criteria of independence as provided in Section 149 (6) and is not disqualified for appointment under Section 164 of the Companies Act, 2013.

- iii. The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as an Independent Director:

- Qualification, expertise and experience of the Directors in their respective fields;
- Personal, Professional or business standing;
- Diversity of the Board.

- iv. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level

##### c) KMP and Senior Management personnel:

- i. A KMP or Senior Management Personnel should possess adequate qualification, expertise and experience for the position he / she is considered for appointment as per the Job Description and should qualify through Interview and other parameters as per Corporate HR practices.

**ANNEXURE-II (Contd.)**

- ii. The NRC may review whether the qualification, expertise, attributes and experience possessed by a KMP is sufficient / satisfactory for the concerned position and make their recommendation to the Board.
- iii. The NRC shall take note of any appointment of Senior Management Personnel of the Company.

**II. Removal:****a) Director:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made thereunder or under any other applicable act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director (either Executive or Non-Executive) subject to the provisions and compliance of the said Act, rules and regulations.

**b) KMP and Senior Management personnel**

- i. Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made thereunder or under any other applicable act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a KMP, subject to the provisions and compliance of the said Act, rules and regulations.
- ii. A Senior Management Personnel may be removed on account of any disqualification incurred by such

person in accordance with the Company's Corporate HR practices and the NRC shall take note of any removal of Senior Management Personnel of the Company.

**III. Remuneration:****a) Independent Directors and Non-Independent Non-Executive Directors:**

- i. Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid remuneration as prescribed under the applicable law.
- ii. Within the parameters prescribed by law, the payment of Remuneration will be recommended by the NRC and approved by the Board.
- iii. Overall remuneration should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).
- iv. Overall remuneration should be reflective of the size of the Company's' complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration.
- v. Overall remuneration practices should be consistent with recognized best practices.
- vi. Quantum of remuneration may be subject to review on a periodic basis, as required.

## ANNEXURE-II (Contd.)

### b) For KMP and Executive Management:

The extent of overall remuneration to the KMPs and Executive Management should be sufficient to attract and retain talented and qualified individuals suitable for their role. Hence, remuneration should be:

- i. market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
- ii. driven by the role played by the individual;
- iii. reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay;
- iv. consistent with recognized best practices; and
- v. aligned to any regulatory requirements.

### c) Remuneration payable to Director for services rendered in other capacity:

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:

1. The services rendered are of a professional nature;
2. The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession; and
3. Necessary regulatory approvals are obtained if any.

### 5. Review and Amendments to the Policy:

The NRC may recommend amendments to the Policy to the Board of Directors, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

## ANNEXURE-III

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

**The Members,  
MITSU CHEM PLAST LIMITED  
329, Gala Complex, 3rd Floor,  
Din Dayal Upadhyay Marg,  
Mulund (W), Mumbai 400 053.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MITSU CHEM PLAST LIMITED** (hereinafter called the "Company") for the audit period covering the financial year ended on 31st March 2020. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020, generally 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:

1. I have examined the books, papers, minute books, forms and returns filed and other

records maintained by the Company for the financial year ended on 31st March 2020, 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) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015

## ANNEXURE-III (Contd.)

2. There were no actions/ events in pursuance of following Regulations of SEBI requiring compliance thereof by the Company during the period under review:
  - (i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  - (v) 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.
3. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings were not attracted during the year under review;
4. Based on the information provided and review of the Compliances Report of Managing Director taken on record by the Board of the Company and also relying on the representation made by the Company and its Officers, in my opinion adequate system and process exists in the Company to monitor and ensure compliances with

the provisions of general and other industry and sector specific Laws and Regulations applicable to the Company, as identified and confirmed by the management of the company and listed in **Annexure -A** to this report.

5. I 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; and
  - (ii) Listing Agreements entered into by the Company with BSE Limited

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above and there are no material non-compliances that have come to my knowledge except delay in filing of e-Form for registration of charge in accordance with the provisions of Section 77 of the Companies Act 2013.

**I further report that** compliances of finance and tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by Statutory Auditors and other designated professionals.

**I further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**ANNEXURE-III (Contd.)**

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent in advance, 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. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I 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.

**I further report that** during the audit period under review, following event/action occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- (i) Increase in the Authorized Share Capital of the Company from ₹ 4,02,50,000/- divided into 40,25,000 Equity Shares of Rs.10/- each to ₹ 12,08,00,000 /- divided into 1,20,80,000 Equity Shares of Rs.10/- each;
- (ii) Issue and allotment of 80,48,400 Bonus shares to the Equity Shareholders in the ratio of 2:1 (i.e. two equity shares for every one equity share already held); and
- (iii) Migration of Company's equity shares from BSE SME platform to BSE mainboard platform

**Haresh Sanghvi**

Practicing Company Secretary

FCS No.: 2259/CoP No.: 3675

UDIN: F002259B000561950

Place: Mumbai

Date: 7th August, 2020

**Note:** This report is to be read with my letter of even date which is annexed as **ANNEXURE-A** and forms an integral part of this report.

## ANNEXURE- A

**The Members,  
MITSU CHEM PLAST LIMITED  
329, Gala Complex, 3rd Floor,  
Din Dayal Upadhyay Marg,  
Mulund (W), Mumbai 400 053.**

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period. Due to ongoing COVID19 pandemic and consequent lock-down imposed, I could not verify the compliance documents physically for the period under review and the reliance has been placed on the scanned documents obtained through electronic mode.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of 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.

**Haresh Sanghvi**

Practicing Company Secretary

FCS No.: 2259/CoP No.: 3675

UDIN: F002259B000561950

Place: Mumbai

Date: 7th August, 2020

## Annexure-IV

### MANAGEMENT DISCUSSION ANALYSIS REPORT

#### INDIAN ECONOMY

The Indian economic growth softened to 4.2% in 2019-20 compared to 6.8% in 2018-19. The decline was due to muted private consumption, a contraction in manufacturing and sluggish investments. The Government of India announced a series of counter-cyclical measures to revive the economy, with the Reserve Bank of India (RBI) complementing with an accommodative policy stance for most parts of the year. However, as India geared up for its recovery, the economy was struck by Covid-19.

The outbreak of Covid-19 further led to slowdown of the Indian economy. A nationwide lockdown was imposed by the Government of India to break the chain of transmission, bringing all economic activities at halt. Further, various measures like 'Vocal for Local', 'Atmanirbhar Bharat' for boosting liquidity and confidence in the economy were undertaken by the Government.

(Source: economictimes.com)

#### OUTLOOK

FY 2020-21 began with a shock as it started off on an unprecedented note with complete lockdown implemented in India. However, this immediate lockdown across the nation helped India in minimising the impact of virus, given the fact that India is the second most populous nation in the world. In anticipation of the worsening crisis, a stimulus package of ₹ 20 lakh crore was introduced by the Government, and also various structural reforms were made. This helped the economy sustain an unprecedented shock and avoid a sudden tumble. In order to enhance the pace of recovery and minimise the impact of Covid-19 on the economy, the RBI announced a slew of measures to infuse liquidity in the system and keep interest rates lower for longer.

Further, the unlocking of lockdown initiated by the Government is expected to bring back the growth on track much faster than expected.

(Source: economictimes.com)

#### INDUSTRY OVERVIEW

The plastics industry in India caters to several industries across automotive, consumer packaging, and electronics, healthcare and FMCG. Plastic products are used in industrial and commercial applications, depending on the structural characteristics, performance features and durability. The plastics industry in India has developed and diversified significantly and has grown to become a ₹ 5.1 lakh crore industry in 2019. The Indian plastics industry market is now one among the leading sectors contributing to the country's economy, employing millions of people. Currently the industry observes over 100 organised and more than 1000 unorganised players, together producing approximately 17 million tons. The consumption of plastics in 2018-19 at 18.45 MMT which has grown 20 times since 1990 which stood at 0.9 million tons.

(Source: Indian Plastic Industry Report 2019)

#### Lami Tubes

Largest Manufacturer

#### BOPP

Largest Manufacturer

#### Rotomolded Tank

Largest Market

#### 2nd Largest

Exporter of FIBC Bags

#### 5th Largest

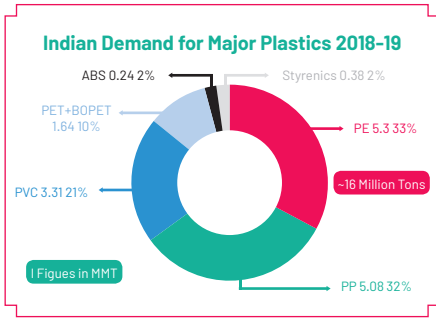
Producer of PP

#### Polybenzimidazole (PBI)

Only Producer in the World



## ANNEXURE-IV (Contd.)



Over the last few decades, the demand for and usage of plastics in several industries has increased tremendously. India's per capita consumption is 13 kilogrammes compared to the United States, where it is the world's highest at 108 kilogrammes. Growing population coupled with rapid urbanisation and industrialisation along with rising demand from packaging sector, which includes containers, bottles and plastic films is anticipated to drive the demand for plastics. Further, to improve fuel efficiency and eventually reduce carbon emissions, have further encouraged the use of plastics as a substitute to metals.

(Source: Indian Plastic Industry Report 2019)

### Covid-19 Impact

India has been suffering from Covid-19 and its impact on the business activities since last few months. It has hampered the demand for plastic in various applications including construction, automotive, electrical and electronics, and consumer goods owing to halt in manufacturing operations, restrictions on supply and transport, and economic slowdown across the globe. Among categories, it is expected that the impact of Covid-19 pandemic on packaging industry remained moderate as it catered to the products falling under essential category.

## COMPANY OVERVIEW

Established in the year 1990, Mitsu, has emerged as a leading manufacturer of world-class plastic blow molded and injection molded products. The Company caters to the diverse needs across industries of packaging, Hospital furniture parts, automotive and infrastructure.

The Company manufactures customized products for its customers in the blow moulding, injection moulding and also customized moulding (combination of processes) range.

The Company constantly strives to be innovative and its continuous investment in innovations has helped it becoming a partner of choice in the market. Over the years, the Company have evolved in every sense, but things that remained unchanged is its distinctive core philosophies, distinguished motives and most significantly its driving force and core goal – CUSTOMER SUCCESS.

### Product Groups

The product groups of the Company have been recast as follows:

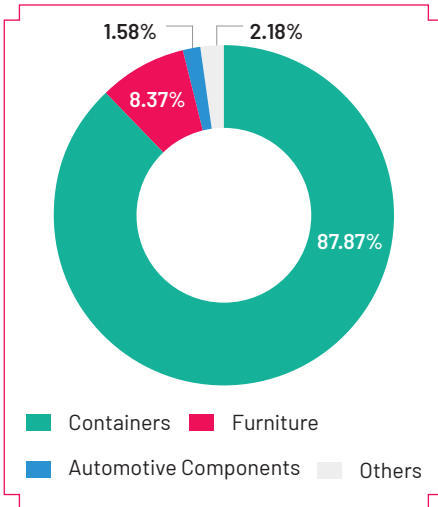
Segment	Products
Container	Blow moulded & injection moulded articles such as containers, bottles, jars carboys, full open tope drums from 100 ml to 235 litres
Hospital furniture parts	Hospital bed parts, hospital bed accessories, side trolleys, over Bed tables, spine board etc.
Automotive	Air intake duct, AC ducting pipe, water tanks
Others	Blow moulded chairs, medical device such as pregnancy kit, malaria kit, HIV kit.

## ANNEXURE-IV (Contd.)

### OPERATIONAL OVERVIEW

During the year, the Company's production volumes increased by 30.84% from 7300.066 MT in 2018-19 to 9551.51MT in 2019-20.

#### Segment wise revenue contribution in 2019-20



#### Containers

The Company primarily manufactures moulded industrial packing that ranges from 100ml to 235 litres. The containers includes various types such as bottles, jerry cans, drums that are narrow mouth, wide mouth, open top and among others. The revenue derived from this segment contributes to nearly 87.87% of the total revenue of the Company.

#### Hospital furniture parts

The Company is a pioneer and have carved a niche in plastic moulded medical furniture space. The Company mainly manufactures

customized furniture for hospitals which includes beds accessories, rescue and safety equipment, actuators etc. These products are made up from combinations of well-engineered materials which makes them durable and sturdy. Along with hospital products, the Company also manufactures general furniture such as plastic chairs seating systems etc. The revenue derived from this segment contributes to nearly 8.37% of the total revenue of the Company.

#### Automotive Components

The Company using its blow moulding and injection moulding solutions, also finds its presence in automotive segment. The Company has number of products to offer to the automotive segment which are customized according to need of customers such as rainhood plastic, air intake duct, pipe plastic, washer tanks etc. The revenue derived from this segment contributes to nearly 1.58% of the total revenue of the Company.

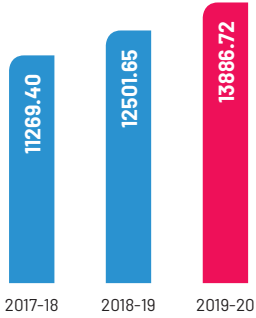
### FINANCIAL PERFORMANCE AND OUTLOOK

The Company during the year achieved the net sales of ₹ 13886.72 Lakhs in 2019-20 as compared to ₹ 12501.65 Lakhs in 2018-19. The Company on a continuous basis sets up policies to exercise cost control and cost reduction programme. The Company has achieved profit after tax of ₹ 397.51 Lakhs in 2019-20 as compared to ₹ 359.05 Lakhs in 2018-19.

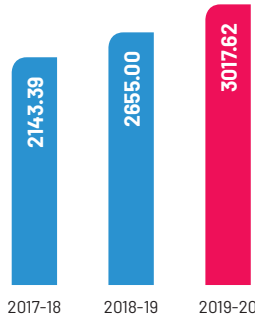
## ANNEXURE-IV (Contd.)

### Performance at a Glance

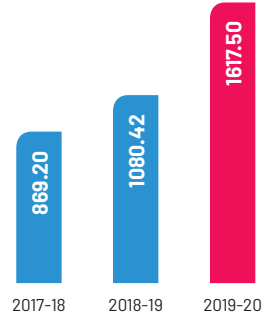
#### NET SALES (₹ LAKHS)



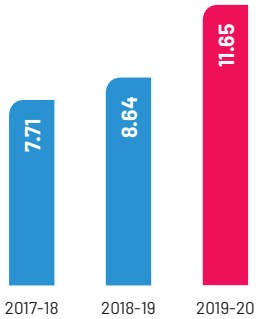
#### NET WORTH (₹ LAKHS)



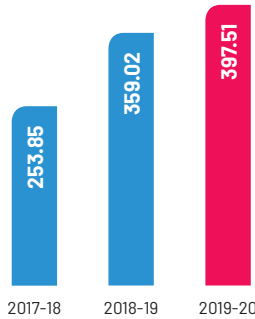
#### EBIDTA (₹ LAKHS)



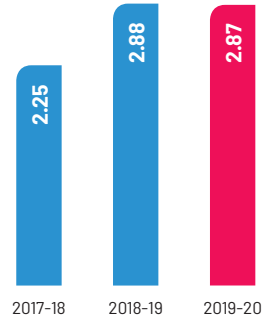
#### EBIDTA MARGINS (%)



#### PAT (₹ LAKHS)



#### PAT MARGINS (%)



The significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarised below:-

	2018-19	2019-20	% change	Reason for change
Operating Profit Margin	0.03	0.04	33%	*

(operating profit/Net Sales)

\*Company's operating margin increased due to increase in turnover and increase in sales of products having high margin.

## ANNEXURE-IV (Contd.)

### RISK MANAGEMENT

The Company finds its risk from increasing unorganized players in its segments and the growing number of imports which leads to the competitive market. This increasing competition can hamper the profitability of the Company. For this, the Company has employed vigilant approach to continuously identify, analyse and monitor the risks associated with its business. The management aims to provide confidence to the stakeholders that the Company's risks are known and well managed. Further to this, the Company also focuses on protecting the environment and growing its awareness. Additionally, various other cost controlling measures have been taken to focuses on the cost control.

### HUMAN RESOURCE

Professional, motivated and highly qualified personnel are among Mitsu's most precious assets and the key to our future growth. The Company encourages its employees to perform to their best ability and supports open collaboration, engagement and involvement. Constant improvements are brought about in work practices, technological and technical developments, and productivity of employees through training and learning development programmes. The Company believes in offering the best possible opportunities to its human resource for growth, development and a better quality of life, while developing their potential and maximising their productivity. Further, the Company also believes in talent acquisition to augment its plan of making its presence firm in the market its leads.

As at March 31, 2020 the Company strength stands at 288.

### INTERNAL CONTROL SYSTEM

The Company has built adequate systems of internal controls towards achieving efficiency and effectiveness in operation, optimum utilization of resources, and effective monitoring thereof as well as compliance with all applicable laws. The internal control mechanism comprises of well-defined organization structure, documented policy guidelines, pre-determined authority levels and processes commensurate with the level of responsibility. Needless to mention, that ensuring maintenance of proper accounting records, safeguarding assets against loss and misappropriation, compliance of applicable laws, rules and regulations and providing reasonable assurance against fraud and errors will continue to remain central point of the entire control systems.

### CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objectives, estimates etc. may be "Forward looking statements" within the applicable laws and regulations. Actual results may vary from these expressed or implied; several factors that may affect Company's operations include Dependency on telecommunication and information technology system, Government policy and several other factors. The Company takes no responsibility for any consequences of the decisions made, based on such statement and holds no obligation to update these in future.

## Annexure-V

### REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020.

#### 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

In the era of good Corporate Governance, the Company believes in attainment of highest levels of transparency in all facets of its operations. The Company is committed to maximize the shareholders value by adopting the principles of good corporate governance in line with provisions stipulated in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The practices followed by the Company are detailed herein below.

#### 2. BOARD OF DIRECTORS

##### Composition of the Board

The Board is constituted with an optimum combination of Executive and Non-Executive Independent Directors to maintain independence of the Board. As on March 31, 2020, the strength of the Board consists of 6 (Six) Directors comprising of 3 (three) Executive Directors and 3 (three) Non-Executive Independent Directors, out of which 1(one) is a Woman Director.

##### Board Meetings

The Board of the Company met 6 (six) times during the FY 2019-20 in accordance with the provisions of the Companies Act, 2013 ("Act") and rules made there under. The maximum gap between any two Board Meetings held during the year was not more than 120 days. The details thereof are as under:

29/05/2019	21/08/2019	12/11/2019	12/12/2019	30/01/2020	24/03/2020
------------	------------	------------	------------	------------	------------

##### Composition/ Category of Directors/ Attendance at Meetings as on March 31, 2020:

Sr. No	Name of Directors	Designation	Category of Directorship (Executive / Non Executive/ Promoter)	No. of Meetings attended	Attendance at the last AGM held on September 27, 2019
1	Mr. Jagdish Dedhia	Chairman and Whole-Time Director	Executive Director -Promoter	5/6	Yes
2	Mr. Sanjay Dedhia	Managing Director	Executive Director-Promoter	5/6	Yes
3	Mr. Manish Dedhia	Managing Director & CFO	Executive Director-Promoter	6/6	Yes
4	Mrs.Ameeta Dedhia*	Non- Executive Non-Independent Director	Non- Executive Non-Independent Director	5/6	Yes
5	Mr. Dilip Gosar	Independent Director	Non- Executive Independent Director	6/6	Yes
6	Mr. Ashish Doshi	Independent Director	Non- Executive Independent Director	6/6	Yes
7	Ms. Neha Huddar**	Independent Director	Non- Executive Independent Director	1/6	N/A

\* Mrs. Ameeta Dedhia resigned as a director w.e.f. February 1, 2020.

\*\* Ms. Neha Huddar has been appointed as an additional director w.e.f. February 1, 2020.

## ANNEXURE-V (Contd.)

**Number of directorships / committee memberships held by the Directors of the Company in other Companies including the names of the other listed entities where the Director is a Director and the category of their directorship as on March 31, 2020:**

Name of Director	Number of directorship in other public Companies*	Committee Chairmanship and Membership*		Names of other Listed Companies in which he/she holds Directorship and category of Directorship	Shareholding of Non-Executive Directors
		Chairmanship	Membership		
Mr. Jagdish Dedhia	-	-	-	-	-
Mr. Sanjay Dedhia	-	-	-	-	-
Mr. Manish Dedhia	-	-	-	-	-
Mr. Dilip Gosar	1	1	1	Sky Gold Limited (Independent Director)	NIL
Mr. Ashish Doshi	-	-	-	-	NIL
Ms. Neha Huddar	1	-	1	Bodal Chemicals Limited (Independent Director)	NIL

Notes:

- (i) Ms. Neha Huddar has been appointed as an additional director w.e.f. February 1, 2020.
- (ii) Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.
- (iii) For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.
- (i) Mr. Manish Dedhia, Mr. Sanjay Dedhia and Mr. Jagish Dedhia relatives in terms of Section 2 (77) of the Companies Act, 2013 read with Companies (Specification of definitions details) Rules, 2014. There exist no other inter-se relationships among the other Directors.
- (ii) The Company has not issued any convertible instruments.

#### **Independence of Independent Director**

The Board of Directors confirm that in its opinion, the Independent Directors fulfill the terms and conditions specified in the Act and Listing Regulations in respect of their independence of the Management.

#### **Familiarization programme**

The Familiarization programme enable the Independent Directors to understand the Company's business and operations in depth and to familiarize them with the process and functionalities of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarization programme has been hosted on the website of the Company at [www.mitsuchem.com](http://www.mitsuchem.com).

## ANNEXURE-V (Contd.)

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Sr. No	Areas of Expertise	Description	Names of directors who possess such skills / expertise / competence
1	Business & Industry	Domain Knowledge in Business and understanding of business environment, Optimising the development in the industry for improving Company's business.	(i) Mr. Jagdish Dedhia (ii) Mr. Sanjay Dedhia (iii) Mr. Manish Dedhia
2	Financial Expertise	Comprehensive understanding of financial accounting, capital allocation, resource utilization reporting and controls and analysis.	(i) Mr. Manish Dedhia (ii) Mr. Dilip Gosar (iii) Ms. Neha Huddar
3	Sales, Marketing & Brand building	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation.	(i) Mr. Sanjay Dedhia (ii) Mr. Manish Dedhia (iii) Mr. Ashish Doshi
4	Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining Board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.	(i) Mr. Manish Dedhia (ii) Ms. Neha Huddar

### 3. AUDIT COMMITTEE

Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. The Audit Committee comprises of 3 (three) Non-Executive Independent Directors and 1 (one) Executive Director, possessing sound knowledge on accounts, audit, finance, taxation, internal controls etc. The previous AGM of the Company was held on September 27, 2019 and was attended by the Chairman of the Audit Committee. The Company Secretary of the company acts as the secretary of the Audit Committee.

The committee met 4 (four) times during the FY under purview as under:

29/05/2019	21/08/2019	12/11/2019	04/03/2020
------------	------------	------------	------------

Details of the composition of the Committee and attendance of the Members are as follows:

Sr. No	Name of Member	Category	Position held in the Committee	No. of Meetings attended
1	Mr. Dilip Gosar	Non-Executive Independent Director	Chairman	4/4
2	Mr. Ashish Doshi	Non-Executive Independent Director	Member	3/4
3	Mr. Manish Dedhia	Executive Director	Member	4/4
4	Ms. Neha Huddar*	Non-Executive Independent Director	Member	1/4

\* Appointed as a member to this Committee w.e.f. February 1, 2020.

**ANNEXURE-V (Contd.)****Brief description of terms of reference**

The Committee at their meeting held on June 29, 2020 reviewed and amended the terms of reference of the Committee as under-

- (a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending the appointment, terms of appointment, removal, fixation of audit fee and also approval for payment for any other services.
- (c) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (i) 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;
  - (ii) changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) significant adjustments made in the financial statements arising out of audit findings;
  - (v) compliance with listing and other legal requirements relating to financial statements;
  - (vi) disclosure of any related party transactions;
- (d) modified opinion(s) in the draft audit report;
- (e) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (f) 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) approval or any subsequent modification of transactions of the listed entity with related parties;
- (i) scrutiny of inter-corporate loans and investments;
- (j) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (k) evaluation of internal financial controls and risk management systems;
- (l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



## ANNEXURE-V (Contd.)

- (m) 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;
- (n) discussion with internal auditors of any significant findings and follow up there on;
- (o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (p) 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;
- (q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) to review the functioning of the whistle blower mechanism;
- (s) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (t) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (u) internal audit reports relating to internal control weaknesses; and
- (v) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (w) statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- (x) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

## 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in line with the provisions of Regulation 19 of Listing Regulations and Section 178 of the Act. The Committee presently consists of 3 (three) Non-Executive Directors, all being Independent. The previous AGM of the Company was held on September 27, 2019 and was attended by the Chairman of the Nomination and Remuneration Committee.

**ANNEXURE-V (Contd.)**

The committee met 4 (four) times during the FY under purview as under:

29/05/2019	21/08/2019	30/01/2020	24/03/2020
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**Details of the composition of the Committee and attendance of the Members are as follows:**

Sr. No	Name of Member	Category	Position held in the Committee	No. of Meetings attended
1	Mr. Ashish Doshi	Non-Executive Independent Director	Chairman	4/4
2	Mr. Dilip Gosar	Non-Executive Independent Director	Member	4/4
3	Mrs. Ameeta Dedhia*	Non-Executive Non Independent Director	Member	3/4
4	Ms. Neha Huddar**	Non-Executive Non Independent Director	Member	1/4

\* Ceased to be member of this Committee due to her resignation as a director w.e.f. February 1, 2020.

\*\* Appointed as a member to this Committee w.e.f. February 1, 2020.

**Brief description of terms of reference**

The Committee at their meeting held on June 29, 2020 reviewed and amended the terms of reference of the Committee as under-

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director and recommend to the Board, policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- To formulate the criteria for evaluation of the Independent Directors and the Board;
- To devise a policy on Board diversity.

- To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

**Performance evaluation criteria for independent directors:**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

## ANNEXURE-V (Contd.)

### 5. REMUNERATION TO DIRECTORS

The Company pays remuneration by way of monthly salary to its Whole-Time Director and Managing Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members of the Company. The details of remuneration paid to the Executive Directors during the FY 2019- 20 are as follows:

(₹ in lakhs)

Sr. No	Name	Remuneration	Perquisites	Total
1	Mr. Jagdish Dedhia	81.25	-	81.25
2	Mr. Sanjay Dedhia	81.25	-	81.25
3	Mr. Manish Dedhia	81.25	-	81.25

During the year, the Company has paid sitting fees to Non -Executive Directors as under:

Sr. No	Name	Amount (₹ in Lakhs)
1	Mr. Dilip Gosar	0.58
2	Mr. Ashish Doshi	0.48
3	Mrs. Ameeta Dedhia*	0.33
4	Ms. Neha Huddar**	0.11

\* Mrs. Ameeta Dedhia resigned as a director w.e.f. February 1, 2020.

\*\* Ms. Neha Huddar has been appointed as an additional director w.e.f. February 1, 2020.

There were no pecuniary transaction of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Directors. None of the Director has any fixed component and performance linked incentives based on performance criteria, also there are no provisions for notice period and payment of severance fees.

### 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of Listing Regulations and Section 178 of the Act. The Committee consists of 4 (four) Directors out of which 3 (three) are Independent Directors and 1 (one) Executive Director. The previous AGM of the Company was held on September 27, 2019 and was attended by the Chairman of the Stakeholders' Relationship Committee. One meeting of the Committee was held during the year under purview on November 12, 2019.

## ANNEXURE-V (Contd.)

## Details of the composition of the Committee and attendance of the Members are as follows:

Sr. No	Name of Members	Category	Position held in the Committee	No. of Meetings attended
1	Mr. Dilip Gosar	Non-Executive Independent Director	Chairman	1/1
2	Mr. Ashish Doshi	Non-Executive Independent Director	Member	1/1
3	Mrs. Ameeta Dedhia*	Non-Executive Non Independent Director	Member	1/1
4	Ms. Neha Huddar**	Non-Executive Independent Director	Member	N.A
5	Mr. Manish Dedhia**	Executive Director	Member	N.A

\* Ceased to be member of this Committee due to her resignation as a director w.e.f. February 1, 2020.

\*\* Appointed as a member to this Committee w.e.f. February 1, 2020.

## Brief Terms of Reference

The Committee at their meeting held on November 12, 2019 reviewed and amended the terms of reference of the Committee as under-

- a) Allotment and listing of shares in future.
- b) Redressing of security holder's and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates, general meetings;
- c) Review of measures taken for effective exercise of voting rights by shareholders.
- d) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- e) Review of the various measures and initiatives taken by the listed entity for

reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

- f) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- g) Reference to statutory and regulatory authorities regarding investor grievances;
- h) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Ms. Drishti Thakker, Company Secretary is the Compliance officer who oversees the redressal of the investors' grievances.

During the FY under review, no complaints were received by the Company.

## ANNEXURE-V (Contd.)

### 7. GENERAL BODY MEETINGS

The details of Special Resolutions passed at the AGMs held in last 3 years along with the location and time of the AGMs are as follows:

AGM	FINANCIAL YEAR	DATE & TIME	VENUE	SPECIAL RESOLUTION PASSED
31st AGM	March 31, 2019	Friday, September 27, 2019 at 04.00 pm	329, Gala Complex, 3rd Floor, Din Dayal Upadhyay Marg, Mulund (W), Mumbai - 400 080.	<ul style="list-style-type: none"> <li>a) Re-appointment of Mr. Jagdish L. Dedhia (DIN: 01639945) as Chairman &amp; Whole-Time Director of the Company.</li> <li>b) Re-appointment of Mr. Sanjay M. Dedhia (DIN: 01552883) as Managing Director of the Company.</li> <li>c) Re-appointment of Mr. Manish M. Dedhia (DIN: 01552841) as Managing Director and CFO of the Company</li> </ul>
30th AGM	March 31, 2018	Friday, August 31, 2018 at 04.00 pm	329, Gala Complex, 3rd Floor, Din Dayal Upadhyay Marg, Mulund (W), Mumbai - 400 080.	-
29th AGM	March 31, 2017	Friday, September 27, 2017 at 04.00 pm	329, Gala Complex, 3rd Floor, Din Dayal Upadhyay Marg, Mulund (W), Mumbai - 400 080.	<ul style="list-style-type: none"> <li>a) Revision in terms of remuneration of Mr. Jagdish L. Dedhia (DIN: 01639945), Chairman &amp; Whole -Time Director of the Company.</li> <li>b) Revision in terms of remuneration of Mr. Sanjay M. Dedhia (DIN: 01552883) Managing Director of the Company.</li> <li>c) Revision in terms of remuneration of Mr. Manish M. Dedhia (DIN: 01552841) Managing Director &amp; Chief Financial Officer of the Company</li> <li>d) Service of Documents to the Members</li> </ul>

All special resolutions set out in the Notices for the AGMs were passed by the Members at the respective meetings with requisite majority.

## ANNEXURE-V (Contd.)

### Extraordinary General Meeting

No Extraordinary General Meeting of the members was held during FY under review.

### Postal Ballot

During the financial year under review, the Company has moved resolutions through postal ballot process vide notice dated December 12, 2019, to authorize:

1. Increase in Authorised Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association
2. Issue of Bonus Share
3. Migration of Company's listed equity shares from BSE SME Segment to the Main Board of BSE Limited

The Members of the Company have approved the aforesaid proposals with requisite majority.

### Scrutinizer for the Postal Ballot exercise

Ms. Shreya Shah, Practising Company Secretary, Mumbai (FCS 39409 and COP No. 15859) was appointed to act as the scrutinizer for conducting the postal ballot and e-voting.

### Procedure for Postal Ballot

- (i) In compliance with Sections 108 and 110 of Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 44 of the Listing Regulations, the Company provided e-voting facility to all the shareholders. The members had the option to vote either by physical ballot or through e-voting.

- (ii) The Company dispatched the postal ballot notices along with the Postal Ballot Forms through physical mode by postage prepaid self addressed business reply envelope to its members whose names appeared on the register of members / list of beneficiaries as on the cut-off date decided by the Board. The postal ballot notices were sent to members in electronic form to their e-mail addresses registered with the Depository Participants. The dispatch was completed on December 13, 2019.

- (iii) The Company authorized Central Depository Services Limited, for providing e-voting facilities to the shareholders of the Company through their e-voting platform.

- (iv) The voting under the Postal Ballot was kept open from December 19, 2019 (10:00 AM IST) to January 17, 2020 (5:00 PM IST) (either physically or through electronic mode).

- (v) The Scrutinizer, Ms. Shreya Shah, , Practising Company Secretary, Mumbai (FCS 39409 and COP No. 15859), submitted her report dated January 17, 2020 to the Chairman, after completion of scrutiny and the consolidated results of voting by Postal Ballot and e-voting were announced by the Company on January 18, 2020.

- (vi) The results were displayed on the Company website [www.mitsuchem.com](http://www.mitsuchem.com) and communicated to the stock exchange.

### Whether any special resolution is proposed to be conducted through postal ballot:

Currently, there is no proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot,

## ANNEXURE-V (Contd.)

if required to be passed in the future, will be decided at the relevant time.

### 8. MEANS OF COMMUNICATION

- (i) The Company's unaudited half yearly financial results were announced within forty-five days of the close of the half year and its audited annual financial results were announced within sixty days from the close of the financial year as per the requirements of the Listing Regulations. The aforesaid financial results were sent to BSE Limited (BSE) where the Company's securities are listed, immediately after these were approved by the Board.
- (ii) The Company's results are displayed on the Company's website [www.mitsuchem.com](http://www.mitsuchem.com).
- (iii) The Company also issues press releases from time to time. Press releases and presentations made to the institutional

investors/ analysts after the declaration of the results are submitted to BSE Ltd. as well as uploaded on the Company's website.

- (iv) Annual Reports and notice of the meetings to the Shareholders are sent through e-mail, post or courier. However, this year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs ("MCA") has vide its circular no 20/2020 dated May 5, 2020 directed the Companies to send the Annual Report only by e-mail to all the Members of the Company. Therefore, the Annual Report for FY 2019-20 and Notice of 32nd AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

### 9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting for the FY 2019-20:

<b>Date &amp; Time of AGM</b>	Wednesday, September 9, 2020 at 4.00 p.m.
<b>Venue</b>	AGM will be convened through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
<b>Financial year</b>	The Financial Year of the Company is from April 1, 2019 to March 31, 2020.
<b>Dividend payment date</b>	The final dividend, if approved, shall be paid/credited on or before Thursday, October 8, 2020
<b>Date of Book Closure/ Record Date</b>	As mentioned in the Notice of this AGM
<b>Listing on Stock Exchange</b>	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. The listing fees for the year 2020-2021 have been paid to the aforesaid Stock Exchange.
<b>Stock code</b>	540078

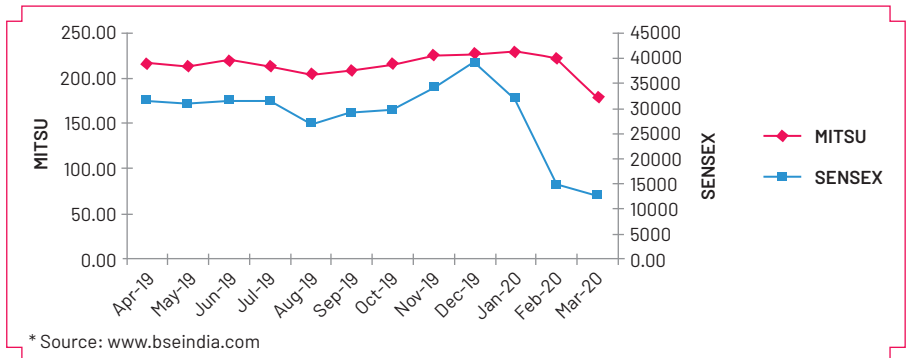
## ANNEXURE-V (Contd.)

**Registrar to an issue and  
share transfer agents****Bigshare Services Pvt Ltd****Address:** 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri East, Mumbai-400 059, Maharashtra.**Tel:** 022- 6263 8200**Email:** arunraj@bigshareonline.com**Website:** www.bigshareonline.com**Contact Person:** Arunraj S.**SEBI Registration No.:** INR000001385.**Share transfer system**

In respect of shares held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/ credit of the accounts involved

**Market Price Data**

Month	High (₹)	Low (₹)
April 2019	180.00	171.25
May 2019	175.00	170.00
June 2019	185.00	167.00
July 2019	180.00	170.00
August 2019	168.00	133.05
September 2019	165.00	157.55
October 2019	176.00	154.00
November 2019	200.00	179.50
December 2019	251.00	185.00
January 2020	275.00	80.05
February 2020	90.00	75.00
March, 2020	79.00	61.00

**Performance in comparison to broad-based indices such as BSE Sensex Share Price Movement during each month of the financial year 2019-2020\***



## ANNEXURE-V (Contd.)

### Commodity Price Risk / Foreign Exchange Risk and Hedging activities

#### Price risk

Price risk is the risk that the profits and cashflows will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to commodity prices.

The Company seeks to minimize the effects of these risks by continuous monitoring and using derivative financial instruments to hedge risk exposures, wherever permissible and cost effective. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

#### Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials.

The Company seeks to minimize the effects of these risks by continuous monitoring and using derivative financial instruments to hedge risk exposures, wherever permissible and cost effective. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

#### Distribution of Shareholding

Sr. No	Shareholding	Shareholders		Total Shares	
		No. of Shareholders	%	No. of Shares	%
1	1001-2000	24	17.91	43200	0.36
2	3001-4000	44	32.84	158400	1.31
3	5001-10000	6	4.48	41400	0.34
4	10001 & above	60	44.78	11829600	97.99
	<b>Total</b>	<b>134</b>	<b>100.00</b>	<b>12072600</b>	<b>100.00</b>

#### Dematerialisation of shares and liquidity

The whole of the Company's Share Capital is dematerialised as on March 31, 2020.

#### Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity

There were no outstanding GDRs, ADRs or any other Convertible Instruments as at and for the year ended March 31, 2020.

#### Plant Locations

The Company has three (3) units located at the following locations:

<b>Unit-I</b>	N 83/84, MIDC, Tarpur, Boisar Dist Thane 401 506
<b>Unit-II</b>	J 237, MIDC, Tarpur, Boisar Dist Thane 401 506
<b>Unit-III</b>	Plot No.24/11, 24/12,24/15, 24/8b, 25/1, Village Talavali, Mazgaon B.O. Post Office, Khalapur, Dist Raigad- 410 220

**ANNEXURE-V (Contd.)****Address for correspondence**

Investors can communicate at the following addresses:

<b>1. Mitsu Chem Plast Limited</b>	<b>2. Bigshare Services Private Limited</b>
329, Gala Complex, 3rd floor Din Dayal Upadhyay Marg, Mulund (W), Mumbai - 400 080, Maharashtra, India E-Mail: investor@mitsuchem.com Tel: +91-22-25920055 Fax: +91-22-25920077	1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400 059, Maharashtra. Email: arunraj@bigshareonline.com Tel: 022- 6263 8200 Website: www.bigshareonline.com Contact Person: Arunraj S. SEBI Registration No.: INR000001385.

**Credit ratings**

The Credit Ratings of the Company for all the debt instruments/facilities as on March 31, 2020 is as below: -

Long Term Rating	CRISIL BBB-/Stable
Short Term Rating	CRISIL A3

**10. DISCLOSURES****Related Party Transactions**

All transactions entered into with Related Parties as defined under the Act, and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. The Related Party Transaction policy has been hosted on the Company's website at [www.mitsuchem.com](http://www.mitsuchem.com).

**Compliance**

There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange

Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.

**Whistle Blower Policy /Vigil Mechanism**

As per the provisions of Section 177(9) and (10) of the Act, the Company has a Whistle Blower Policy for establishing a vigil mechanism for Directors and Employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and provide adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in appropriate or exceptional cases. There was no instance of denial of access to the Audit Committee. The said policy has been hosted on the Company's website at [www.mitsuchem.com](http://www.mitsuchem.com).

## ANNEXURE-V (Contd.)

### Details of adoption of discretionary requirements specified in Part E of Schedule II to the Listing Regulations

During the year, the Company has complied with the mandatory requirements as applicable to the Company under the Listing Regulations.

With respect to the compliance with the non-mandatory requirements pursuant to Regulation 27(1) of the SEBI Listing Regulations, the Company has adopted the following non-mandatory requirements:

- (i) The auditors' report on financial statements of the Company are unqualified.
- (ii) Internal auditors of the Company, make quarterly presentations to the audit committee on their reports.

### Details of utilization of funds

During the year under review, there were no Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the Listing Regulations.

### Disclosures with respect to demat suspense account/ unclaimed suspense account

During the year under review, the Company was not required to transfer any shares to demat suspense account/unclaimed suspense account since no dividend declared during the lifetime of the Company is unclaimed or unpaid.

### Certification of non-disqualification of Directors:

A Certificate issued under the provision of Listing Regulations by Ms. Shreya Shah, Company Secretary in practice (FCS 39409 and COP No. 15859) stating that none of the Directors on the Board of the Company have been debarred or disqualified as Directors of Companies by SEBI or Ministry of Corporate Affairs or any such other Authority is annexed to this report.

### Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year, the same to be disclosed along with reasons

During the year under review, the Board has accepted all the recommendation of all the Committees of the Board.

### Disclosure in relation to sexual harassment of women at workplace:

No complaints of sexual harassment of women at workplace were filed during the financial year 2019-20.

### Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(B) to (I) of Listing Regulations

Since the Company was listed on the SME platform of BSE Ltd. as on March 31, 2020, the provisions of Corporate Governance as specified in Regulations 17 to 27 and clauses

## ANNEXURE-V (Contd.)

(b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of Listing Regulations were exempted to the Company for the FY ended March 31, 2020. Hence, a Compliance certificate pursuant to part E of Schedule V of Listing Regulations is not applicable to the Company for the year ended March 31, 2020.

### MD/CFO CERTIFICATION

The Managing Director & CFO have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and this statement represent a true and fair view of the Company's affairs.

**For and on behalf of the Board**

**Jagdish Dedhia**

Chairman & Whole-Time Director  
DIN: 01639945

Place: Mumbai  
Date: August 7, 2020

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## Managing Director's Declaration for Compliance with Code of Conduct

To the Members of

### **MITSU CHEM PLAST LIMITED**

I hereby confirm that all the members of the Board and Senior Management have affirmed compliance with the Code of Conduct framed by the Company.

**For Mitsu Chem Plast Limited**

**Manish Dedhia**

Managing Director

Place: Mumbai  
Date: June 29, 2020

## Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

**Mitsu Chem Plast Limited,**

CIN: L2511MH1988PLC048925

329, Gala Complex, 3rd Floor, Din Dayal Upadhyay Marg, Mulund (W) Mumbai – 400 080

I have examined the List of disqualified Directors published by the Ministry of Corporate Affairs (“MCA”); Declaration from all the Directors self-certifying their non-disqualification as required under section 164 of the Companies Act, 2013 (“Act”); and Disclosure of Directors’ concern/interests as required under section 184 of the Act (hereinafter referred as **“the relevant documents”**) of Mitsu Chem Plast Limited, bearing Corporate Identification Number (CIN) - L2511MH1988PLC048925, having its registered office at 329, Gala Complex, 3rd Floor, Din Dayal Upadhyay Marg, Mulund (W) Mumbai – 400 080 (hereinafter referred as **“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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on my examination as well as on information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) and explanations furnished provided by the officers, agents and authorised representatives of the Company, I hereby certify that none of the Directors of the Company stated below who are on the Board of the Company as on 31st March 2020, have been debarred or disqualified from being appointed or continuing to act as Directors of the Company by Securities and Exchange Board of India or the MCA or any such other statutory authority.

Sr. no.	Name of the Directors	DIN	Date of appointment*
1	Jagdish Liladhar Dedhia	01639945	12/04/1990
2	Manish Mavji Dedhia	01552841	01/04/1997
3	Sanjay Mavji Dedhia	01552883	15/07/1993
4	Dilip Khushalchand Gosar	07514842	13/06/2016
5	Ashish Hasmukh Doshi	07551775	25/06/2016
6	Neha Sunil Huddar	00092245	01/02/2020

\*The date of appointment is as per the MCA Portal

I further state that such compliance 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.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2020.

**Shreya Shah**

Practising Company Secretary

ACS No.: 39409/CoP No.: 15859

UDIN: A039409B000545442

Place: Mumbai

Date: 3rd August, 2020

## Managing Director/CFO Certification

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Mr. Sanjay Dedhia, Jt. Managing Director and Mr. Manish Dedhia, Chief Financial Officer of Mitsu Chem Plast Limited (hereinafter referred to as "Company"), to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements and the cash flow statement of the company for the year ended March 31, 2020 and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
  - a. the significant changes in internal control over financial reporting during the year, if any;
  - b. significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements; and
  - c. that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Mumbai  
Dated: 29/06/2020

**Sanjay Dedhia**  
Managing Director  
DIN: 01552883

**Manish Dedhia**  
CFO  
PAN: AACPD6549F

## Annexure -VI

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20, ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sr. no.	Name of the Director/KMP and Designation	Remuneration of Director/KMP for the financial year 2019-20 (In Lakhs)	% increase in Remuneration in the financial year 2019-20	Ratio of the remuneration of each director to the median remuneration of the employees
1	Jagdish Dedhia (Whole-time Director)	81.25	13.64%	40.57
2	Sanjay Dedhia (Jt. Managing Director)	81.25	13.64%	40.57
3	Manish Dedhia (Jt. Managing Director & CFO)	81.25	13.64%	40.57
4	Ameeta Dedhia*	0.33	32%	0.16
5	Dilip Gosar	0.58	132%	0.29
6	Ashish Doshi	0.48	92%	0.24
7	Neha Huddar**	0.11	-	-
8	Drishti Thakker#	4.38	97.12%	2.19

\*Mrs. Ameeta Dedhia resigned as a director w.e.f. February 1, 2020.

\*\*Ms. Neha Huddar has been appointed as an Additional Director w.e.f February 1, 2020.

#Ms. Drishti Thakker resigned on February 4, 2019 and was appointed as the Company Secretary and Compliance Officer of the Company w.e.f June 3, 2019.

- The percentage increase in the median remuneration of employees in the financial year;

The % increase in median remuneration of employee is 46.90%

- The number of permanent employees on the rolls of company

288 employees on the rolls of Company as on March 31, 2020.

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

Average percentile increase in the salaries of employees other than the managerial personnel is 21.48% whereas the total remuneration of Key Managerial Personnel increased by 14.61% from FY 2018-19 to FY 2019-20

- Affirmation that the remuneration is as per the remuneration policy of the company

Remuneration paid during the year ended March 31, 2020 is as per Remuneration policy of the Company.

## Independent Auditors' Report

### To the Members of MITSU CHEM PLAST LIMITED

#### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS OPINION

We have audited the accompanying standalone financial statements of Mitsu Chem Plast Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the

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

#### EMPHASIS OF MATTER

The Company has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption. The Company has considered external and internal information in assessing the impact of COVID 19 on its financial statements, including recoverability of its assets as at Balance Sheet date. As per the Company's current assessment there is no significant impact on carrying amounts on financial assets is expected, and the Company continue to monitor changes in future economic conditions.

Our opinion is not modified in respect of this matter.



## Independent Auditors' Report (Contd.)

### KEY AUDIT MATTERS:

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

Sr. No.	Key Audit Matter	Auditor Response
1.	<p><b>ADOPTION OF IND AS:</b></p> <p>As stated in Note No. 2.6 to the standalone financial statements, the Company has adopted IND AS during the year. The application and transition in IND AS is complex and is an area of focus as the key matter in our audit of the Company.</p>	<p>Our audit procedures on adoption of IND AS includes:</p> <ul style="list-style-type: none"> <li>- Assessed and tested new process and controls in respect of transition in IND AS</li> <li>- Assessed the Company's evaluation in the identification of transition process</li> <li>- Evaluated the method of transition and related adjustments</li> <li>- Assessed and tasted the presentation and disclosures relating to transition in IND AS</li> </ul>
2.	<p><b>Capital Expenditure:</b></p> <p>The Company has incurred a capital expenditure onward purchase / construction of tangible / intangible assets amounting to ₹ 710.92 Lakh (₹ 1.11 Lakh capital work in progress) during the financial year.</p> <p>Considering that this amount is substantial and error in measurement can lead to the material impact on carrying amount of tangible fixed assets as well as profit for the year we have considered this as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around measurement of capital expenditure</li> <li>• Assessment of deviations from budgeted expenditure, if any and enquiry into reasons thereof.</li> <li>• We undertook substantive audit procedures to test whether any revenue expenditure is classified as capital expenditure or capital expenditure is classified as revenue expenditure.</li> <li>• We tested the adherence to Accounting Standard 10 "Property, Plant &amp; Equipment" to verify accuracy of measurement of expenditure and adequacy of disclosures made.</li> </ul>

## Independent Auditors' Report (Contd.)

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are

## Independent Auditors' Report (Contd.)

appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that,

individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

## Independent Auditors' Report (Contd.)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - 1) 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.
  - 2) 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.
  - 3) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - 4) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - 5) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- 6) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial
- 7) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 8) 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 standalone financial.

## Independent Auditors' Report (Contd.)

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

For **P. V. DALAL & CO.**

Chartered Accountants

Firm Registration No.102049W

**Paresh V. Dalal**

Place: Mumbai (Proprietor)

Date: 29<sup>th</sup> June 2020 Membership No.033355

UDIN: 20033355AAAABD1299

## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Mitsu Chem Plast Limited** 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”)

We have audited the internal financial controls over financial reporting of Mitsu Chem Plast Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone 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 the 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 internal financial controls system over financial reporting of the Company.

## Annexure "A" to the Independent Auditor's Report (contd.)

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### 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 March 31, 2020, 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 **P. V. DALAL & CO.**

Chartered Accountants

Firm Registration No.102049W

**Paresh V. Dalal**

(Proprietor)

Place: Mumbai

Date: 29<sup>th</sup> June 2020

Membership No.033355

UDIN: 20033355AAAABD1299

## Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory

Requirements section of our report to the Members of Mitsu Chem Plast Limited for even date)

i) In respect of company's Fixed Assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii) In respect of Inventories:

(a) As explained to us, the inventory has been physically verified by the management at regular intervals during the year.

(b) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company has maintained proper records of inventory and there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

iii) In respect of loans, secured or unsecured, the Company has not granted to companies, firms or other parties covered in the register maintained under section 189 Of the Companies Act. The Company has not granted any loans therefore sub clause (iii) (a), (b), and (c) are not applicable.

iv) According the information and explanations given to us, the Company has complied with the provisions of section 185 & 186 of the Act in respect of loans, investments, guarantees and securities.

v) The Company has not accepted deposits, therefore the clause (v) is not applicable.

vi) We have broadly reviewed the cost record maintained by the Company pursuant to the Rules made by the central government for the maintenance of cost record under sub sec (1) section 148 of the Companies Act, and are of opinion that prima facie,



## Annexure 'B' to the Independent Auditor's Report (Cond.)

the prescribed cost record have been made and maintained as per the documentary evidence provided by the management. We have, however not made a detail examination of the record with a view to determining whether they are accurate or complete.

vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident

(c) Details of dues of Income Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Nature of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount is relates	Amount (₹)
The Income Tax Act, 1961	Income Tax	CIT Appeal	F.Y. 2017-18	93125.00

viii) Based on our audit procedures and on the basis of information and explanations given to us by the management, the Company has not defaulted in the repayment of dues to bank, financial institution and debenture holders during the year.

ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported

Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

during the year that causes the financial statements to be materially misstated.

xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section

**Annexure 'B' to the Independent Auditor's Report (Cond.)**

177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **P. V. DALAL & CO.**

Chartered Accountants

Firm Registration No.102049W

**Paresh V. Dalal**

Place: Mumbai

(Proprietor)

Date: 29<sup>th</sup> June 2020

Membership No.033355

UDIN: 20033355AAAABD1299

## Balance Sheet

### As at 31st March 2020

(₹ in Lakh)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(a) Property, Plant and Equipment	3	5,916.78	5,646.86	2,531.85
(b) Capital Work in Progress	3	1.11	-	375.00
(c) Investment Property		-	-	-
(d) Goodwill		-	-	-
(e) Intangible Assets	4	10.80	7.84	7.33
(f) Intangible Assets under development	4	39.71	21.36	-
(g) Biological Assets other than bearer plants		-	-	-
(h) Financial Assets				
(i) Investments	5	88.05	35.86	24.69
(ii) Trade Receivables		-	-	-
(iii) Loans	6	5.43	5.00	4.13
(iv) Others financial assets		-	-	-
(i) Deferred tax assets (Net)		-	-	-
(j) Other non current assets	7	210.54	179.23	299.14
<b>SUB-TOTAL</b>		<b>6,272.42</b>	<b>5,896.15</b>	<b>3,242.14</b>
<b>CURRENT ASSETS</b>				
(a) Inventories	8	1,247.22	1,065.97	1,031.47
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables	9	2,854.43	2,333.22	2,031.55
(iii) Cash & Cash Equivalents	10	21.55	51.39	134.39
(iv) Bank balances other than (iii) above	11	201.85	146.78	172.49
(v) Loans	6	16.96	16.85	14.72
(vi) Other financial assets	12	4.12	3.85	2.48
(c) Current Tax Assets (Net)	18(A)	-	-	3.68
(d) Other Current Assets	7	138.64	354.13	166.46
SUB-TOTAL		4,484.77	3,972.19	3,557.24
(e) Non Current Assets Classified as Held for Sale		-	-	-
<b>TOTAL ASSETS</b>		<b>10,757.19</b>	<b>9,868.34</b>	<b>6,799.38</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share capital	13	1,207.26	402.42	388.02
(b) Other Equity				
Equity component of foreign currency convertible bonds		-	-	-
Reserves and surplus	14	1,810.35	2,252.59	1,695.97
Money Received Against Share Warrants		-	-	59.40
<b>SUB-TOTAL</b>		<b>3,017.61</b>	<b>2,655.01</b>	<b>2,143.39</b>

## Balance Sheet

### As at 31st March 2020 (Contd.)

(₹ in Lakh)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Borrowings	15	2,845.40	2,753.99	1,429.49
(ii) Trade Payables		-	-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-	-
(b) Long Term Provisions	17	17.03	7.78	9.93
(c) Deferred Tax Liabilities (Net)	18(C)	383.27	275.85	187.94
(d) Other non-current liabilities	19	87.26	183.37	356.21
<b>SUB-TOTAL</b>		<b>3,332.96</b>	<b>3,220.99</b>	<b>1,983.57</b>
<b>CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Borrowings	16	2,880.58	2,209.26	1,796.46
(ii) Trade payables				
Trade Payables-Micro and Small Enterprises	20	89.51	169.17	121.08
Trade Payables- Other than Micro and Small Enterprises	20	461.84	786.24	251.52
(iii) Other financial liabilities (other than those specified in item (c))	21	649.05	463.20	204.13
(b) Other Current Liabilities	19	94.92	128.46	120.08
(c) Short Term Provision	17	205.59	217.29	179.15
(d) Current Tax Liabilities (Net)	22	25.13	18.72	-
<b>SUB-TOTAL</b>		<b>4,406.62</b>	<b>3,992.34</b>	<b>2,672.42</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,757.19</b>	<b>9,868.34</b>	<b>6,799.38</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR MITSU CHEM PLAST LTD.

FOR **P.V.DALAL & CO.**  
CHARTERED ACCOUNTANTS  
FRN : 102049W

**JAGDISH DEDHIA**  
(CHAIRMAN & WTD)  
DIN: 01639945

**SANJAY DEDHIA**  
(MANAGING DIRECTOR)  
DIN: 01552883

**PARESH V. DALAL**  
(PROPRIETOR)  
Membership No. 033355

**MANISH DEDHIA**  
(CFO)  
DIN: 01552841

**DRISHTI THAKKER**  
(COMPANY SECRETARY)

PLACE : MUMBAI  
DATE : 29th June, 2020

## Statement of Profit and Loss

For the year ended 31st March 2020

(₹ in Lakh)

Particulars	Note No.	For the year Ended 31 <sup>st</sup> March 2020	For the year Ended 31 <sup>st</sup> March 2019
<b>Continuing Operations</b>			
I Revenue From Operations	23	13,854.83	12,476.04
II Other Income	24	31.89	25.62
<b>III Total Revenue (I+II)</b>		<b>13,886.72</b>	<b>12,501.66</b>
<b>IV Expenses</b>			
(a) Cost of Material Consumed	26	7,940.65	8,048.54
(b) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	27	(108.32)	14.94
(c) Employee Benefits Expenses	28	1,311.51	1,060.90
(d) Finance Cost	29	634.93	403.23
(e) Depreciation and Amortisation Expenses	30	400.81	245.19
(f) Other Expenses	31	3,125.36	2,296.86
<b>Total Expenses</b>		<b>13,304.94</b>	<b>12,069.66</b>
<b>V Profit Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>581.78</b>	<b>432.00</b>
VI Exceptional Income/Expenses			
<b>VII Profit Before Tax (V-VI)</b>		581.78	432.00
<b>VIII Income Tax Expenses</b>	18(D)	184.27	72.97
<b>IX Profit After Tax (VII-VIII)</b>		<b>397.51</b>	<b>359.03</b>
<b>X Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement benefit of defined benefit plans	25	(1.30)	(0.62)
Income tax expense on remeasurement benefit of defined benefit plans	18(C)	(0.36)	(0.17)
<b>Total of other comprehensive Income</b>		<b>(0.94)</b>	<b>(0.45)</b>
<b>Total Comprehensive Income for the period</b>		<b>396.57</b>	<b>358.58</b>
<b>XI Earnings Per Equity Share (Amount in ₹)</b>			
(a) Basic	32	3.29	3.00
(b) Diluted	32	3.29	3.00

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR MITSU CHEM PLAST LTD.

FOR **P.V.DALAL & CO.**  
CHARTERED ACCOUNTANTS  
FRN : 102049W

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**SANJAY DEDHIA**  
(MANAGING DIRECTOR)  
DIN: 01552883

**PARESH V. DALAL**  
(PROPRIETOR)  
Membership No. 033355

**MANISH DEDHIA**  
(CFO)  
DIN: 01552841

**DRISHTI THAKKER**  
(COMPANY SECRETARY)

PLACE : MUMBAI  
DATE : 29th June, 2020

## Statement of Changes in Equity

### For the year ended 31st March 2020

#### (A) Equity Share Capital

(₹ in Lakh)

Particulars	Refer Note No.	₹
1 As at April 1, 2018	-	388.02
2 Changes in equity share capital during the year	13.1	14.40
3 As at March 31, 2019	-	402.42
4 Changes in equity share capital during the year	13.1	804.84
5 As at March 31, 2020	-	1,207.26

#### (B) Other Equity

(₹ in Lakh)

Particulars	Securities Premium	General Reserve	Retained Earning	Other Compre- hensive Income	Total
	₹	₹	₹	₹	₹
<b>As on March 31, 2019</b>					
1 Balance as at April 1, 2018	607.39	182.49	901.48	4.61	1,695.97
2 Additions to Reserve net of expense and taxes	222.30	-	359.02	(0.45)	580.87
3 Dividends	-	-	(20.12)	-	(20.12)
4 Income tax on dividends	-	-	(4.14)	-	(4.14)
5 Balance as at March 31, 2019	829.69	182.49	1,236.24	4.16	2,252.58

## Statement of Changes in Equity

For the year ended 31st March 2020 (Contd.)

(₹ in Lakh)

Particulars	Securities Premium	General Reserve	Retained Earning	Other Comprehensive Income	Total
	₹	₹	₹	₹	₹
<b>As on March 31, 2020</b>					
1 Balance as at April 1, 2019	829.69	182.49	1,236.24	4.16	2,252.58
2 Additions to Reserve net of expense and taxes	(814.55)	-	397.52	(0.94)	(417.97)
3 Dividends	-	-	(20.12)	-	(20.12)
4 Income tax on dividends	-	-	(4.14)	-	(4.14)
5 Balance as at March 31, 2020	15.14	182.49	1,609.50	3.22	1,810.35

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR MITSU CHEM PLAST LTD.

FOR **P.V.DALAL & CO.**  
CHARTERED ACCOUNTANTS  
FRN : 102049W

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(CFO)  
DIN: 01552841

**DRISHTI THAKKER**  
(COMPANY SECRETARY)

PLACE : MUMBAI  
DATE : 29th June, 2020

## Cash Flow Statement

### For the year ended 31st March 2020

(₹ in Lakh)

Particulars	For the year Ended 31 <sup>st</sup> March 2020		For the year Ended 31 <sup>st</sup> March 2019	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net profit before Tax</b>		<b>581.78</b>		<b>431.99</b>
Adjustment for Non-Cash and Non-operating Items				
Add: Depreciation	400.80		245.20	
Loss on Sale of Fixed Assets	6.24		10.63	
Loss in Fair Value of Investments	8.99		-	
Provision for doubtful debts / Advances	10.00		7.34	
Interest Expense	588.32	1,014.35	368.02	631.19
Less: Interest Income	19.79		15.19	
Gain in Fair Value of Investments	-		2.00	
Dividend Received	0.22	20.01	0.15	17.34
<b>Operating profits before working capital changes (a+b-c)</b>		<b>1,576.12</b>		<b>1,045.84</b>
Changes in Working Capital & Operating Assets & liabilities				
Add: Decrease in Assets & Increase in Liabilities				
Current Borrowings	671.31		412.79	
Trade Payables	-		582.83	
Other Current Assets	215.49		-	
Other Non Current Assets	-		218.25	
Other Current Liabilities	-		8.39	
Short Term Provisions	-		38.14	
Other Current Financial Liabilities	185.85		259.07	
Long Term Provisions	9.25	1,081.90	-	1,519.47



## Cash Flow Statement

### For the year ended 31st March 2020 (Contd.)

(₹ in Lakh)

Particulars	For the year Ended 31 <sup>st</sup> March 2020		For the year Ended 31 <sup>st</sup> March 2019	
Less: Increase in Assets & Decrease in Liabilities				
Inventories	181.25		34.50	
Trade Receivables	531.22		301.67	
Short Term Loans & Advances	0.11		2.13	
Other Current Financial Liabilities	-		1.37	
Other Current Assets	-		187.66	
Long Term Provisions	-		2.15	
Other Current Financial Assets	0.27		-	
Short Term Provisions	11.69		-	
Other Non Current Liabilities	96.12		172.83	
Other Non Current Assets	0.98		-	
Other Current Liabilities	33.54		-	
Increase in Loans & Advances	0.43		0.87	
Trade Payables	404.08	1,259.69	-	703.18
Cash generated from operations (d+e-f)		1,398.33		1,862.13
Less: Taxes paid		101.67		68.80
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (g-h)</b>		<b>1,296.66</b>		<b>1,793.33</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Add: Interest Income	19.79		15.19	
Sale of Fixed Assets	11.53		21.21	
Sale of Investment	-		0.40	
Short Term Deposits	-		11.70	
Dividend Received	0.22	31.54	0.15	48.65
Less: Addition to Fixed Assets (Including WIP)	710.92		3,038.92	
Short Term Deposits (Net)	27.93		-	
Purchase of Investment (Net)	61.19	800.04	9.60	3,048.52
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (a-b)</b>		<b>(768.50)</b>		<b>(2,999.87)</b>

## Cash Flow Statement

For the year ended 31st March 2020 (Contd.)

(₹ in Lakh)

Particulars	For the year Ended 31 <sup>st</sup> March 2020		For the year Ended 31 <sup>st</sup> March 2019	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Add: Increase in Long Term Borrowings (Net)	91.42		1,324.50	
Proceeds received from Issue of Equity Shares	-	91.42	177.30	1,501.80
Less: Dividend & DDT Paid	24.26		24.26	
Expenses for issue of shares	9.71		-	
Interest Expense	588.32	622.29	368.02	392.28
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (a-b)</b>		<b>(530.87)</b>		<b>1,109.52</b>
NET INCREASE / (DECREASE) IN CASH		(2.71)		(97.02)
Add: Cash & Cash Equivalent at the beginning of the year				
Cash on Hand	1.84		2.27	
Bank Balance	13.20	15.04	109.78	112.05
Less: Cash & Cash Equivalent at the end of the year				
Cash on Hand	1.96		1.84	
Bank Balance	10.38	12.34	13.20	15.04

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR **P.V.DALAL & CO.**  
CHARTERED ACCOUNTANTS  
FRN : 102049W

**PARESH V. DALAL**  
(PROPRIETOR)  
Membership No. 033355

PLACE : MUMBAI  
DATE : 29th June, 2020

FOR MITSU CHEM PLAST LTD.

**JAGDISH DEDHIA**  
(CHAIRMAN & WTD)  
DIN: 01639945

**MANISH DEDHIA**  
(CFO)  
DIN: 01552841

**SANJAY DEDHIA**  
(MANAGING DIRECTOR)  
DIN: 01552883

**DRISHTI THAKKER**  
(COMPANY SECRETARY)

## Notes

### Forming Part of the Financial Statements

#### NOTE 1 COMPANY OVERVIEW

Mitsu Chemplast Limited ("the Company") was incorporated in India in the year 23rd September, 1988 having its registered office at Mumbai, Maharashtra.

The Company is a leading manufacturer of a wide range of products in the blow moulding, injection moulding and also customised moulding (combination of processes) catering to specific customer needs. The Company caters to both domestic and international markets. The Equity Shares of the Company are listed on the Indian Stock Exchanges (Bombay Stock Exchange/National Stock Exchange).

#### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

##### Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss for the year ended March 31, 2020, the Statement of Cash Flows for the year ended March 31, 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

#### 2.1 Basis of preparation of financial statements

The separate financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Assets held for sale – measured at fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- Employee share-based payments – measured at fair value
- In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

#### 2.2 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.
- It is held primarily for the purpose of being traded;

## Notes

### Forming Part of the Financial Statements (Contd.)

- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing

accounting standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest rupee, unless otherwise stated.

### 2.3 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Company.

### 2.4 Estimation of uncertainties relating to the global health pandemic from COVID-19

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic

## Notes Forming Part of the Financial Statements (Contd.)

by the World Health Organisation with adverse impact on economy and business. COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 03, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

In assessing the recoverability of Company's assets such as Investments, Loans, intangible assets, Trade receivable etc. the Company has considered internal and external information. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information/indicators of future economic conditions, the Company expects to recover the carrying amount of the assets.

### 2.5 Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

#### (A) Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax

authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress"

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets"

## Notes

### Forming Part of the Financial Statements (Contd.)

#### Subsequent expenditure and componentisation

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### Depreciation and useful life

Depreciation is provided on a pro-rata basis on the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013

Freehold land is not depreciated.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

An asset's carrying amount is written down immediately to its recoverable amount if the

asset's carrying amount is greater than its estimated recoverable amount.

#### Derecognition

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

#### (B) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Directly attributable costs that are capitalised as part of the intangible asset include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

#### Useful life and amortisation

Intangible assets with finite useful lives that are acquired separately are carried

## Notes

### Forming Part of the Financial Statements (Contd.)

at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the useful lives of the asset from the date of capitalisation as below:

- Computer software 5-10 years

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

#### **Derecognition**

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount

The Company has elected to continue with carrying value of all its intangible assets recognised as on transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

#### **(C) Impairment**

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-

generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

Goodwill and intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment. If events or changes in circumstances indicate that they might be impaired, they are tested for impairment once again.

## Notes

### Forming Part of the Financial Statements (Contd.)

#### (D) Inventories

##### Raw materials

Raw materials and stores, work in progress, traded stock and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases.

##### Work in progress and finished goods

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Fixed overheads are allocated on the basis of production of finished goods. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs of inventories are valued at lower of cost or net realisable. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

##### Stores and spares

Inventory of stores and spare parts is valued at cost or net realisable value, whichever is lower. Provisions are made for obsolete and non-moving inventories. Unserviceable and scrap items, when determined, are valued at estimated net realisable value

#### (E) Revenue recognition

##### Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of other operating revenue.

Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

##### Sale of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

##### Dividend and interest income

Dividend income from investments is recognised when the shareholder's right



## Notes

### Forming Part of the Financial Statements (Contd.)

to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### Foreign exchange translation

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise.

#### (F) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

##### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business

## Notes Forming Part of the Financial Statements (Contd.)

combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or

to realise the asset and settle the liability simultaneously.

### Minimum Alternate Tax (MAT)

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the set-off of previous years Losses, if any. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with it will fructify.

### (G) Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalised as part of such assets. A qualifying asset is one that necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing

## Notes

### Forming Part of the Financial Statements (Contd.)

costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

#### (H) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

#### (I) Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

##### Short-term employee benefits

Wages and salaries, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### Post-employment benefits Defined contribution plan

Employee Benefit under defined contribution plans comprises of Contributory provident fund etc. is recognised based on the undiscounted amount of obligations of the Company to contribute to the plan. The same is paid to a fund administered through a separate trust.

##### Defined benefit plan

Defined benefit plans comprising of gratuity is recognised based on the present value of defined benefit obligations which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

## Notes

### Forming Part of the Financial Statements (Contd.)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Short term employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

#### (J) Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction

costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

#### (K) Financial assets

##### Recognition and initial measurement

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

##### Classification of financial assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or

## Notes

### Forming Part of the Financial Statements (Contd.)

- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets 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.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset 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.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement

of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so

## Notes Forming Part of the Financial Statements (Contd.)

eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

### **Impairment**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines a the end of a reporting

## Notes

### Forming Part of the Financial Statements (Contd.)

year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

#### (L) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in profit or loss.

#### (M) Financial liabilities and equity instruments

##### Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

##### Financial liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

## Notes

### Forming Part of the Financial Statements (Contd.)

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that contract basis; or
- It forms part of a containing one or more embedded derivatives, and IND

AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

#### **Other financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.



## Notes

### Forming Part of the Financial Statements (Contd.)

#### (N) Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

#### (O) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are recognised as a deduction from equity, net of any tax effects.

#### (P) Segments reporting

The Company is engaged in the business of Injection Moulding and Blow Moulding plastic articles such as Industrial containers, Hospital furniture parts, and automotive components. There is no separate reportable segment in terms of IND AS-108 and hence there is no requirement of segment reporting.

#### (Q) Earnings per share

##### Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

##### Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering

the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

### 2.6 First Time Adoption of IND-AS

#### (A) Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies have been applied consistently in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended 31 March 2019 and in the preparation of an opening Notes to the Standalone Financial Statements (Contd.) Ind AS balance sheet at 1 April 2018 (the Company's date of transition). An explanation of how the transition from financial statements prepared in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows is set-out in the following tables and notes:

Refer Note 41 for:

Reconciliation of total equity as at 31 March 2019 and 1 April 2018.

## Notes Forming Part of the Financial Statements (Contd.)

Reconciliation of total comprehensive income for the year ended 31 March 2019.

### (B) Ind AS optional exemptions

#### 1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

### (C) Ind AS mandatory exceptions

#### 1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective

evidence that those estimates were in error.

Ind AS estimates as at 1 April 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- a) Investment in equity instruments carried at FVTPL or FVOCI
- b) Impairment of financial assets based on expected credit loss model.

#### 2. Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.

**NOTE 3 PROPERTY, PLANT AND EQUIPMENT<sup>^</sup>**

(₹ in Lakh)

Particulars	Freehold Land	Leasehold Land	Buildings*	Plant and Equipment#	Moulds	Servers & Computers	Vehicles	Furniture & Fixtures	Capital WIP	Total
Original Cost As On 01-04-18	233.53	52.22	947.43	1,958.72	473.45	32.34	191.67	110.61	375.00	4,374.97
Additions	19.05	-	1,766.61	1,299.99	204.14	9.14	65.79	26.31	-	3,391.03
Deductions	-	-	1.56	12.80	-	-	26.47	3.20	375.00	419.03
Original Cost As On 31-03-19	252.58	52.22	2,712.48	3,245.91	677.59	41.48	230.99	133.72	-	7,346.97
Additions	-	-	140.97	394.63	99.66	18.97	21.20	11.94	1.11	688.48
Deductions	-	-	-	0.59	-	-	20.60	-	-	21.19
Original Cost As On 31-03-20	252.58	52.22	2,853.45	3,639.95	777.25	60.45	231.59	145.66	1.11	8,014.26
Depreciation Fund As On 01-04-2018	-	9.53	281.67	781.98	214.27	23.52	101.05	56.10	-	1,468.12
Charged During The Year	-	0.56	38.68	149.38	23.95	3.85	18.18	9.57	-	244.17
Deductions/Transfer	-	-	0.08	0.50	-	-	11.07	0.53	-	12.18
Depreciation Fund As On 31-03-2019	-	10.09	320.27	930.86	238.22	27.37	108.16	65.14	-	1,700.11
Charged During The Year	-	0.56	81.71	239.30	37.80	7.48	21.16	11.66	-	399.67
Deductions/Transfer	-	-	-	0.01	-	-	3.40	-	-	3.41
Depreciation Fund As On 31-03-2020	-	10.65	401.98	1,170.15	276.02	34.85	125.92	76.80	-	2,086.37
Wdv As On 31-03-2020	252.58	41.57	2,451.47	2,469.80	501.23	25.60	105.67	68.86	1.11	5,917.89
Wdv As On 31-03-2019	252.58	42.13	2,392.21	2,315.05	439.37	14.11	122.83	68.58	-	5,646.86

# Plant &amp; Equipments includes Office Equipments &amp; Electric fittings

<sup>^</sup> Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 15

The borrowing costs capitalised during the year ended March 31, 2020 was ₹ Nil (March 31, 2019: ₹ 100.82 lakhs and 1 April 2018: ₹ 16.64 lakhs).

## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 4 OTHER INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Computer Software	Intangible Asset under Developments	Total
Original Cost As On 01-04-18	12.27	-	12.27
Additions	1.53	21.36	22.89
Deductions	-	-	-
Original Cost As On 31-03-19	13.80	21.36	35.16
Additions	4.10	18.35	22.45
Deductions	-	-	-
Original Cost As On 31-03-20	17.90	39.71	57.61
Depreciation Fund As On 01-04-2018	4.94	-	4.94
Charged During The Year	1.02	-	1.02
Deductions/Transfer	-	-	-
Depreciation Fund As On 31-03-2019	5.96	-	5.96
Charged During The Year	1.14	-	1.14
Deductions/Transfer	-	-	-
Depreciation Fund As On 31-03-2020	7.10	-	7.10
Wdv As On 31-03-2020	10.80	39.71	50.51
Wdv As On 31-03-2019	<b>7.84</b>	<b>21.36</b>	<b>29.20</b>

**Notes**  
**Forming Part of the Financial Statements (Contd.)**

**NOTE 5 INVESTMENTS**

Particulars	Paid up Value	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
		No of Shares	₹	No of Shares	₹	No of Shares	₹
<b>Investment in Equity Instruments</b>							
<b>Quoted Investments - (FVTPL)</b>							
<b>Other than Trade Investments</b>							
<b>Equity Securities</b>							
Ashok Leyland Ltd.	₹ 1 each	100	0.01	100	0.09	100	0.15
Alok Industries Ltd	₹ 10 each	200	0.04	200	0.01	200	0.01
Bayer Cropscience Ltd	₹ 10 each	50	1.73	50	2.17	50	2.10
Claris Lifescience	₹ 10 each	-	-	-	-	100	0.40
Sumitomo Chemicals Limited / Excel Crop Care Ltd*	₹ 10 each	6,375	11.69	250	9.01	250	7.58
Fortis Healthcare India Ltd	₹ 10 each	200	0.25	200	0.27	200	0.25
Galaxy Surfactants Ltd	₹ 10 each	100	1.17	100	1.06	100	1.50
Gillette India Ltd	₹ 10 each	5	0.27	5	0.33	5	0.33
Godrej Industries Ltd	₹ 1 each	150	0.43	150	0.81	150	0.82
Hindalco Ltd	₹ 1 each	250	0.24	250	0.51	250	0.54
India Cements Ltd	₹ 10 each	50	0.05	50	0.05	50	0.07
Infosys Technologies Ltd ^	₹ 5 each	100	0.64	100	0.74	50	0.57
Jaiprakash Associates Ltd	₹ 2 each	800	0.01	800	0.04	800	0.15
Larsen & Toubro Ltd	₹ 2 each	55	0.44	37	0.76	37	0.72
Medico Remedies Limited	₹ 10 each	12,000	8.79	-	-	-	-
MOIL Ltd	₹ 10 each	334	0.34	334	0.53	167	0.65

(₹ in Lakh)

**Notes**  
**Forming Part of the Financial Statements (Contd.)**

Particulars	Paid up Value	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
		No of Shares	₹	No of Shares	₹	No of Shares	₹
Network 18 Media & Investments Ltd	₹ 5 each	200	0.04	200	0.07	200	0.12
Power Grid Corporation of India Ltd	₹ 10 each	100	0.16	100	0.20	100	0.19
Punj Lloyd Ltd	₹ 2 each	500	-	500	0.01	500	0.09
Reliance Industries Ltd	₹ 10 each	420	4.67	420	5.71	210	3.71
Shreeji Translogistics Ltd#	₹ 10 each	3,000	0.90	1,000	1.30	1,000	1.32
Steel Authority of India Ltd	₹ 10 each	240	0.06	240	0.12	240	0.17
Sun Pharmaceuticals Ltd	₹ 1 each	150	0.53	150	0.71	150	0.74
Tata Motors Ltd	₹ 2 each	500	0.36	500	0.85	500	1.64
Tata Steels Ltd	₹ 10 each	35	0.09	35	0.18	35	0.20
S H Kelkar and Company Ltd	₹ 10 each	250	0.19	250	0.38	250	0.65
Time Technoplast Ltd	₹ 1 each	10	-	10	0.01	10	0.02
Chennai Super King Ltd	₹ 1 each	50	-	50	-	-	-
Relicab Cable Manufacturing Ltd	₹ 10 each	1,32,000	51.81	12,000	5.28	-	-
Valiant Organics Ltd	₹ 10 each	150	1.57	150	2.34	-	-
Varrac Engineering Ltd	₹ 1 each	149	0.19	149	0.88	-	-
Yasho Industries Ltd	₹ 10 each	1,200	1.38	1,200	1.44	-	-
<b>TOTAL</b>		<b>1,59,723</b>	<b>88.05</b>	<b>19,580</b>	<b>35.86</b>	<b>5,704</b>	<b>24.69</b>

(₹ in Lakh)

## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 6 LOANS

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>(A) Non Current</b>			
Unsecured, considered good			
Security Deposit against rental premises	5.43	5.00	4.13
<b>TOTAL</b>	<b>5.43</b>	<b>5.00</b>	<b>4.13</b>
<b>(B) Current</b>			
Unsecured, considered good			
Loans & Advances to Employees	16.96	16.85	14.72
<b>TOTAL</b>	<b>16.96</b>	<b>16.85</b>	<b>14.72</b>

### NOTE 7 OTHER ASSETS

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>(A) Non Current Assets</b>			
MAT Credit Entitlement	137.91	106.31	-
Capital advances - Unsecured, considered good	13.16	18.13	258.23
Less: Allowance for Expected Credit Loss	(8.34)	(8.34)	(1.00)
	<b>4.82</b>	<b>9.79</b>	<b>257.23</b>
Other Deposits - Unsecured, considered good			
Electricity Deposit	47.87	53.82	30.92
MSRDC Deposit	1.92	1.92	-
Others	18.02	7.39	10.99
<b>TOTAL</b>	<b>210.54</b>	<b>179.23</b>	<b>299.14</b>
<b>(B) Current Assets</b>			
Prepaid Expenses	28.88	26.34	27.06
Advance to Creditors/Suppliers	62.77	303.63	123.48
Others	-	-	-
Statutory dues receivable	34.10	22.62	0.02
GST ITC	10.75	-	14.54
Sales Tax Refund Receivable	-	-	0.58
Advance for Foreign Travelling	-	0.32	0.20
Margin Money	-	0.17	-
TDS Receivable	1.10	0.13	0.10
Others	1.04	0.92	0.48
<b>TOTAL</b>	<b>138.64</b>	<b>354.13</b>	<b>166.46</b>

## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 8 INVENTORIES

(₹ in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Raw Materials*	683.80	662.95	591.79
Work in Progress	314.10	207.33	109.48
Finished Goods	94.99	93.45	206.24
Moulds	2.65	11.25	3.17
Accessories	105.31	54.25	113.90
Packing Material and Stores and Spares	46.37	36.74	6.89
<b>TOTAL</b>	<b>1,247.22</b>	<b>1,065.97</b>	<b>1,031.47</b>

Valued at Cost or Net Realisable Value whichever is lower

\*Raw Material Includes raw material in transit amounts ₹ 95.90 Lakh as at 31st March 20 (₹ Nil as at 31st March 19 & Nil 31st March 2018)

### NOTE 9 TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>Unsecured, considered good</b>			
From Others	2,854.43	2,333.22	2,031.55
<b>Doubtful</b>			
From Others	142.93	132.93	132.93
	<b>2,997.36</b>	<b>2,466.15</b>	<b>2,164.48</b>
Less: Allowance for Expected Credit Loss	(142.93)	(132.93)	(132.93)
<b>TOTAL</b>	<b>2,854.43</b>	<b>2,333.22</b>	<b>2,031.55</b>

### NOTE 10 CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Cash on Hand	1.95	1.84	2.27
<b>Balances With Bank</b>			
In current accounts	10.38	13.20	109.78
In recurring deposits accounts	9.22	36.35	22.34
	<b>19.60</b>	<b>49.55</b>	<b>132.12</b>
<b>TOTAL</b>	<b>21.55</b>	<b>51.39</b>	<b>134.39</b>



## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 11 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Earmarked Balances with Bank</b>			
Fixed Deposits with Bank held as Margin Money	196.70	146.78	156.49
Earmarked balances with customer for performance guarantee	-	-	16.00
Fixed Deposit given as security against Borrowings	5.15	-	-
<b>TOTAL</b>	<b>201.85</b>	<b>146.78</b>	<b>172.49</b>

### NOTE 12 OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Interest Receivable	4.12	3.85	2.48
<b>TOTAL</b>	<b>4.12</b>	<b>3.85</b>	<b>2.48</b>

### NOTE 13 EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>(A) Authorised Share Capital</b>			
1 1,20,80,000 Equity Shares of ₹ 10/- each (40,25,000 Equity Shares of ₹ 10/- each as at 31.03.2019 & 40,25,000 Equity Shares of ₹ 10/- each as at 01.04.2018)	1,208.00	402.50	402.50
	<b>1,208.00</b>	<b>402.50</b>	<b>402.50</b>
<b>(B) Issued,Subscribed and Paid-up Share Capital</b>			
1 1,20,72,600 Equity Shares of ₹ 10/- each fully paid - up (40,24,200 Equity Shares of ₹ 10/- each fully paid - up as at 31.03.2019 & 38,80,200 Equity Shares of ₹ 10/- each fully paid - up as at 01.04.2018)	1,207.26	402.42	388.02
	<b>1,207.26</b>	<b>402.42</b>	<b>388.02</b>

## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 13.1 Reconciliation Of Shares Outstanding At The Beginning And At The End Of The Year

(₹ in Lakh)

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	Nos.	₹	Nos.	₹	Nos.	₹
<b>(A) Equity Shares</b>						
1 Shares Outstanding at the beginning of the year	40,24,200	402.42	38,80,200	388.02	35,25,000	352.50
2 Additions during the year						
i) Bonus Shares issued during the year	80,48,400	804.84	-	-	-	-
ii) Fresh Issue during the year	-	-	1,44,000	14.40	3,55,200	35.52
3 Deductions during the year	-	-	-	-	-	-
4 Shares Outstanding at the end of the year	1,20,72,600	1,207.26	40,24,200	402.42	38,80,200	388.02

### NOTE 13.2 Share Capital

- (A) the Company has 1 class of each Equity shares.
- (B) Each holder of Equity shares is entitled to one vote per share.
- (C) The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.
- (D) In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding

### NOTE 13.3 Details Of Shareholders Holding More Than 5% Shares In the Company

(₹ in Lakh)

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>(A) Equity Shares</b>						
1 Jagdish Liladhar Dedhia	11,68,092	9.68	3,89,363	9.68	3,68,963	9.51
2 Sanjay Mavji Dedhia	11,72,922	9.72	3,90,974	9.72	3,70,574	9.55
3 Manish Mavji Dedhia	15,75,720	13.05	3,90,974	9.72	3,70,574	9.55
4 Lilavanti Mavji Dedhia	16,00,920	13.26	5,33,640	13.26	5,04,840	13.01
5 Vimlaben Liladhar Dedhia	16,00,920	13.26	5,33,640	13.26	5,04,840	13.01

### NOTE 13.4 Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

(₹ in Lakh)

Particulars	(Aggregate No. of Shares) for the year ended				
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
1 Fully Paid up Equity Shares by way of Bonus	80,48,400	-	-	21,15,000	-

## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 13.5 Details of Dividend paid and proposed during the year

(₹ in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>(A) Cash dividends on equity shares declared and paid</b>			
1 Final dividend paid for the year ended on March 31, 19 ₹ 0.50 per Share (₹ 0.50 per Share for March 31, 18 & ₹ 0.50 per Share for March 31, 17)	20.12	20.12	17.63
2 Dividend Distribution Tax on final dividend	4.14	4.14	3.59
	<b>24.26</b>	<b>24.26</b>	<b>21.22</b>
<b>(B) Proposed dividends on Equity shares</b>			
1 Proposed dividend for the year ended on March 31, 20 ₹ 0.20 per Share (₹ 0.50 per Share for March 31, 19 & ₹ 0.50 per Share for March 31, 18)	24.15	20.12	20.12
2 Dividend Distribution Tax on Proposed dividend	-	4.14	4.14
	<b>24.15</b>	<b>24.26</b>	<b>24.26</b>

### NOTE 14 Summary of Other Equity Balances

(₹ in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>(I) SIDBI Capital Subsidy Received</b>			
As per last Balance Sheet	-	-	7.42
(-) Transferred to General Reserve	-	-	(7.42)
	-	-	-
<b>(II) Subsidy Received Development Corp of Konkan Ltd</b>			
As per last Balance Sheet	-	-	5.21
(-) Transferred to General Reserve	-	-	(5.21)
	-	-	-
<b>(III) Securities Premium</b>			
1 As per last Balance Sheet	829.69	607.39	64.00
2 Add: Additions during the year	-	223.20	550.56
3 Less : Utilised for issue of Bonus Shares & Issue expenses	(814.55)	(0.90)	(7.17)
	<b>15.14</b>	<b>829.69</b>	<b>607.39</b>

## Notes Forming Part of the Financial Statements (Contd.)

(₹ in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>(IV) General Reserve</b>			
1 As per last Balance Sheet	182.49	182.49	169.86
(+) Subsidies transferred to General Reserve	-	-	12.63
	<b>182.49</b>	<b>182.49</b>	<b>182.49</b>
<b>(V) Retained Earnings</b>			
1 Opening Balance	1,236.25	901.48	668.85
2 Add: Profit for the year	397.51	359.03	253.85
3 Profit available for appropriations	1,633.76	1,260.51	922.70
Less: Appropriations			
4 Dividend Paid	20.12	20.12	17.63
5 Dividend Distribution Tax	4.14	4.14	3.59
	<b>1,609.50</b>	<b>1,236.25</b>	<b>901.48</b>
<b>(VI) Other Comprehensive Income</b>			
(I) Remeasurements of Net Defined Benefit Plans			
1 Opening Balance	4.16	4.61	-
2 Add: Profit for the year	(0.94)	(0.45)	4.61
3 Profit available for appropriations	3.22	4.16	4.61
<b>TOTAL</b>	<b>1,810.35</b>	<b>2,252.59</b>	<b>1,695.97</b>

### NOTE 14.1 Nature & Purpose of Reserves

- (a) **Securities premium reserve** : Securities premium reserve is created due to premium on issue of shares. These reserve is utilized in accordance with the provisions of the Companies Act, 2013.
- (b) **General Reserve** : Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.00% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.
- Consequent to introduction of Companies Act, 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss to the General reserve.
- (c) **Retained Earnings** : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (d) **Items of Other Comprehensive Income**

**Remeasurements of Net Defined Benefit Plans** : Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 15 NON-CURRENT BORROWINGS

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>(A) *Secured Loans :- (At Amortised Cost)</b>			
1 From Banks#	1,564.60	1,622.23	261.83
2 From Financial and other Institutions#	6.71	4.83	12.67
<b>Total Secured Borrowings</b>	<b>1,571.31</b>	<b>1,627.06</b>	<b>274.50</b>
<b>(B) Unsecured Loan :- (At Amortised Cost)</b>			
1 From Banks#	61.15	-	-
2 From Financial and other Institutions#	34.78	-	-
3 Loans From Directors	878.16	876.11	1,152.05
4 Sales tax deferral loan	-	0.82	2.94
5 Inter Corporate Deposits	300.00	250.00	-
<b>Total Unsecured Borrowings</b>	<b>1,274.09</b>	<b>1,126.93</b>	<b>1,154.99</b>
<b>TOTAL</b>	<b>2,845.40</b>	<b>2,753.99</b>	<b>1,429.49</b>

#Current Obligations of Loans from Bank & Financials Institutions amounting to ₹ 641.31 Lakh at 31st March 20 (₹ 440.24 Lakh at 31st March 19) is classified under "Other Current Financials Liabilities". Refer to note no 21.

\*Secured Long-term Borrowings is secured against all existing and future current assets and movable fixed assets including plant & machinery, vehicles and further secured against Land & Building, Office premises, Fixed Deposits, residential flat of directors and personal guarantees of directors.

#### NOTE 15.1 Maturity Profile

Maturity of Secured & Unsecured Long term loan are as set below :

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
1 Within 1 year	641.31	440.23	204.13
2 1-2 years	665.63	440.59	125.56
3 2-3 years	658.35	502.04	62.57
4 Beyond 3 year	343.26	684.42	86.38
<b>Total</b>	<b>2,308.55</b>	<b>2,067.28</b>	<b>478.64</b>

## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 16 CURRENT BORROWINGS

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>(A) *Secured Borrowings :-</b>			
1 Loans Repayable on Demand			
From Bank	2,880.58	2,209.26	1,691.46
<b>(A) Unsecured Borrowings :-</b>			
Loan from Directors	-	-	105.00
<b>TOTAL</b>	<b>2,880.58</b>	<b>2,209.26</b>	<b>1,796.46</b>

\*Secured Long-term Borrowings is secured against all existing and future current assets and movable fixed assets including plant & machinery, vehicles and further secured against Land & Building, Office premises, Fixed Deposits, residential flat of directors and personal guarantees of directors.

### NOTE 17 PROVISION

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>(A) Long Term Provisions - Non Current</b>			
1 Provision for Gratuity	17.03	7.78	9.93
<b>TOTAL</b>	<b>17.03</b>	<b>7.78</b>	<b>9.93</b>
<b>(B) Short Term Provisions - Current</b>			
1 Payable to Employees	115.78	108.80	103.27
2 Electricity charges payable	76.17	79.43	55.37
3 Others	13.64	29.06	20.51
<b>TOTAL</b>	<b>205.59</b>	<b>217.29</b>	<b>179.15</b>

### NOTE 18 INCOME TAX

#### (A) Current Tax Liabilities (Net)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
1 Opening Balance	18.72	(3.68)	7.73
2 Add : Current Tax Provision for the year	100.10	91.20	90.68
3 Add/Less : Short/(Excess) Provisions of earlier years	7.99	-	-
4 Less : Taxes Paid	(101.67)	(68.80)	(102.09)
5 Closing Balance	25.14	18.72	(3.68)

The closing balance of current tax liability is net of advance tax and tax deducted at source.

## Notes Forming Part of the Financial Statements (Contd.)

### (B) MAT Credit Entitlement - Assets

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
1 Opening Balance	106.31	-	-
2 Add : Current Tax Provision for the year	40.23	64.56	-
3 Add/Less : Short/(Excess) Provisions of earlier years	(8.63)	41.75	-
4 Closing Balance	137.91	106.31	-

### (C) Deferred Tax Liabilities (Net)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
1 Opening Balance	275.85	187.94	222.54
2 Add/Less : Deferred Tax Charge/(Credit) to Statement of P&L	107.78	88.08	(36.37)
3 Add/Less : Deferred Tax Charge/(Credit) to Statement of OCI	(0.36)	(0.17)	1.77
4 Closing Balance	383.27	275.85	187.94

### (D) Summary of Income Tax Expenses

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
1 Current Tax	108.09	91.20	106.53
2 MAT Credit	(31.60)	(106.31)	(15.84)
3 Deferred Tax	107.78	88.08	39.41
<b>Total Tax Expenses</b>	<b>184.27</b>	<b>72.97</b>	<b>130.10</b>

### (E) Deferred Tax Liabilities (Net)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>1 Deferred Tax Liabilities in relation to</b>			
(i) Property Plant & Equipments and Intangible Assets	428.19	311.12	225.91
(ii) Fair Value of Non Current Investments - Financial Assets	1.64	4.14	3.58
(iii) Amortisation of Borrowing Cost	-	0.28	-
	<b>429.83</b>	<b>315.54</b>	<b>229.49</b>

## Notes Forming Part of the Financial Statements (Contd.)

(₹ in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>2 Deferred Tax Assets in relation to</b>			
(i) Provision for Employee Benefits	3.14	0.39	2.76
(ii) Amortisation of Borrowing Cost	1.34	-	1.53
(iii) Provision for Expected Credit Loss	42.08	39.30	37.26
	<b>46.56</b>	<b>39.69</b>	<b>41.55</b>
<b>Net Deferred Tax Liabilities</b>	<b>383.27</b>	<b>275.85</b>	<b>187.94</b>

### (F) Movement in Deferred Tax Assets & Liabilities

(₹ in Lakh)

Particulars	Charge/(Credit) to Statement of P&L			Charge/(Credit) to OCI		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
1 Property Plant & Equipments and Intangible Assets	117.07	85.21	0.33	-	-	-
2 Fair Value of Non Current Investments - Financial Assets	(2.50)	0.56	3.58	-	-	-
3 Amortisation of Borrowing Cost	(1.62)	0.65	(1.53)	-	-	-
4 Provision for Employee Benefits	(2.38)	2.55	(4.54)	(0.36)	(0.17)	1.77
5 Provision for Expected Credit Loss	(2.78)	(2.04)	(37.26)	-	-	-
6 Borrowing Cost Capitalisation	-	1.15	-	-	-	-
<b>Total</b>	<b>107.79</b>	<b>88.08</b>	<b>(39.42)</b>	<b>(0.36)</b>	<b>(0.17)</b>	<b>1.77</b>

### NOTE 19 OTHER LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>(A) Non Current Liabilities</b>			
1 Sundry Creditors for Capital Goods	44.44	145.32	346.21
2 Others	42.82	38.05	10.00
<b>TOTAL</b>	<b>87.26</b>	<b>183.37</b>	<b>356.21</b>



## Notes Forming Part of the Financial Statements (Contd.)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>(B) Current Liabilities</b>			
1 Advances received from customers	47.14	36.92	46.10
2 Due to Government Authorities			
i Sales tax and GST payable	25.00	66.03	56.19
ii TDS payable	21.85	24.97	16.62
iii Profession tax payable	0.58	0.54	0.48
3 Others	0.35	-	0.69
<b>TOTAL</b>	<b>94.92</b>	<b>128.46</b>	<b>120.08</b>

### NOTE 20 TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>(A) Micro and Small Enterprises</b>			
1 Trade Payables for Goods	71.10	139.20	109.79
2 Trade Payables for Expenses	18.41	29.97	11.29
	<b>89.51</b>	<b>169.17</b>	<b>121.08</b>
<b>(B) Others</b>			
1 Trade Payables for Goods	295.44	666.24	155.70
2 Trade Payables for Expenses	166.40	120.00	95.82
	<b>461.84</b>	<b>786.24</b>	<b>251.52</b>
<b>TOTAL</b>	<b>551.35</b>	<b>955.41</b>	<b>372.60</b>

**NOTE 20.1** Micro, Small and Medium Enterprises have been identified by the Company on the basis of the information available.

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
(A) Dues remaining unpaid as at March 31,			
Principal	89.51	169.18	121.08
Interest on the above	-	-	-
(B) Interest paid in terms of Section 16 of the act along with amount of payment made to the supplier beyond the appointed day during the year.	-	-	-

## Notes Forming Part of the Financial Statements (Contd.)

(₹ in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Principal paid beyond the appointed date	-	-	-
Interest paid in terms of Section 16 of the act	-	-	-
(C) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-	-
(D) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.	-	-	-
(E) Amount of interest accrued and remaining unpaid as at March 31,	-	-	-

### NOTE 21 OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>(A) Current Financial Liabilities</b>			
1 Current maturities of long term debt	641.31	440.23	204.13
2 Interest accrued but not due	7.74	22.97	-
<b>TOTAL</b>	<b>649.05</b>	<b>463.20</b>	<b>204.13</b>

### NOTE 22 CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>(A) Provision for Statutory Liabilities</b>			
1 Provision for Tax (Net of Advance Taxes)	25.13	18.72	-
<b>TOTAL</b>	<b>25.13</b>	<b>18.72</b>	<b>-</b>

## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 23 REVENUE FROM OPERATION

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
<b>(A) Revenue From Sale of Products</b>		
1 Local Sales	13,793.94	12,408.82
2 Export Sales	15.25	33.01
	<b>13,809.19</b>	<b>12,441.83</b>
<b>(B) Revenue From Sale of Services</b>		
1 UN Test Certification Charges	10.85	6.62
2 Professional Fees and other charges	33.74	27.19
	<b>44.59</b>	<b>33.81</b>
<b>(C) Other Operating Revenue</b>		
1 Export Incentives	1.05	0.40
	<b>1.05</b>	<b>0.40</b>
<b>TOTAL</b>	<b>13,854.83</b>	<b>12,476.04</b>

### NOTE 24 OTHER INCOME

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Interest Income	19.81	15.19
2 Dividend	0.22	0.15
3 Other Non-Operating Income		
i Insurance Claim Received	2.40	-
ii Other Income	9.46	8.20
4 Other Gains		
i Realised Gain on Sale of non current Investments	-	0.08
ii Net gain arising on financial assets measured at FVTPL	-	2.00
<b>TOTAL</b>	<b>31.89</b>	<b>25.62</b>

### NOTE 25 Other Comprehensive Income – Items That Will Not Be Reclassified To Profit And Loss

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Remeasurement of Defined Benefit Plan	(1.30)	(0.62)
<b>TOTAL</b>	<b>(1.30)</b>	<b>(0.62)</b>

## Notes

### Forming Part of the Financial Statements (Contd.)

#### NOTE 26 COST OF MATERIAL CONSUMED

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
<b>(A) Raw Materials</b>		
1 Opening Stock	662.95	591.79
2 Add : Purchased during the year	7,316.00	7,473.94
3 Less : Closing Stock	683.80	662.95
	<b>7,295.15</b>	<b>7,402.78</b>
<b>(B) Packing Materials</b>		
1 Opening Stock	36.74	6.89
2 Add : Purchased during the year	200.21	192.38
3 Less : Closing Stock	46.37	36.74
	<b>190.58</b>	<b>162.53</b>
<b>(C) Other Materials</b>		
<b>(i) Accessories</b>		
1 Opening Stock	54.25	113.90
2 Add : Purchased during the year	449.80	374.51
3 Less : Closing Stock	105.31	54.25
	<b>398.74</b>	<b>434.16</b>
<b>(ii) Trading</b>		
1 Opening Stock	11.25	3.17
2 Add : Purchased during the year	47.58	57.15
3 Less : Closing Stock	2.65	11.25
	<b>56.18</b>	<b>49.07</b>
<b>TOTAL</b>	<b>7,940.65</b>	<b>8,048.54</b>

#### NOTE 27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
<b>(A) Finished Goods / Stock in Trade</b>		
1 Opening Stock	93.45	206.24
2 Closing Stock	94.99	93.45
	<b>(1.54)</b>	<b>112.79</b>
<b>(B) Work in Progress / stock in Trade</b>		
1 Opening Stock	207.33	109.48
2 Closing Stock	314.11	207.33
	<b>(106.78)</b>	<b>(97.85)</b>
<b>TOTAL</b>	<b>(108.32)</b>	<b>14.94</b>

## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 28 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Salaries and Wages, Leave Salary & Bonus	909.94	747.40
2 Director's Remuneration	243.75	195.43
3 Contribution to Provident and Other Funds	56.52	48.13
4 Defined Benefit Plan - Gratuity	14.52	12.47
5 Staff Welfare Expenses	86.78	57.47
<b>TOTAL</b>	<b>1,311.51</b>	<b>1,060.90</b>

### NOTE 29 FINANCE COST

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Interest on Secured Borrowings	414.27	316.98
2 Interest on Unsecured Borrowings	174.05	151.86
3 Bank Charges	33.29	28.47
4 Other Interest	13.32	6.74
<b>TOTAL</b>	<b>634.93</b>	<b>504.05</b>
5 Less: Interest Capitalized as per Ind AS-23	-	100.82
<b>TOTAL</b>	<b>634.93</b>	<b>403.23</b>

### NOTE 30 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Depreciation on plant, property and equipment	399.67	244.17
2 Amortisation on Intangible assets	1.14	1.02
<b>TOTAL</b>	<b>400.81</b>	<b>245.19</b>

## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 31 OTHER EXPENSES

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Electricity charges	6.91	5.41
2 Labour Contract	901.80	627.45
3 Power and Fuel	1,077.28	776.48
4 Stores and Spares consumed	76.09	82.73
5 Audit fees	2.50	2.20
6 Donations	0.56	2.30
7 Insurance charges	35.84	29.99
8 Legal and Professional fees	121.53	64.44
9 Loss on Sale/Disposal of Assets	6.24	10.63
10 Loss on Fair Value of Investments	8.99	-
11 Provision for doubtful debts	10.00	7.34
12 Rent	9.35	47.78
13 Repairs and Maintenance	81.97	53.36
14 Sales Promotion	7.77	12.05
15 Screen printing charges	21.90	12.06
16 Transportation	476.43	314.03
17 Tempo & Fuel Expenses	110.47	94.87
18 Vehicle Expenses	34.09	36.42
19 Foreign Exchange Loss	6.36	5.41
20 Other Miscellaneous Expenses	129.28	111.91
<b>TOTAL</b>	<b>3,125.36</b>	<b>2,296.86</b>

### NOTE 31.1 PAYMENTS TO AUDITORS

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
(A) As an Auditor		
1 Statutory Audit Fees	2.50	2.20
2 Other Certification Charges	0.17	0.07
3 Reimbursement of expenses	0.07	0.09
<b>TOTAL</b>	<b>2.74</b>	<b>2.36</b>

## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 32 EARNING PER EQUITY SHARES (EPS)

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
<b>(A) Face Value per Equity Share</b>	10.00	10.00
<b>(B) Basic Earning Per Share (₹)</b>		
1 Net Profit after Tax as per Statement of Profit and Loss Attributable to Equity Shareholders (₹)	398	359
2 Adjusted weighted average number of equity shares outstanding (No.) for calculating Basic EPS*	1,20,72,600	1,19,54,244
<b>3 Basic EPS (₹)</b>	<b>3.29</b>	<b>3.00</b>
<b>(B) Diluted Earning Per Share (₹)</b>		
1 Net Profit after Tax as per Statement of Profit and Loss Attributable to Equity Shareholders (₹)	398	359
2 Adjusted weighted average number of equity shares outstanding (No.) for calculating Diluted EPS*	1,20,72,600	1,19,54,244
<b>3 Diluted EPS (₹)</b>	<b>3.29</b>	<b>3.00</b>

\*Restated Numbers after considering Shares from Bonus Issue

### NOTE 33 CONTINGENT LIABILITIES & COMMITMENTS

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
<b>(A) Contingent Liabilities</b>		
1 Income Tax Disputes	0.93	-
2 LC / Bills Under LC	81.22	192.29
3 Bank guarantee	62.60	30.73
<b>(B) Capital Commitments towards</b>		
1 Property, plant and equipment (contracts remaining to be executed on capital account not provided for (net of advances))	5.64	162.46

## Notes

### Forming Part of the Financial Statements (Contd.)

#### NOTE 34 DEFINED BENEFIT PLANS

##### (A) Reconciliation of Opening and Closing balances of Defined Benefit Obligation (DBO)

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Defined Benefit obligation at beginning of year	90.61	76.65
2 Current Service Cost	13.99	11.56
3 Interest Cost	6.80	5.90
4 Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(1.25)	1.63
5 Actuarial (Gains)/Losses on Obligations - Due to Experience	2.55	(1.01)
6 Benefits paid	(4.86)	(4.12)
7 Defined Benefit obligation at year end	107.84	90.61

##### (B) Reconciliation of Fair Value of Plan Assets

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Fair Value of Plan Assets at start of the year	82.83	66.72
2 Contributions by Employer	6.57	14.62
3 Benefits Paid	(4.86)	(4.12)
4 Interest Income on Plan Assets	6.27	5.61
5 Fair Value of Plan Assets at end of the year	90.81	82.83
6 Actual Return on Plan Assets	6.27	5.61
7 Expected Employer Contributions for the coming year	30.00	10.00

##### (C) Amount recognized in Balance Sheet

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Present Value of DBO	107.84	90.61
2 Fair value of Plan assets	90.81	82.83
3 Liability/ (Asset) recognised in the Balance Sheet	17.03	7.78
4 Funded Status [Surplus/ (Deficit)]	(17.03)	(7.78)
5 Of which, Short term Liability	-	-
6 Experience Adjustment on Plan Liabilities: (Gain)/ Loss	2.55	1.01



## Notes Forming Part of the Financial Statements (Contd.)

### (D) Expenses recognised during the year

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Current Service Cost	13.99	11.56
2 Net Interest Cost	0.53	0.29
3 Expenses recognised in P & L	14.52	11.85

### (E) Expenses recognised in Other Comprehensive Income (OCI)

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Balance at start of year (Loss)/ Gain	5.76	6.38
2 Actuarial (Loss)/ Gain from changes in financial assumptions	1.25	(1.63)
3 Actuarial (Loss)/ Gain from experience over the past year	(2.55)	1.01
4 Balance at end of year (Loss)/ Gain	4.46	5.76

### (F) Actuarial Assumptions

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Salary Growth Rate	4% pa	5% pa
2 Discount Rate	6.6% pa	7.5% pa
3 Net Interest Rate on Net DBO/ (Assets)	7.5% pa	7.7% pa
4 Withdrawal Rate	5% pa	5% pa
5 Mortality	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
6 Expected weighted average remaining working life	11	11

### (G) Percentage Break-down of Total Plan Assets

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	100%	100%
<b>2 Total</b>	<b>100%</b>	<b>100%</b>

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

## Notes

### Forming Part of the Financial Statements (Contd.)

#### (H) Movement in Surplus/ (Deficit)

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Surplus/ (Deficit) at start of year	(7.78)	(9.93)
2 Current Service Cost	(13.99)	(11.56)
3 Net Interest on net DBO	(0.53)	(0.29)
4 Re-measurements gain/ (loss)	(1.30)	(0.62)
5 Contributions	6.57	14.62
6 Surplus/ (Deficit) at end of year	(17.03)	(7.78)

#### NOTE 35 RELATED PARTY TRANSACTIONS

##### (A) List Of Related Parties Where Control Exists And Relationships:

Particulars	Relationship
1 Jagdish L Dedhia	Whole Time Directors - KMP
2 Sanjay M Dedhia	Whole Time Directors - KMP
3 Manish M Dedhia	Whole Time Directors - KMP
4 Ameeta J Dedhia	Relative of KMP
5 Khushboo Dedhia	Relative of KMP
6 Jigna S. Dedhia	Relative of KMP
7 Jalpa M Dedhia	Relative of KMP
8 M/s Mitsu Impex	Enterprises over which Key Managerial Personnel are able to exercise significant influence
9 Mitsu Polycontainers Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence

##### (B) Transactions with related parties

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
<b>(i) With KMP</b>		
<b>Expenses</b>		
1 Directors Remuneration	243.75	214.50
2 Interest on loan	115.86	146.59
<b>Borrowings</b>		
3 Loan Received	459.95	545.06
4 Repayment of loan	457.90	926.00
<b>Total Transactions with KMP</b>	<b>1,277.46</b>	<b>1,832.15</b>

## Notes Forming Part of the Financial Statements (Contd.)

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
<b>(ii) With Relatives of KMP</b>		
<b>Expenses</b>		
1 Director Sitting fees	0.33	0.25
2 Salary & Bonus	7.46	6.86
3 Rent Paid	-	0.28
<b>Total Transactions with Relative of KMP</b>	<b>7.79</b>	<b>7.39</b>

### (C) Balance at the end of year

(₹ in Lakh)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
<b>(i) Payable to KMP</b>		
1 Loans	878.16	876.11
2 Interest	0.19	12.20
3 Remuneration	18.75	21.54

### NOTE 36 GEARING RATIO

(Amount in ₹ & ratio in %)

Particulars	For year ended 31 <sup>st</sup> March 2020	For year ended 31 <sup>st</sup> March 2019
1 Long term borrowings	2,845	2,754
2 Current maturities of long term debt	641	440
3 Short term borrowings	2,881	2,209
4 Less: Cash and cash equivalent	(22)	(51)
5 Less: Bank balances other than cash and cash equivalents	(202)	(147)
6 Net debt	6,144	5,205
7 Total equity	3,018	2,655
8 Gearing ratio	67.06%	66.22%

### NOTE 37 FINANCIAL INSTRUMENTS

#### Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of

## Notes

### Forming Part of the Financial Statements (Contd.)

an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, Level 2 or Level 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 : inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 : inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : inputs are unobservable inputs for the asset or liability.

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in Note 39(B). Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

## Notes

### Forming Part of the Financial Statements (Contd.)

#### NOTE 38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks providing an assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### (A) Financial risk management

The management of the Company is responsible to oversee the Risk Management Framework for developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

#### (B) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

## Notes

### Forming Part of the Financial Statements (Contd.)

#### (C) Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short term exposures are hedged progressively based on their maturity.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting period are disclosed in Note 40

#### (D) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Company's credit risk arises principally from the trade receivables, loans, cash & cash equivalents and financial guarantees.

##### Trade receivables

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment.

## Notes

### Forming Part of the Financial Statements (Contd.)

Credit risk on receivables is also mitigated by securing the same against letters of credit and guarantees of reputed nationalised and private sector banks. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. Company has also taken insurance cover of trade receivable exposure to mitigate credit risk.

#### Cash and cash equivalents

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks and other counterparties. The Company's maximum exposure in this respect is the maximum amount of the Company would have to pay if the guarantee is called upon.

#### (E) Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. . The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### Collateral

The Company has pledged part of its trade receivables, short term investments, cash and cash equivalents and all current assets to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered.

## Notes Forming Part of the Financial Statements (Contd.)

### Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 30% and 70%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments. Company's gearing ratio at the end of the reporting period are disclosed in Note 36

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



## Notes Forming Part of the Financial Statements (Contd.)

### NOTE 39 FINANCIAL INSTRUMENTS

#### (A) Accounting Classification and Fair Value

(₹ in Lakh)

Particulars	Refer Note No	As at 31st March 2020		As at 31st March 2019	
		Non Current	Current	Non Current	Current
<b>(i) Financial assets measured at fair value through profit or loss (FVTPL)</b>					
1 Non Current Investments in quoted equity shares	5	88.05	-	35.86	-
<b>(ii) Financial assets measured at amortised cost</b>					
1 Trade Receivables	9	-	2,854.43	-	2,333.22
<b>(iii) Financial liabilities measured at amortised cost</b>					
1 Borrowings	15	1,667.24	-	1,627.06	-
2 Other Financial Liability	21	-	641.31	-	440.23

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances and trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

#### (B) Fair Value Measurements hierarchy

(₹ in Lakh)

Particulars	Fair Value as at 31.03.20	As at 31st March 2020		
		Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>(i) Financial assets measured at fair value through profit or loss</b>				
1 Non Current Investments in quoted equity shares	88.05	88.05	-	-
<b>(ii) Financial assets measured at amortised cost</b>				
1 Trade Receivable	2,854.43	-	-	2,854.43
<b>(iii) Financial liabilities measured at amortised cost</b>				
1 Borrowings*	2,308.55	-	-	2,308.55

\* Includes current obligation of borrowings classified under 'other current financial liabilities'

## Notes Forming Part of the Financial Statements (Contd.)

(₹ in Lakh)

Particulars	Fair Value as at 31.03.19	As at 31st March 2019		
		Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>(i) Financial assets measured at fair value through profit or loss</b>				
1 Non Current Investments in quoted equity shares	35.86	35.86	-	-
<b>(ii) Financial assets measured at amortised cost</b>				
1 Trade Receivable	2,333.22	-	-	2,333.22
<b>(iii) Financial liabilities measured at amortised cost</b>				
1 Borrowings*	2,067.29	-	-	2,067.29

\* Includes current obligation of borrowings classified under 'other current financial liabilities'

### NOTE 40 FOREIGN CURRENCY EXPOSURE

Particulars	As at 31st March 2020		As at 31st March 2019	
	US\$ equivalent	INR Equivalent	US\$ equivalent	INR Equivalent
<b>(A) Assets</b>				
1 Trade Receivables	0.07	5.36	0.20	13.55
<b>(B) Liabilities</b>				
1 Trade Payables	2.43	183.33	4.84	334.51

### NOTE 41

#### Reconciliation of total equity as at March 31, 2019 and 1 April 2018

(₹ in Lakh)

Particulars	As at 31st March 2019			As at 1st April 2018		
	Previous GAAP	Effect of transition to Ind AS	IND-AS	Previous GAAP	Effect of transition to Ind AS	IND-AS
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
(a) Property, Plant and Equipment	5,656.94	(10.10)	5,646.86	2,541.36	(9.53)	2,531.85
(b) Intangible Assets	11.43	(3.60)	7.84	11.44	(4.11)	7.33

## Notes Forming Part of the Financial Statements (Contd.)

(₹ in Lakh)

Particulars	As at 31st March 2019			As at 1st April 2018		
	Previous GAAP	Effect of transition to Ind AS	IND-AS	Previous GAAP	Effect of transition to Ind AS	IND-AS
(c) Financial Assets						
(i) Investments	20.99	14.88	35.86	11.79	12.88	24.69
(d) Other non current assets	187.59	(8.34)	179.23	300.15	(1.00)	299.14
<b>CURRENT ASSETS</b>						
(a) Financial Assets						
(i) Trade Receivables	2,456.15	(122.93)	2,333.22	2,154.48	(122.93)	2,031.55

Refer note Note 2.6 for explanations on effect of Ind AS transitisos.

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

(₹ in Lakh)

Particulars	As at 31st March 2019			As at 1st April 2018		
	Previous GAAP	Effect of transition to Ind AS	IND-AS	Previous GAAP	Effect of transition to Ind AS	IND-AS
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
(a) Other Equity						
Equity component of foreign currency convertible bonds			-	-	-	-
Reserves and surplus	2,348.71	(96.12)	2,252.59	1,784.74	(88.77)	1,695.97
<b>LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
(a) Financial Liabilities						
(i) Borrowings	2,754.31	(0.33)	2,753.99	1,430.82	(1.33)	1,429.49
(b) Deferred Tax Liabilities (Net)	309.49	(33.64)	275.85	222.54	(34.59)	187.94

Refer note Note 2.6 for explanations on effect of Ind AS transitisos.

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

## Notes

### Forming Part of the Financial Statements (Contd.)

#### A. Reconciliation of the net profits to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarized as follow:

Particulars	Notes	For the year ended 31st March 2019
Net Profit as per Previous GAAP		365.93
Impact of measuring Investments at Fair Value - through FVTPL	1	2.00
Impact of financial instruments measured at amortised cost	2	(1.01)
Depreciation on leasehold land	3	(0.56)
Depreciation on intangible assets reversed	3	0.52
Allowance for expected credit loss	4	(7.34)
Tax Impact on above adjustments	5	(0.95)
<b>Total Comprehensive Income</b>		<b>358.59</b>

#### B. Reconciliation of Equity as reported under previous Generally Accepted Accounting Principles (GAAP) are summarized as follow:

Particulars	Notes	As at 31st March 2019	As at 1st April 2018
Equity reported as per previous GAAP		2,751.13	2,232.16
Impact of measuring Investments at Fair Value - through FVTPL	1	14.88	12.88
Impact of financial instruments measured at amortised cost	2	0.32	1.33
Depreciation on leasehold land	3	(10.09)	(9.53)
Depreciation on intangible assets reversed	3	1.04	0.52
Internally generated intangible assets w/off	3	(4.63)	(4.63)
Allowance for expected credit loss	4	(131.27)	(123.93)
Tax Impact on above adjustments	5	33.64	34.59
<b>Total Comprehensive Income</b>		<b>2,655.02</b>	<b>2,143.39</b>

Refer note Note 2.6

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

#### Notes:

##### 1. Impact of measuring Investments at Fair Value - through FVTPL

Under previous GAAP, non-current Investments were stated at cost. Under Ind AS, financial assets in equity instruments have been classified as Fair Value through FVTPL through an irrevocable election at the date of transition.

## Notes Forming Part of the Financial Statements (Contd.)

### 2. Impact of financial instruments measured at amortised cost

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the statement of profit and loss over the tenure of the borrowing as part of the finance cost by applying the effective interest method. Under previous GAAP, these transaction costs were charged to statement of profit and loss on straight-line basis over the period of loan

Under previous GAAP, financial liabilities were initially recognized at transaction price. Subsequently, any finance costs were recognized based on contractual terms. Under Ind AS, such financial instruments are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value affects profit and loss unless it quantifies for recognition as some other type of liability.

### 3. Depreciation on Leasehold land and treatment of intangible assets

Leasehold land under IND-AS is depreciated over the tenure of land, also all intangible assets generated internally where benefit is no longer available to the entity have been written off and corresponding amortisation has been reversed.

### 4. Expected credit loss on financial assets

Under previous GAAP, provision for financial asset is recognized on specific identification method based on management assessment of recoverability of loans. Under Ind AS 109, the Company is required to apply expected credit loss model for recognizing the allowance for loans.

### 5. Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR MITSU CHEM PLAST LTD.

FOR **P.V.DALAL & CO.**  
CHARTERED ACCOUNTANTS  
FRN : 102049W

**JAGDISH DEDHIA**  
(CHAIRMAN & WTD)  
DIN: 01639945

**SANJAY DEDHIA**  
(MANAGING DIRECTOR)  
DIN: 01552883

**PARESH V. DALAL**  
(PROPRIETOR)  
Membership No. 033355

**MANISH DEDHIA**  
(CFO)  
DIN: 01552841

**DRISHTI THAKKER**  
(COMPANY SECRETARY)

PLACE : MUMBAI  
DATE : 29th June, 2020



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**Mitsu**  
*You visualise...we mold*

**Mitsu Chem Plast Limited**

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