

## Mitsuchem Plast Ltd.

(Formerly known as Mitsu Chem Pvt. Ltd.)

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

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

CIN : L25111MH1988PLC048925



Date: August 20, 2021.

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai- 400001

Script Code : 540078

### **Sub: Submission of Annual Report of the Company for the Financial Year 2020-21 and Notice of the 33rd 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 2020-21, including the Notice of the 33rd Annual General Meeting of the Company scheduled on Thursday, September 16, 2021 at 4.00 p.m. IST through Video Conferencing or Other Audio Visual Means.

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, 24/8B & 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**



**Mitsu**

*You visualise...we mold*

# MAXIMISING VALUE GROWING SUSTAINABLY

**Mitsu Chem Plast Limited**

**ANNUAL REPORT 2020-21**

## What's Inside?

### CORPORATE OVERVIEW

Maximising Value Growing Sustainably	03
Highlights FY 2020-21	04
BSE SME platform to BSE Main platform	05
The Universe of Mitsu Chem Plast Ltd	06
Our Legacy	08
From the Chairman's Deck	10
Corporate Information	12
Board of Directors	13
Standing Tall in Unprecedented Times	14
CSR Activities	15
What's on our Mind?	16

### STATUTORY REPORTS

Director's Report	17
Management Discussion & Analysis Report	32
Report on Corporate Governance	39

### FINANCIAL STATEMENTS

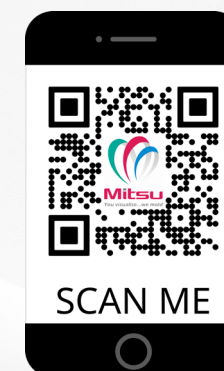
Standalone Financials	56
Notice	124

### INVESTOR INFORMATION

Market Capitalisation as on March 31, 2021	₹ 13,279.86 Lakhs
CIN	L25111MH1988PLCO48925
BSE Code	540078
Dividend Declared	₹0.20/- per equity share
AGM Date	September 16, 2021

#### Disclaimers:

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. 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.



## Maximising Value Growing Sustainably

The basic philosophy on the 'purpose of a corporate' and the objectives of a 'for-profit' organization has undergone significant transformation in recent decades. The shift is clearly visible from an exclusive focus on 'shareholders', 'profitability' and 'return on investment' to 'taking all stakeholders along', 'creating positive impact on community' and 'business resilience and sustainable growth'. Mitsu Chem Plast Limited (also called as "Mitsu") is where we live by this approach, day in and day out. It is the essence of our existence, our past and our future. The growth of every organisation is directly dependent on the value it brings to the customers and other stakeholders. While efficient and impactful products form the core of every business and it is paramount for continued success, this has to be done with a long-term approach and understanding of customers' needs. Building value for a product line is achieved by increasing customer satisfaction and better understanding of the market. With time, the brand image becomes synonymous with the product and the organisation is well on its way to realise its vision.

For customers, multi-faceted products translate into value and that is at the core for a company. This value creation involves developing products and providing services that fill an important gap for the customer. In today's times, continuous product innovation and consistent research and development lead to concepts which materialise as value-based offerings for customers. To deliver on such promises and ensure high standards, it is important to remain committed, energetic and open to ideas. Hence, the employees are an essential part of this initiative as they deliver the customer experience which will be associated with the brand. It is the responsibility for the organization to not only provide a healthy and safe work environment, but also to go beyond and ensure the emotional and mental well-being of employees.

On the other hand, shareholders perceive value as consistent as and 'better than alternatives' returns on their capital, In this context, sustainable and resilient growth is a recurring goal and continuous endeavour for every organisation as it solidifies the business and cements the brand. However, since this is a journey with continuous evolution, it is a challenging one. Promising results, long-term strategies and strong work ethics makes businesses both dominant and dependable. The strategies may change, but the core values always guide an organisation when it comes to expanding, growing and sustaining in new market environments and pushing the frontiers. For example, relying on core values like quality focused product decisions, innovation, value engineering, community development and environmental efforts allows a company to set itself apart from other competitors. Mitsu has always been known as a company with a sustainable and resilient business model powered by innovation and value accretive products for customers. With support from customers, the dedication and vision of the company has brought it immense success and the company is looking forward to build on its strong foundation. Central to the company's progress from a small business to a large-scale manufacturer has been its philosophies, motivation and a zeal to leaving a lasting mark in the industry.

## Highlights FY 2020-21

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

REVENUE:

**₹ 17,944.69**  
Lakhs

EPS:

**₹ 8.02**  
Lakhs

NET WORTH:

**₹ 3,964.93**  
Lakhs

EBITDA:

**₹ 2,374.53**  
Lakhs

ROE:

**24.43%**

DEBT/EQUITY:

**1.62x**

PAT:

**₹ 968.80**  
Lakhs

ROCE:

**21.06%**

## BSE SME platform to BSE Main platform

As a listed company, Mitsu Chem Plast Limited, achieved an important milestone in FY 2020-21. After announcing its maiden IPO in 2016, the Company spent around three and a half years in BSE's SME platform and then successfully migrated to the BSE Mainboard on May 27, 2020. This was not a culmination of the journey we have embarked upon, but it was still important for instilling a renewed sense of confidence and we are proud of this accomplishment.

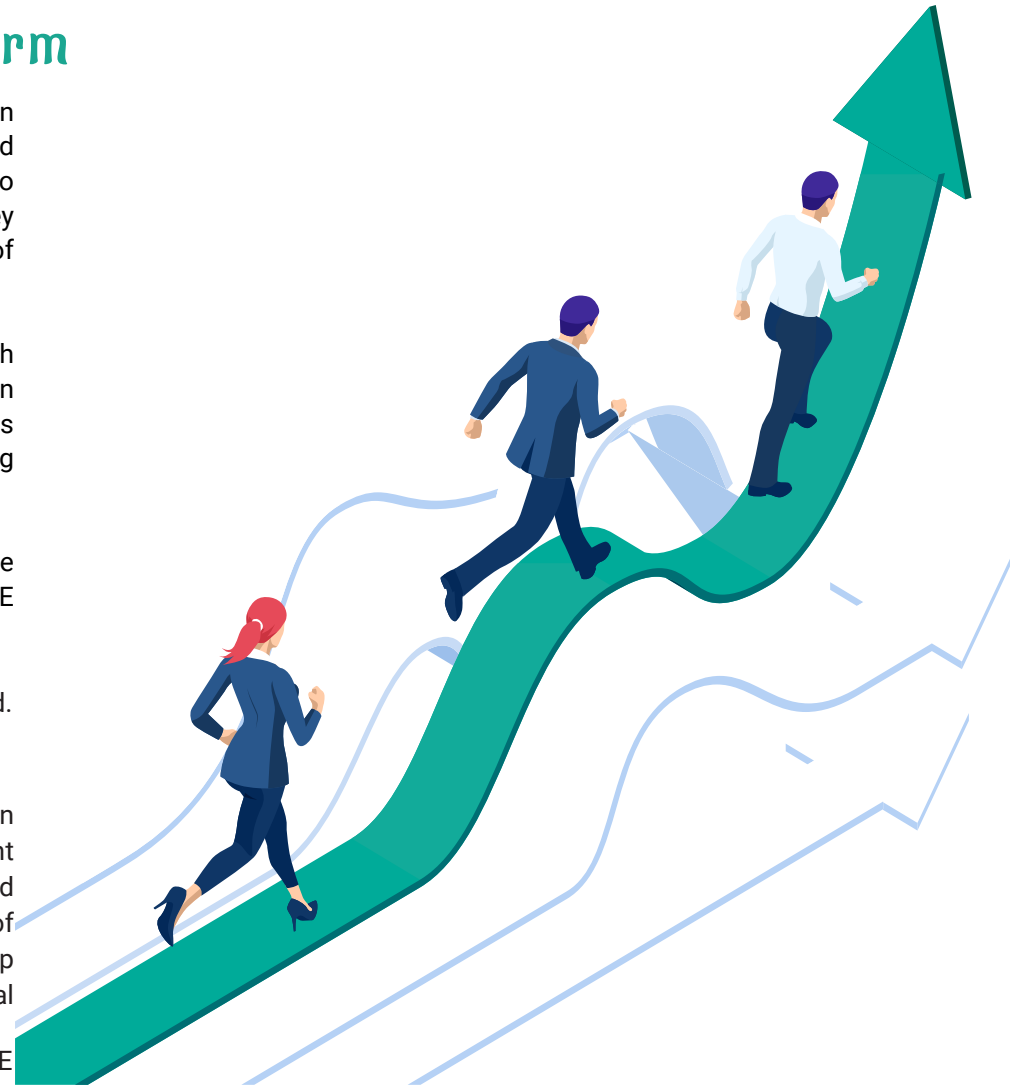
It was also symbolic in other ways and a sign of change; the world has gone through in last eighteen months. This was the first virtual listing ceremony of a company on the BSE Mainboard. This success was reflected in its strong debut performance as the share prices rose by 16.40 %. Furthermore, the RoI of the share since its listing in September 2016 post-IPO is an impressive 130.00%.

“Migration for a company from BSE SME to BSE Mainboard is a milestone and we thank all our investors and stake holders to support us in making our BSE SME journey successful.”

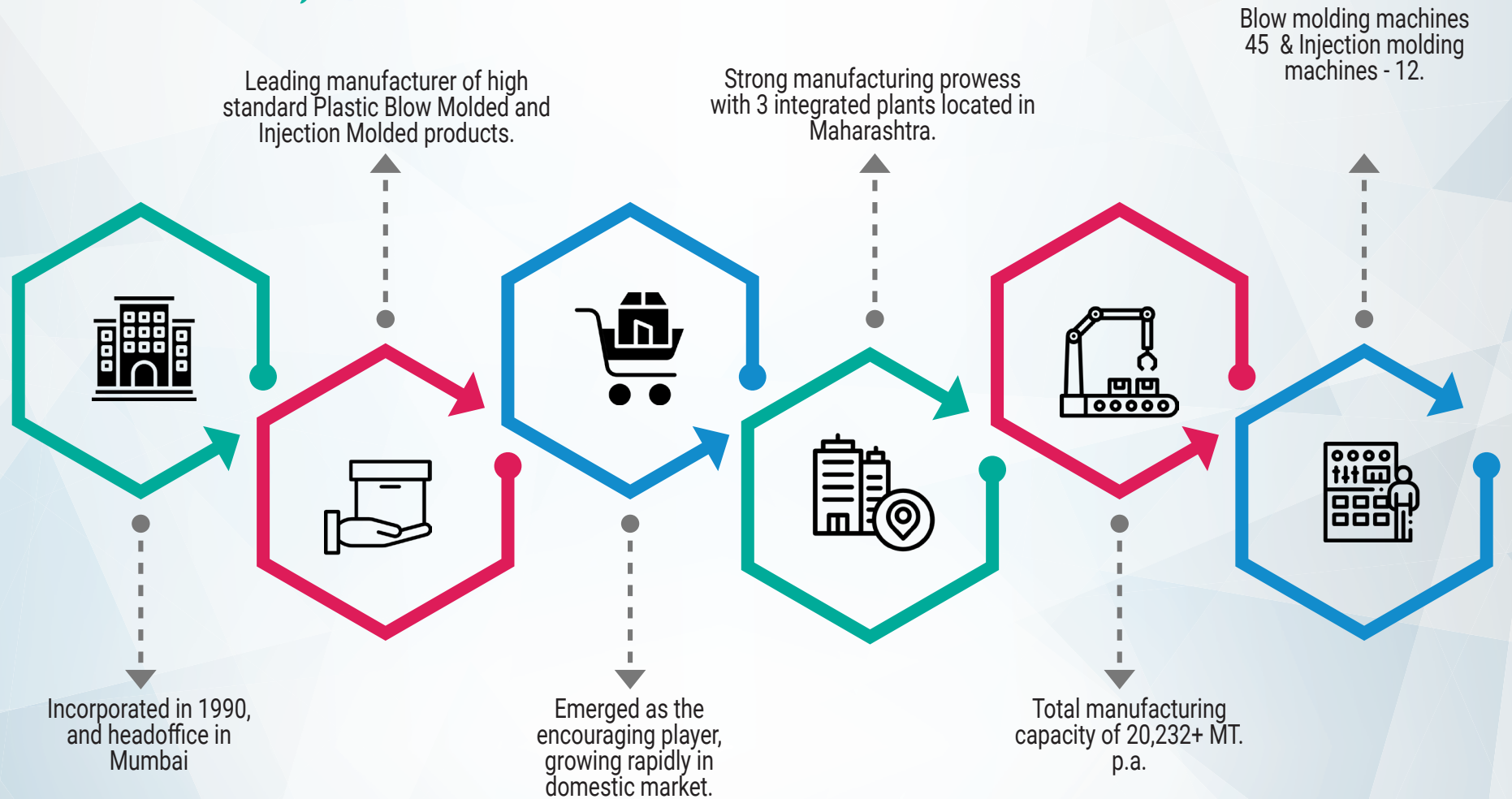
**Mr. Jagdish Dedhia**, *Chairman*, Mitsu Chem Plast Ltd.

“I would like to congratulate Mitsu for its first and successful virtual migration to the main board of BSE platform. While the COVID-19 pandemic has brought in unprecedented challenges it has also enabled us to broaden our horizons and leverage myriad of digital possibilities. BSE has been at the forefront in terms of digital transformation and we continue to strengthen our digital capabilities, a step towards realizing Honourable Prime Minister Narendra Modi's dream of Digital India.”

**Mr. Ashishkumar Chauhan**, *MD & CEO* of BSE



# The Universe of Mitsu Chem Plast Ltd.



### Molded Industrial Packaging



- Revenue (FY 2020-21) : ₹ 15,140.71 Lakhs
- Growth (Y-o-Y) : 25.74%.
- % of Total Revenue : 84.75%

### Hospital Furniture parts



- Revenue (FY 2020-21) : ₹ 1,994.10 Lakhs
- Growth (Y-o-Y) : 822.96%.
- % of Total Revenue: 11.16%

### Automotive Components



- Revenue (FY 2020-21) : ₹ 183.84 Lakhs
- Growth (Y-o-Y) (84.97)%.
- % of Total Revenue : 1.03%

### Infrastructure Furniture



- Revenue (FY 2020-21) : ₹ 546.61 Lakhs
- Growth (Y-o-Y) : 82.72%
- % of Total Revenue : 3.06%



## OUR LEGACY

Starting out with humble beginnings and a promise to deliver quality focused products, Mitsu Chem Plast Ltd. has come a long way in the past 3 decades. As we continue to build and innovate on past breakthroughs, we have been able to expand into different industries such as the Industrial packaging solutions, Lifestyle products, Automotive components, Hospital furniture parts, Infrastructure related products. While exploring new spaces, our quality assurance operatives ensure all products undergo in-house testing as well as quality checks. With our focus on doing what we do best, manufacturing polymer base solutions for our clients, we continue to enter new markets and ecosystems and deliver results.



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.

**Safety:** Safety of people and environment.

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

**Quality:** Deliver desired quality.

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

**Dignity:** Maintain dignity of people and work.

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

**Mission**

**Corporate  
Philosophy/  
Vision**

**Core  
Values**

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

- Employees Welfare
- Quality Consciousness
- Customer Delight
- Innovations
- Cost Cutting, but no Corner Cutting
- Value Ezngineering
- Environment-Friendly

These values are inculcated in every member and forms a performance mapping standard within the Company at all levels of operations

## From the Chairman's Desk

“

*Being sustainable is a stepping stone towards the organisation success. Our grit and determination has helped us to gear up more rapidly in the recent times and ensured that the business stays true to its promise of excellence and integrity.*



## Dear Shareholders,

Firstly, I'd like to wish success and health to all of you and your loved ones. Since the onset of the pandemic, we have been living in extraordinary situations. I urge you to stay safe, follow Covid-19 discipline, get vaccinated and keep your spirits up.

As I pen down this letter, I am filled with immense pride as we concluded another year of opportunities and achievements. Mitsu Chem Plast Limited is a shining example of hard work and determination, which has brought us to a pedestal of great significance.

The Company migrated to the main board of BSE platform w.e.f. May 27, 2020. With this, your Company's shares being available for trading on the main platform of BSE, has improved liquidity and has brought in a new set of investors.

On the business front, your Company weathered the pandemic very well. It adapted quickly and embraced a new operating model that prioritized the health and wellbeing of its employees.

After the initial impact from lockdown-related disruptions, it swiftly returned to a sharp

growth trajectory over the next nine months, and exited the year on a very strong note, with an expanded market share, profitability and an all-time high order book.

Mitsu continued to deliver amazing results, upturning the challenging year into one of the best in its history. Since our products fall into the essential category, the demand is inelastic.

By emphasizing plant and process optimization, we met the demands and ensured business stability. We will keep on banking on innovation to provide the best customer satisfaction and maintain high revenue potential.

Our success in FY 2020-21 is translated perfectly by the numbers we achieved financially. The Company's Net Revenue has increased by 29.2% from ₹ 13,886.72 Lakhs to ₹ 17,944.69 Lakhs. The EBITDA stands at ₹ 2,374.53 Lakhs, a climb of 51.2% from ₹ 1,570.90 Lakhs and the PAT rose by 143.7% to ₹ 968.80 Lakhs from ₹ 397.51 Lakhs.

The Company will continue to develop a growth-based outlook with more stress on optimizing and automating processes, expanding plant capacities and cultivating

more inorganic growth opportunities. We look forward to leveraging our advantages and earning laurels for our products.

We strengthened our Board representation, by inducting Mr. Hasmukh Dedhia, a qualified Chartered Accountant having an expertise of around 40 years in Audits, Financial Due Diligence, Consultancy and Business Restructuring assignments and possess rich experience in the fields of Internal Auditing and control enhancement aspects.

As always, the growth of the Company will be dictated by the pool of talented employees and I am thankful to them for investing their faith in us and becoming an important part of our success story. The commitment and skill of our workforce will remain central towards realizing our Company's vision.

To conclude, I would like to thank the entire family of Mitsu, which includes the esteemed Board members, valued customers, business associates, suppliers and shareholders, for the consistent support and motivation.

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

## 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 & CFO*

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

**\* Ashish H. Doshi**  
*Independent Director*

\* ceased to be a director w.e.f. June 24, 2021

**Ms. Neha S. Huddar**  
*Independent Director*

**\*\* Mr. Hasmukh B. Dedhia**  
*Independent Director*

\*\* Appointed as a Director w.e.f. June 1, 2021

### COMPANY SECRETARY

Ms. Drishti S. Thakker

### CHIEF FINANCIAL OFFICER

Mr. Manish M. Dedhia

### STATUTORY AUDITORS

Gokhale & Sathe

*Chartered Accountants*

308/309, Udyog Mandir  
No. 1, 7-C, Bhagoji Keer Marg, Mahim,  
Mumbai: 400016

### REGISTRAR & SHARE TRANSFER AGENTS

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

### MITSU'S REGISTERED OFFICE

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

### BANKERS AND FINANCIAL INSTITUTIONS:

Kotak Mahindra Bank  
Axis Bank  
Standard Chartered Bank

## 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 & CFO*



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



**\* Mr. Ashish H. Doshi**  
*Independent Director*  
*\* ceased to be a Director w.e.f. June 24, 2021*



**Ms. Neha S. Huddar**  
*Independent Director*



**\*\* Mr. Hasmukh B. Dedhia**  
*Independent Director*  
*\*\* Appointed as a Director w.e.f. June 1, 2021*

## Standing Tall in Unprecedented Times

These are turbulent times and several major economies are anticipating a massive contraction and the impact is being felt on every sector.

There are numerous challenges during the Covid-19 pandemic which have even compelled many nations to adopt new strategies and plan on long-term basis.

The thought process has undergone a major transformation. However, humanity has not given up and the world is fighting back its way to normalcy.

India, too, has shown commendable determination to restore stability amidst the pandemic.

We are confident that the Indian manufacturing industry, in particular, is on the verge of a promising surge which will also bring much needed optimism in the economy.

The contraction during the pandemic has been significant, but as the country unlocks in an organised manner and the demand remains robust, the situation will improve across the board. There are numerous factors which are signalling opportunities and their realisations over the coming period.

Following are two major emerging trends which will dictate the revival of the manufacturing industry:

### **Evolving strategies**

A major shift is expected in the manufacturing segment, as countries will aim to become self-sufficient to reduce dependence on imports from other nations.

The idea is to avoid putting all eggs in one basket and developing a wholesome domestic manufacturing plan to improve competitiveness and employment.

### **Sustainability**

As global awareness begins shifting focus towards a more sustainability oriented approach, large sized plastic manufacturers must take it as their personal responsibility to provide strong disclosures in regards to the manufacturing process, quality control, product effect on the environment and their versatility in terms of recycling.



## CSR Activities



Mitsu Chem Plast Ltd. has always believed in changing the world for the better. Take a look at one of our recent initiatives in FY 2020-21 in Gujarat. We sponsored a complete health check up for the local populus who are unaware and unable to access medical aid and diagnose any existing issues. Along with that we also hosted health seminars with doctors to inform and educate the less fortunate. A balanced meal at the end to conclude our initiative.



Mitsu Chem Plast Ltd. loves to motivate the youth to apply themselves in areas of sports and co-curricular activities. One of our recent efforts went towards kitting up young Jash Modi as he went on to win multiple table tennis tournaments. We have been euphoric seeing Jash's passion for the game. We are hopeful that one day, this young rising star/ young star will represent the nation in global tournaments.





## WHAT'S ON OUR MIND?

### INTEGRITY

Highest level of integrity of character and transparency in communication and feedback.

### QUALITY

Set high benchmarks and strive to produce the highest quality products at all times.

### CUSTOMERS

Respect customers and strive to serve them on a regular basis.

### AGILITY

Execute all plans as per appropriate timeframe, and believe in getting more work done in the same or less time.

### PARTNERS

Build strong relationships with our business partners and seek active engagement.

### PERFORMANCE

Take ownership and deliver expected business performance.

## DIRECTORS' REPORT

The Board of Directors ("Board") of the Company have great pleasure in presenting the 33rd Annual Report and Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2021.

### FINANCIAL SUMMARY AND HIGHLIGHTS

(₹ in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Total Income	17,944.69	13,886.72
Profit Before Interest and Depreciation & Tax	2,420.15	1,617.50
Interest & Finance Costs	598.59	634.92
Depreciation & Amortization and Impairment	441.50	400.80
<b>Profit Before Tax &amp; Exceptional Items</b>	<b>1,380.06</b>	<b>581.78</b>
Tax Expenses	411.26	184.27
<b>Profit After Tax</b>	<b>968.80</b>	<b>397.51</b>
Other Comprehensive Income (Net of Taxes)	2.67	(0.94)
<b>Total Comprehensive Income</b>	<b>971.47</b>	<b>396.57</b>
<b>Earnings Per Share</b>		
Basic	8.02	3.29
Diluted	8.02	3.29

### OVERVIEW OF COMPANY PERFORMANCE

Total Income and Operating Profit for the year under review amounted to ₹ 17,944.69 Lakhs and ₹ 2,374.53 Lakhs respectively as compared to ₹ 13,886.72 Lakhs and ₹ 1,570.90 Lakhs, in the previous financial year.

The Net Profit of the Company, for the FY under review was increased to ₹ 971.47 Lakhs as against ₹ 396.57 Lakhs during the previous year 2019-20.

### MIGRATION OF EQUITY SHARES FROM BSE SME PLATFORM TO BSE MAINBOARD PLATFORM

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.

### TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE ACT

There is no amount proposed to be transferred to General Reserves for the FY 2020-21.

### DIVIDEND

In line with the practice of returning the surplus funds to shareholders and based on the Company's performance, the Board at their meeting held on May 27, 2021 recommended a final dividend of ₹ 0.20/- per equity share of the face value of ₹ 10 each (@ 2%) for the FY 2020-21, 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. Thursday, September 9, 2021.

### 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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the FY 2020-21 and the date of this report.

### SHARE CAPITAL

The Company's paid-up Equity Share Capital continues to stand at ₹ 120.72 Lakhs

## DIRECTORS' REPORT (Contd.)

as on March 31, 2021. 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

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 ("Act") the Annual Return as on March 31, 2021 is available on the Company's website on [www.mitsuchem.com](http://www.mitsuchem.com)

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company is duly constituted in accordance with the requirements of the Act read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

#### Retirement by rotation

Mr. Sanjay Dedhia (DIN: 01552883), Managing 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.

#### Change in Composition of Board

During the year, there was no change in the composition of the Board.

The Shareholders, through postal ballot voting, had approved the re-appointment of Mr. Dilip Gosar (DIN: 07514842) as an Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. June 13, 2021 and the appointment of Mr. Hasmukh Dedhia (DIN: 07510925) as an Independent Director for a tenure of 5 (five) consecutive years w.e.f. June 1, 2021.

Mr. Ashish Doshi (DIN: 07551775) ceased to be an Independent Director of the Company, with effect from the close of business hours of June 24, 2021, upon completion of his first term of 5 (five) consecutive years. The Board places on record its deepest gratitude and appreciation towards valuable contribution made by Mr. Ashish Doshi to the growth and governance of the Company during his tenure.

### Number of meetings of the Board

During the year, four Board meetings were convened and held in accordance with the provisions of the Act and the details of which are given in 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. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, 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 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 February 2, 2021 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 Directors of the Company; and

## DIRECTORS' REPORT (Contd.)

(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.

### Familiarization Program for Independent Directors

All Independent Directors are familiarized with the operations and functioning of the Company. The details of the training and familiarization program are provided in the Corporate Governance Report forming part of this Report.

### Key Managerial Personnel

Mr. Manish Dedhia, Managing Director & Chief Financial Officer and Ms. Drishti Thakker, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company.

### 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 Report.

### Whistle Blower Policy /Vigil Mechanism

As per the provisions of Section 177(9) and (10) of the Act and Regulation 22 of the

Listing Regulations, 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)

### 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 Personnel and Senior Management Personnel of the Company. The said policy has been is annexed to this Report and marked as "Annexure-I" 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 2020-21, 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, 2021 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

## DIRECTORS' REPORT (Contd.)

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:

The particulars of loans, guarantees and investments as per Section 186 of the Act read with the Companies (Meeting of Board and its powers) Rules, 2014 as on March 31, 2021, have been disclosed in the Notes to the Financial Statements of the Company.

### CORPORATE SOCIAL RESPONSIBILITY

As a part of its initiative under the Corporate Social Responsibility ("CSR") drive, the Company has undertaken projects in accordance with Schedule VII of the Act and the Company's CSR policy. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed and marked as 'Annexure-II' which forms an part of this Report.

### 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. Harmonic Filters installed increasing the power factor which resulted into energy saving of approx. 8.22%.
- b. Energy efficient heaters and lugs heaters installed resulting into energy saving of approx. 11%.

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

Transparent Polycarbonate sheets used for roofing in working place for letting natural light and increase day lights in the manufacturing units resulting in saving approx. 12% of electricity consumption of lights.

#### (iii) The capital investment on the energy conservation equipment's: ₹ 44.70 Lakhs

### B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

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

- a. Devices like Thermal image camera, Humidity meter, electromagnetic flow meters and smartflow valve are used for efficient mould cooling study which has improved productivity of various mould ranging between 3% to 5%.
- b. Automatic wadding machine is used for wadding of caps which has increased productivity and resulted into reduction in cost by approx. 40%.
- c. Automatic labelling machine is used for stickering on cans and bottles which has increased productivity and resulted into reduction in cost by approx. 40%.

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

Many single moulds upgraded into family moulds which in turn has increased

## DIRECTORS' REPORT (Contd.)

productivity by approx. 40%.

(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:** ₹ 9 Lakhs

### C. FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars	Amount (₹ In Lakhs)
Foreign exchange earnings	16.29
Foreign exchange outgo	4004

### 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

During the year under review, 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

At the 32nd AGM held on September 9, 2020 the Members approved appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 37th AGM.

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, Practicing Company Secretary (CoP No. 3675), for conducting Secretarial Audit of the Company for the FY ended on March 31, 2021.

Secretarial Audit Report issued by Mr. Haresh Sanghvi in Form MR-3 forms part to this Report as "**Annexure- III**". The said report does not contain any observation or qualification requiring explanation or adverse remark.

#### 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 Auditors 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 (PREVENTION, PROHIBITION AND REDRESSAL) 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

## DIRECTORS' REPORT (Contd.)

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

Report on Corporate Governance and Certificate of the Auditor of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations, are provided in a separate section forming part of this Report 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 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 Designated Persons. This code lays down guidelines, procedures to be followed and disclosures to be made by the Designated Persons 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 forms part of this Report as "**Annexure VI**".

During FY 2020-21, 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.

## DIRECTORS' REPORT (Contd.)

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### 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**

**Date :** August 12, 2021

**Place :** Mumbai

**Jagdish Dedhia**

Chairman & Whole-Time Director

DIN: 01639945



## Annexure I

### 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;
- 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.

## Annexure I (Contd.)

### 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.

- 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.

## Annexure I (Contd.)

- 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.

### 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 II

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

1. Brief outline on CSR Policy of the Company:

The Board of Directors' at its meeting held on November 5, 2020 approved the CSR Policy of your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Manish Dedhia	Chairman	3	3
2	Mr. Jagdish Dedhia	Member	3	3
3	Mr. Dilip Gosar	Member	3	3
4	Ms. Neha Huddar	Member	3	3

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: [www.mitsuchem.com](http://www.mitsuchem.com)
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014: Not Applicable.
5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year: Not Applicable
6. Average net profit of the Company as per section 135(5): ₹ 484.09 lakhs
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 9.69 lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial  
 (c) Amount required to be set off for the financial year - NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 9.69 lakhs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Lakhs)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹9.96	Not applicable		Not applicable		

## Annexure II (Contd.)

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project.		(6) Amount spent for the project (in Lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation – Through implementing agency.	
				State	District			Name	CSR Registration No.
1	Distributing food and promoting healthcare	(i)	Yes	Maharashtra	Palghar	0.96	Yes	-	-
2	Providing health care and medicines at affordable cost	(i)	Yes	Gujarat	Kutch	3.00	No	Shree Bhojay Sarvodaya Trust	CSR00013135
3	Promoting Sports	(vii)	Yes	Maharashtra	Mumbai	1.00	Yes	-	-
4	Promoting education	(ii)	Yes	Rajasthan	Sirohi	2.00	No	K P Sanghvi Charitable Trust	CSR00002956
5	Promoting animal welfare	(iv)	Yes	Rajasthan	Sirohi	3.00	No	Shree Sumati Jiv Raksha Kendra	CSR00002963

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹9.96 lakhs

(g) Excess amount for set off: ₹ 0.27 lakhs

Sr. no.	Particulars	Amount (in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 9.69 lakhs
(ii)	Total amount spent for the Financial Year	₹9.96 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.27 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0.27 lakhs

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

## Annexure III

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

*[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 31<sup>st</sup> March 2021. 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 31<sup>st</sup> March 2021, 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 31<sup>st</sup> March 2021, 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
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.

## Annexure III (Contd.)

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 below:
  - (i) Water (Prevention & Control of Pollution) Act, 1974
  - (ii) The Air (Prevention & Control of Pollution) Act, 1981
  - (iii) Hazardous Wastes (Management, Handling & Transboundary Movement), Rules, 2008
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 Agreement 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.

Place: Mumbai

Date: 24th July, 2021

**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.

**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.
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, no 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.

**Haresh Sanghvi**

**Practicing Company Secretary**

**FCS No.: 2259/CoP No.: 3675**

**UDIN: F002259C000681751**

## Annexure III (Contd.)

### 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

**Place: Mumbai  
Date: 24th July, 2021**

**Haresh Sanghvi  
Practicing Company Secretary  
FCS No.: 2259/CoP No.: 3675  
UDIN: F002259C000681751**



## Annexure IV

### MANAGEMENT AND DISCUSSION ANALYSIS REPORT

#### GLOBAL ECONOMY

The Global Economy continues to be uncertain after one complete year of the pandemic. According to the International Monetary Fund (IMF), the global economy contracted by 3.3% in 2020. The advanced economies slumped by 4.7% while the developing nations fell by 2.2%. As a result, the global growth has contracted to a negative figure, with the World Economic Outlook's (WEO) forecast of -4.9% for CY20, which is 1.9% short of the previous figure in April 2020. In the year 2020, it will be the first time when all countries are expected to achieve negative growth. Nevertheless, there are numerous factors in the individual economies to consider, like economic structure, the growing pandemic and the containment strategies.

The Covid-19 epidemic had a severe impact on the global economy in the first half of FY21. The consumption has been subdued in most nations, suggesting a disruption that was larger-than-expected. The lockdowns and social distancing practices have led to significantly lesser aggregate demand and a rise in cautionary savings. The investments are also expected to be subdued as firms are wary of the rising uncertainty and deferring capital expenditures.

A hopeful growth in the first quarter is expected in China, where the pandemic has been seemingly controlled. The ramifications of the pandemic and the sharp decline in the disposable income of oil exporters in the backdrop of the shocking fuel decline are visible in the resultant recessions in Russia (-6.6%), Nigeria (-5.4%) and South Africa (-8.0%).

Most of the advanced economies have provided liquidity supports, cut taxes and implemented a host of regulatory changes to support the economy during such challenging times. The new virus mutations and rising death counts raise serious concerns.

However, the world is motivated to upturn the events and collectively rise above these impediments. The manufacturing of vaccines is continuing at a promising rate, and governments across the globe are drafting policies to ensure a healthier economy amidst the pandemic. The consumption levels and investments are expected to rise in

the coming fiscal, with plans of unlocking and large-scale vaccinations being drafted all over the globe.

Source: World Bank Group

#### INDIAN ECONOMY

The FY 2020-21 was a landmark year filled with extraordinary circumstances for the Indian economy. The Covid-19 outbreak impacted the entire world on multiple socio-economic fronts and was the biggest obstacle in economic development. The pandemic has brought significant consequences to the supply chain, market stability, healthcare system and social activities. As a result, the nation faced an impediment like never before, and the effects have been witnessed in nearly all parts of the country. The year tested the determination and resilience of the manufacturing sector while the rural demand diminished at a faster pace. The government too had imposed lockdowns to limit the virus's rise, resulting in halting the nation's economic activities. The impact of the restrictions has been varied in several industries.

#### PLASTICS AND PACKAGING INDUSTRY

The Indian plastics sector has been witnessing fast-paced growth and diversification over the last few years. According to numerous reports, the industry is expected to bounce back to its growth trajectory in the post-pandemic era on the back of increasing demands. The Directorate General of Commercial Intelligence and Statistics (DGCIS) of India concedes that the Indian plastic sector has a vast exporter base of more than 2,000 people. The demand will also increase from the inertia of the thriving healthcare and pharmaceutical sectors, which are projected to expand to meet the growing demands.

In FY 2019-20, the domestic plastics exports industry was valued at US\$ 7 billion, with the lion's share of US\$ 2.91 billion coming from plastic raw materials. Next in line are plastic sheets, plates and films, valued at US\$ 1.22 billion and packaging materials, US\$ 722 million. Moreover, there are nearly 30,000 plastic processing machinery, 85-90% of which is constituted by small and medium-sized businesses. With more than 7,000 recycling units and a massive number of end-users, the industry chain runs effectively and employs upwards of 4 million professionals.

## Annexure IV (Contd.)

The Indian plastics industry is responsible for producing an extensive range of plastics which includes polypropylene (PP), polyvinyl chloride (PVC), polyethylene terephthalate (PET) and many more. PP is the largest manufactured polyolefin in the country, the demand of which was growing at a CAGR of 8.51%, according to Chem Analyst. Experts anticipate similar numbers between the years 2022-2030.

The packaging industry is one of the shining sectors of the Indian economy. As India is one of the major producers of commodities like sugar (20 million MT), food grains (220 million MT), fruits and vegetables (150 million MT) and milk (180 million MT), the manufacturers rely on plastic packaging for hygiene and safety purposes. Additionally, plastic packaging ensures proper storage, delivery and distribution of the commodities.

Sustainable plastic packaging is now growing at a faster-than-expected rate, with Amazon also joining the bandwagon. The e-commerce giant announced its denouncement of single-use plastics for packaging purposes in all the packaging and delivery centers in India. With more than 50 such centers across the nation, both Amazon and India are looking to bank on 100% recyclable plastic packaging to promote safe and responsible practices.

*Source: Indian plastics industry*

### COVID-19 IMPACT

The COVID-19 pandemic has severely affected all lives and dented global economic growth. However, the Company witnessed some respite in Q3FY21, leading to a promising outlook for FY 2021-22. The second wave of the epidemic had a massive impact on the economy, compelling the Company to develop stronger tactics. Even during the most challenging times of the fiscal, Mitsu managed to achieve impressive numbers in Q4FY21. Since our end products are essential to society, the demand was inelastic throughout the year and the pandemic's effects were minimized in regards to the business.

### OPPORTUNITIES

The Covid-19 pandemic has enhanced the role of packaging significantly. However, the Indian packaging sector, even in the pre-COVID era, has been witnessing considerable growth largely due to increased globalization of trade in goods and services and emergence of new trade models, such as e-commerce and organized retailing.

The Indian packaging industry was valued at US\$ 50.5 billion in FY 2018-19 and around US\$ 75 billion in FY 2020-21, it is expected to reach US\$ 205 billion by FY 2025 with a CAGR growth of approximately 25-30% between FY 2020-2025. Owing to the growing population, rising revenue levels and change in the individual's lifestyle and media penetration through various platforms as well as growing economy has played a major role for surge in the demand of packaging industry.

The packaging industry is one of the emerging sectors and the rapid evolution of the market is primarily driven by the pharmaceuticals, beverages, food, health care and other industries. As per the recent data released by the Associated Chambers of Commerce and Industry of India, the market size for organized packaged food is likely to reach ₹ 780 million in FY 2019-20, which has increased from ₹ 530 Mn in FY 2015-16.

In this growth, the plastic packaging is likely to have a significant share. The plastic containers, jars and bottles have multiple usages including food and beverage storage, disposable packing for cosmetics and personal care, and in the pharmaceuticals sector. Polyethylene terephthalate (PET) and HDPE are the most preferred materials for the manufacturing of plastic containers, jars and bottles in India. The growing demand for these materials in container and packaging sector has significantly contributed in boosting the sector.

### CHALLENGES

There are challenges as well and the packaging industry has been facing several issues in respect to costs, technology, regulations and environmental compliance standards as well. The Covid-19 has thrown new challenges in the form of non-availability of raw materials, lack of clarity on availability of human resources, slowdown in production processes because of supply chain disruptions, and major difficulties in delivering the products across the industry.

### COMPANY OVERVIEW

Mitsu is one of the biggest manufacturers of industry-defining plastic blow moulded and injection moulded products. Since 1990, the Company has a diverse product range catering to packaging, hospital furniture parts, automotive and infrastructure industries.

## Annexure IV (Contd.)

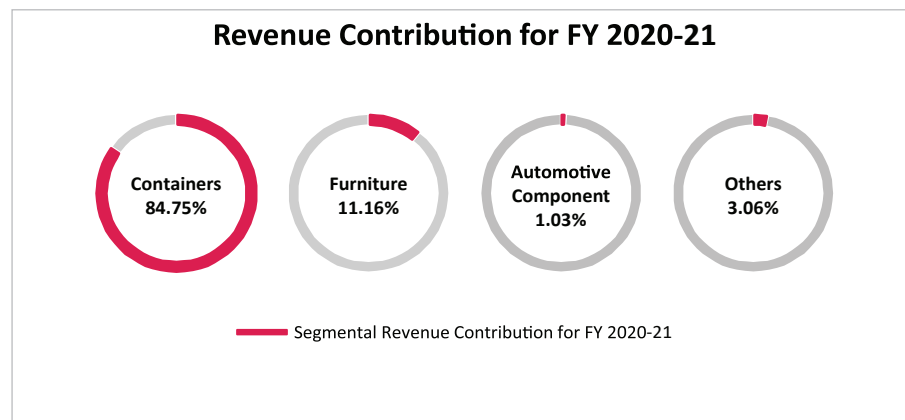
Mitsu believe in research and development and aims to create a gamut of products that become the preferred choice of its consumers. The Company has evolved in many dimensions, asserting itself as a major player in the industry which makes consumer-centric products. The ethics and values of the Company remain the same – emphasis on quality and dedication towards excellence to achieve customer success.

### PRODUCT GROUPS

Following are the product groups of the Company:

Group	Products
Container	Blow moulded and injection moulded products, ranging from 100 ml to 250 ml
Hospital Furniture Parts	Hospital bed parts, hospital bed accessories, side trolleys, overbed tables, spine board etc.
Automotive	Air intake duct, AC ducting pipe, water tanks
Others	Blow moulded chairs, medical devices like pregnancy kit, malaria kit and HIV kit.

### Product group-wise revenue break up



### Containers

The Company produces a large number of moulded industrial packaging, which has a volume range of 100 ml to 250 litres. The containers are of various types, including bottles, jerry cans and drums (wide mouth, narrow mouth, open-top, etc.). This group accounts for 84.75% of the Company's total revenue of the fiscal.

### Hospital furniture parts

The Company is an industry leader in the plastic moulded medical furniture segment. The products in this segment include customized hospital beds, safety equipment, accessories, actuators and many more. To manufacture these products, the Company uses a combination of high-quality materials to ensure longevity and good performance. Other than hospital products, plastic chairs and seating systems also come under the product category. The revenue of this segment is 11.16% of the Company's total revenue.

### Automotive components

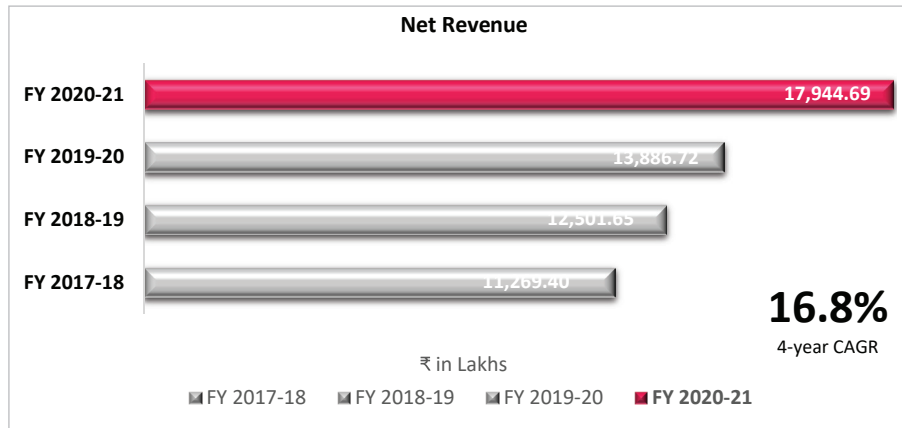
Products manufactured via blow moulding and injection moulding techniques are also useful in the automotive industry. Rain hood plastic, air intake duct, pipe plastic, washer tanks, etc., are products that are produced according to the user requirements. This segment accounts for 1.03% of the Company's total revenue.

### FINANCIAL PERFORMANCE AND OUTLOOK

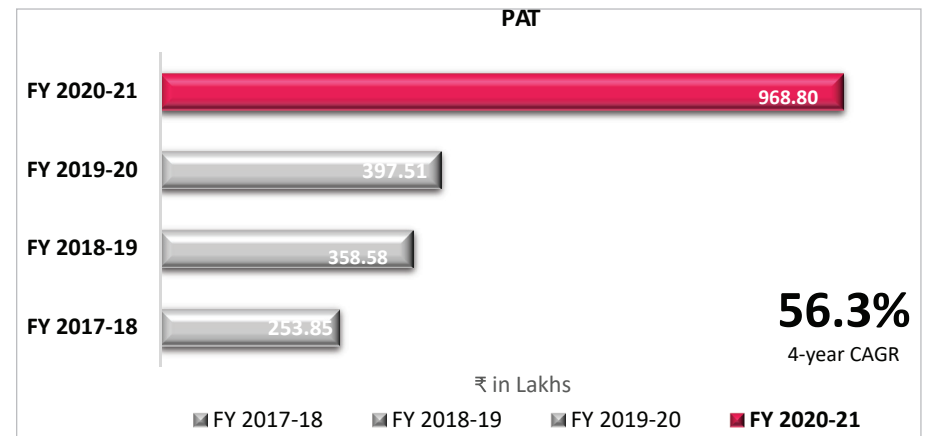
The Company achieved strong numbers in FY 2020-21, with net sales of ₹ 17,994.69 lakhs in comparison to ₹ 13,886.72 lakhs in FY 2019-20. The PAT stands at ₹ 968.80 lakhs in FY 2020-21, which was ₹ 397.51 lakhs in FY 2019-20.

## Annexure IV (Contd.)

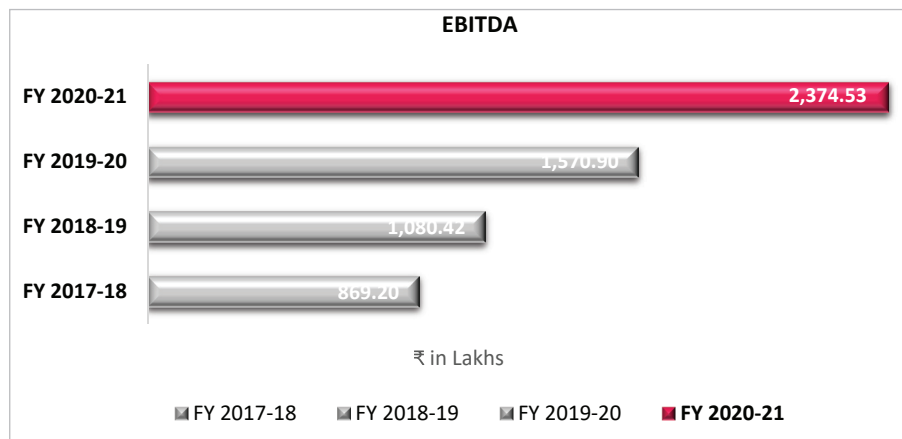
## Revenue



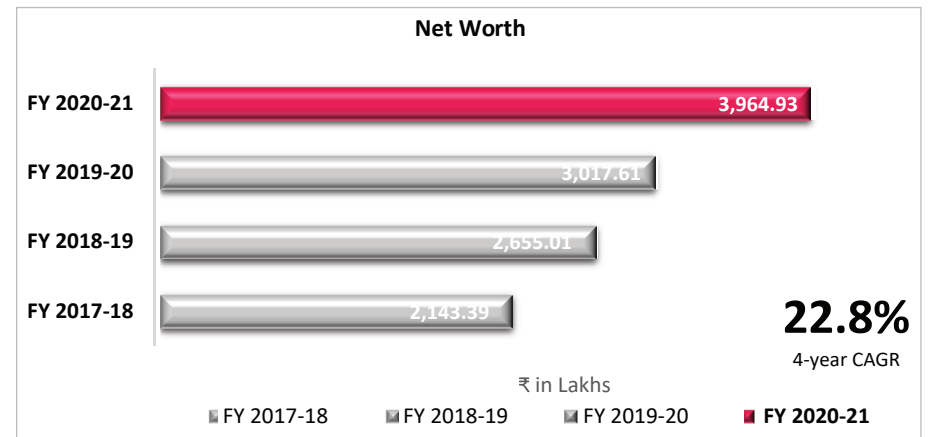
## PAT



## EBITDA

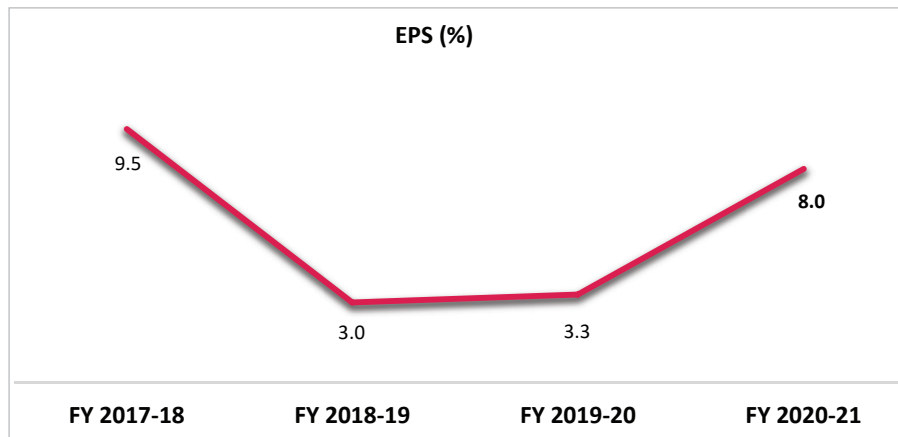


## NetWorth

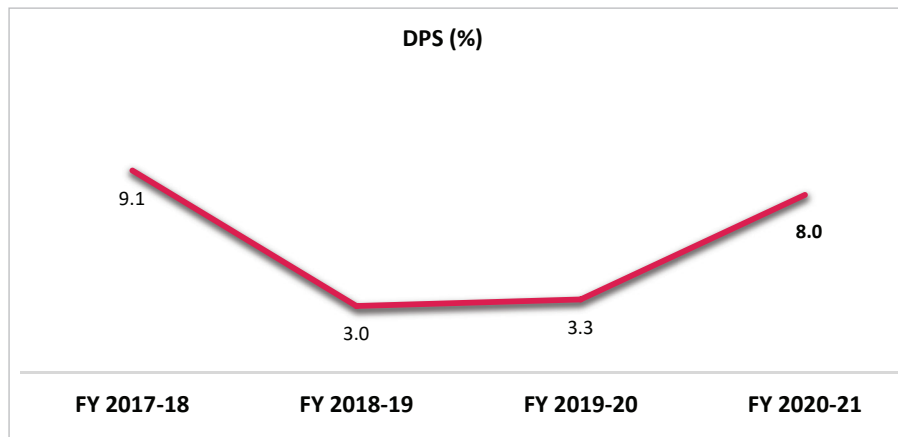


## Annexure IV (Contd.)

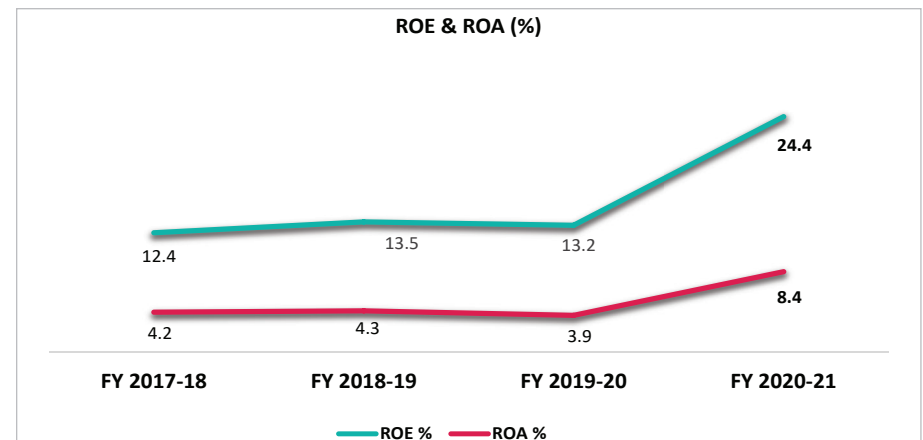
### EPS



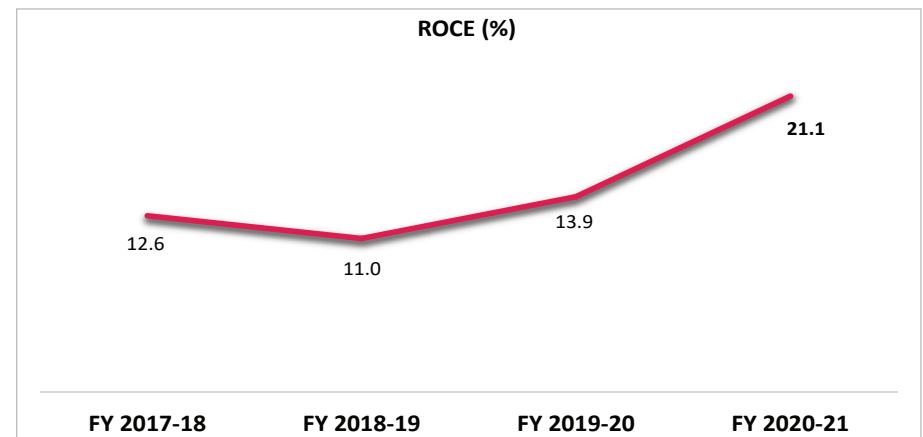
### Dividend per Share



### Return on Asset & Return on Equity

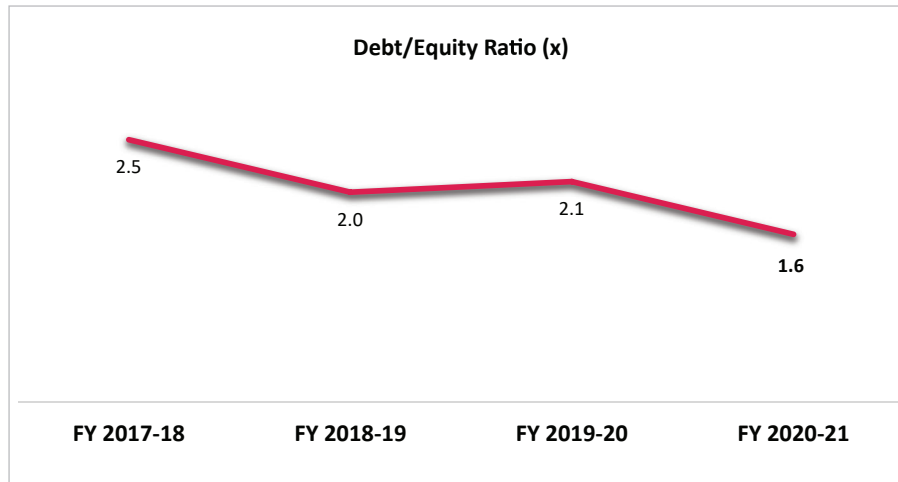


### ROCE



## Annexure IV (Contd.)

### Debt-Equity Ratio



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

Particulars	FY 2019-20	FY 2020-21	% change	Reason for change
Interest Coverage Ratio	2.67	4.29	61	Due to Increase in profit margin and increase in turnover
Net Profit Margin	2.87%	5.43%	89%	Due to overall control on overheads and increase in sale of high profit margin products

The net worth of the Company increased by 86% from ₹ 13.14 lakhs in the FY 2019-20 to ₹ 24.50 lakhs in the FY 2020-21 due to overall control on Overheads and increase in sale of high profit margin products.

### RISK MANAGEMENT

As it happens with every industry and every company, the Company is also subject to many internal and external risks. While the risks can't be eliminated altogether, we can certainly work on mitigating them and hence, the Board and management has put in place adequate systems and processes along with the monitoring and review mechanism to actively monitor, manage and mitigate these risks. For example,

- The management considers health and safety as among the most important priority. We endeavor to develop, operate and maintain accident and injury free workplace for the employees. In addition, continuous efforts are also being made to comply with safety standards and appropriate training for the concerned employees, as per the suitability in terms of departments and their respective roles.
- On the business side, the management sees an increasing risk from the unorganized players in the segment. This increasing competition can hamper the profitability of the Company. The Company has enhanced its ongoing processes and also optimizes on resources to remain competitive in the market.
- The Company is familiar of the environment risks and is committed to protect the environment in which it operates. The management assures the stakeholders that the risks are well managed.

### HUMAN RESOURCES

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 on March 31, 2021 the Company strength stands at 339.

## Annexure IV (Contd.)

### INTERNAL CONTROL SYSTEM

The Company has built adequate systems of internal controls towards achieving efficiency and effectiveness in operation, optimum utilisation of resources, and effective monitoring thereof as well as compliance with all applicable laws. The internal control mechanism comprises of well-defined organisation 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

#### 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").

Further as required by the Listing Regulations, Report on Corporate Governance is given 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 date of this Report, the Board consists of six Directors comprising three Executive Directors and three Independent Directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

##### Board Meetings

During the FY 2020-21, four meetings were held on June 29, 2020, August 7, 2020, November 5, 2020 and February 2, 2021. The maximum interval between any two Meetings was well within the maximum allowed gap as per the Companies Act, 2013 ("Act") and Listing Regulations from time to time. During the year, the Board also transacted business by passing resolution by circulation.

##### Composition/ Category of Directors/ Attendance at Meetings as on March 31, 2021:

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 9, 2020
1	Mr. Jagdish Dedhia	Chairman and Whole-Time Director	Executive Director -Promoter	4/4	Yes
2	Mr. Sanjay Dedhia	Managing Director	Executive Director-Promoter	4/4	Yes
3	Mr. Manish Dedhia	Managing Director & CFO	Executive Director-Promoter	4/4	Yes
4	Mr. Dilip Gosar	Independent Director	Non- Executive Independent Director	4/4	Yes
5	Mr. Ashish Doshi	Independent Director	Non- Executive Independent Director	4/4	Yes
6	Ms. Neha Huddar	Independent Director	Non- Executive Independent Director	4/4	Yes

Notes: (i) Mr. Ashish Doshi has ceased to be a director on completion of his tenure w.e.f. June 24, 2021

(ii) Mr. Has Mukh Dedhia has been appointed as an Independent director w.e.f. June 1, 2021



## Annexure V (Contd.)

Number of directorships and 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:

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	-	Sky Gold Limited (Independent Director)	Nil
Mr. Ashish Doshi	-	-	-	-	Nil
Ms. Neha Huddar	1	-	1	Bodal Chemicals Limited (Independent Director)	Nil

Notes: (i) Mr. Ashish Doshi has ceased to be a director on completion of his tenure w.e.f. June 24, 2021

(ii) Mr. Hasmukh Dedhia has been appointed as an Independent director w.e.f. June 1, 2021

Notes:

- (i) Other directorships do not include directorships of private limited companies, foreign companies, Section 8 Companies and Mitsu Chem Plast Limited.
- (ii) 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.
- (iii) Mr. Manish Dedhia and Mr. Sanjay Dedhia are relatives in terms of Section 2 (77) of the Act read with Companies (Specification of definitions details) Rules, 2014. There exist no other inter-se relationships among the other Directors.
- (iv) The Company has not issued any convertible instruments.

### Declarations from Independent Director

Based on the declarations received from the Independent Directors, 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.

## Annexure V (Contd.)

### 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)

**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 (iv) Mr. Hasmukh Dedhia
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

Notes: (i) Mr. Ashish Doshi has ceased to be a director on completion of his tenure w.e.f. June 24, 2021.

(ii) Mr. Hasmukh Dedhia has been appointed as an Independent director w.e.f. June 1, 2021

### 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 three Non-Executive Independent Directors and one Executive Director, possessing sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Company Secretary acts as the secretary of the Audit Committee. The previous AGM of the Company was held on September 9, 2020 and was attended by the Chairman of the Audit Committee.

The committee met four times during the FY under purview on June 29, 2020, August 7, 2020, November 5, 2020 and February 2, 2021.

## Annexure V (Contd.)

The details of the composition of the Committee and attendance of the Members during the FY 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	4/4
3	Mr. Manish Dedhia	Executive Director	Member	4/4
4	Ms. Neha Huddar	Non-Executive Independent Director	Member	4/4

Notes: (i) Mr. Ashish Doshi ceased to be a member w.e.f. May 31, 2021.

(ii) Mr. Has Mukh Dedhia has been appointed as a member w.e.f. June 1, 2021.

### Brief description of terms of reference

The terms of reference of the Committee is 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:
  - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);

- ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7);
- (x) review the mechanism to track insider trading;
- (y) 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 three Non-Executive Directors, all being Independent. The Company Secretary of the Company acts as the secretary of the Nomination and Remuneration Committee. The previous AGM of the Company was held on September 9, 2020 and was attended by the Chairman of the Nomination and Remuneration Committee.

The Committee met twice during the FY under purview i.e. on June 29, 2020 and February 2, 2021.

**The details of the composition of the Committee and attendance of the Members during the FY 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	2/2
2	Mr. Dilip Gosar	Non-Executive Independent Director	Member	2/2
3	Ms. Neha Huddar	Non-Executive Non Independent Director	Member	2/2

- Notes:
- (i) Mr. Ashish Doshi ceased to be a member w.e.f. May 31, 2021
  - (ii) Mr. Has Mukh Dedhia has been appointed as a member w.e.f. June 1, 2021
  - (iii) Mr. Dilip Gosar has been appointed as the Chairman of the Committee w.e.f. June 1, 2021

## Annexure V (Contd.)

### Brief description of terms of reference

The terms of reference of the Committee is 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.

### 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 2020- 21 are as follows:

(₹ in lakhs)

Sr. No.	Name	Remuneration	Perquisites	Total
1	Mr. Jagdish Dedhia	76.88	-	76.88
2	Mr. Sanjay Dedhia	76.88	-	76.88
3	Mr. Manish Dedhia	76.88	-	76.88

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	0.54
2	Mr. Ashish Doshi	0.36
3	Ms. Neha Huddar	0.42

Except for sitting fees, there were no pecuniary or business relationship 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 SEBI Listing Regulations and Section 178 of the Act. The Committee presently consists of four Directors out of which three are Independent Directors and one Executive Director. The previous AGM of the Company was held on September 9, 2020 and was attended by the Chairman of the Stakeholders' Relationship Committee. One meeting of the Committee was held during the year under purview on February 2, 2021.

## Annexure V (Contd.)

The details of the composition of the Committee and attendance of the Members during the FY 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	Ms. Neha Huddar	Non-Executive Independent Director	Member	1/1
4	Mr. Manish Dedhia	Executive Director	Member	1/1

Notes: (i) Mr. Ashish Doshi ceased to be a member w.e.f. May 31, 2021

(ii) Mr. Has Mukh Dedhia has been appointed as a member w.e.f. June 1, 2021

### Brief Terms of Reference

The terms of reference of the Committee is as under-

- Allotment and listing of shares in future.
- 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;
- Review of measures taken for effective exercise of voting rights by shareholders.
- 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.
- 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.

- 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;
- Reference to statutory and regulatory authorities regarding investor grievances;
- 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 and also acts as Secretary to the Committee.

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

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is constituted in line with the provisions of Section 135 of the Act. The Committee consists of four Directors out of which two are Independent Directors and two are Executive Directors. Three meetings of the Committee were held during the year under purview on November 5, 2020, February 2, 2021 and March 17, 2021.

The details of the composition of the Committee and attendance of the Members during the FY are as follows:

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

## Annexure V (Contd.)

### Brief Terms of Reference

The terms of reference of the Committee is as under-

- To frame the CSR Policy and its review from time- to-time.
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.
- to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

### 8. 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
32nd AGM	March 31, 2020	Wednesday, September 9, 2020 at 4.00 p.m.	Video Conferencing / Other Audio Visual Means	a) Appointment of M/s. Gokhale & Sathe as Statutory Auditors of the Company for filling casual vacancy. b) Appointment of M/s. Gokhale & Sathe as Statutory Auditors of the Company c) Appointment of Ms. Neha Huddar as an Independent Director of the Company d) Adoption of new set of Articles of Association
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.	a) Re-appointment of Mr. Jagdish L. Dedhia (DIN: <u>01639945</u> ) as Chairman & Whole-Time Director of the Company. b) Re-appointment of Mr. Sanjay M. Dedhia (DIN: <u>01552883</u> ) as Managing Director of the Company. c) Re-appointment of Mr. Manish M. Dedhia (DIN: <u>01552841</u> ) as Managing Director and CFO of the Company
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.	-

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

### Extraordinary General Meeting

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

## Annexure V (Contd.)

### Postal Ballot

During the year under review, no resolution have been passed through postal ballot.

The Company has moved resolutions through postal ballot process vide notice dated May 4, 2021, to authorize:

1. Appointment of Mr. Hasmukh Dedhia (DIN 07510925) as an Independent Director of the Company
2. Re- appointment of Mr. Dilip Gosar (DIN: 07514842) as an Independent Director of the Company

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 process, in a fair and transparent manner.

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

## 9. MEANS OF COMMUNICATION

- (i) The Company's unaudited quarterly financial results were announced within forty-five days of the close of the quarter 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 submitted to the Stock Exchange and are normally published in Business Standard and Mumbai Lakshdeep.

- (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 and circular no 02/2021 dated January 13, 2021 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 2020-21 and Notice of 33rd AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

## 10. GENERAL SHAREHOLDER INFORMATION

<b>Date &amp; Time of AGM</b>	Thursday, September 16, 2021 at 4.00 p.m.
<b>Venue</b>	AGM will be convened through VC / OAVM pursuant to the MCA Circular dated May 5, 2020, Circular no 02/2021 dated January 13, 2021 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, 2020 to March 31, 2021.
<b>Dividend payment date</b>	The final dividend, if approved, shall be paid/credited on or before Friday, October 15, 2021.
<b>Date of Book Closure</b>	From September 10, 2021 to September 16, 2021 (both days inclusive)



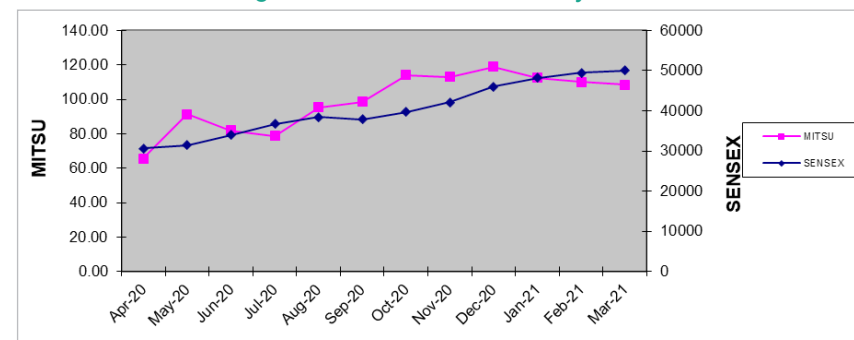
## Annexure V (Contd.)

<b>Listing on Stock Exchange</b>	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. The listing fees for the year 2021-2022 have been paid to the aforesaid Stock Exchange.
<b>Scrip code</b>	540078
<b>Registrar to an issue and share transfer agents</b>	<b>Bigshare Services Pvt Ltd</b> <b>Address:</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400 059, Maharashtra. <b>Tel:</b> 022- 6263 8200 <b>Email:</b> <a href="mailto:arunraj@bigshareonline.com">arunraj@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Arunraj S. <b>SEBI Registration No.:</b> INR000001385.
<b>Share transfer system</b>	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 2020	71.00	60.05
May 2020	115.95	67.00
June 2020	96.65	67.05
July 2020	89.40	68.01
August 2020	110.40	80.25
September 2020	116.50	80.07
October 2020	131.00	97.5
November 2020	127.95	98.00
December 2020	127.00	110.80
January 2021	120.00	105.15
February 2021	120.00	100.00
March, 2021	114.00	103.00

### Performance in comparison to broad-based indices such as BSE Sensex Share Price Movement during each month of the financial year 2020-2021\*



\* Source: [www.bseindia.com](http://www.bseindia.com)

### 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.

## Annexure V (Contd.)

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	1-500	823	85.5509	27356	0.2266
2	501-1000	16	1.6632	13858	0.1148
3	1001-2000	21	2.183	32667	0.2706
4	2001-3000	9	0.9356	21519	0.1782
5	3001-4000	32	3.3264	114719	0.9502
6	4001-5000	5	0.5198	22378	0.1854
7	5001-10000	7	0.7277	51898	0.4299
8	10001 & Above	49	5.0936	11788205	97.6443
<b>Total</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, 2021.

### 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, 2021.

### 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

### Address for correspondence

Investors can communicate at the following addresses:

#### 1. Mitsu Chem Plast Limited

329, Gala Complex, 3rd floor, Din Dayal Upadhyay Marg, Mulund (W), Mumbai - 400 080, Maharashtra, India  
E-Mail: [investor@mitsuchem.com](mailto:investor@mitsuchem.com)  
Tel: +91-22-25920055; Fax: +91-22-25920077

#### 2. Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400 059, Maharashtra.  
Email: [arunraj@bigshareonline.com](mailto:arunraj@bigshareonline.com)  
Tel: 022- 6263 8200; Website: [www.bigshareonline.com](http://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, 2021 is as below: -

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

## 11. 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)

## Annexure V (Contd.)

### 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)

### 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.

### Certification of non-disqualification of Directors:

A Certificate issued under the provision of Listing Regulations by Mr. Haresh Sanghvi, Company Secretary in practice (FCS 2259 and COP No. 3675) 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.

### Fees paid to Auditors

The total fees for all services paid by the Company to M/s. Gokhale & Sathe, Chartered Accountants, Statutory Auditors and all the entities in the network firm/network entity of which Statutory Auditors is a part during the financial year 2020-21 is 3.25 Lakhs.

### 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 2020-21.

### Compliance Certificate on Corporate Governance

Certificate issued by Mr. Haresh Sanghvi, Company Secretary in practice (FCS 2259 and COP No. 3675) confirming compliance with the conditions of Corporate Governance, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annexed to this Report.

## Annexure V (Contd.)

### 12. 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

**Date:** August 12, 2021  
**Place:** Mumbai

**Jagdish Dedhia**  
Chairman & Whole-Time Director  
DIN: 01639945

### 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: L25111MH1988PLC048925  
329, Gala Complex, 3rd Floor,  
Din Dayal Upadhyay Marg,  
Mulund (W) Mumbai – 400 080

I have examined following documents for the purpose of issuing this Certificate-

- i. Declaration of non-disqualification as required under section 164 of the Companies Act, 2013 ("Act"); and
- ii. Disclosure of concern and/or 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) - L25111MH1988PLC048925, having its registered office at 329, Gala Complex, 3rd Floor, Din Dayal Upadhyay Marg, Mulund (W) Mumbai – 400 080 (hereinafter referred as "**the Company**") to the Board of Directors of the Company ('the Board') for the Financial Year 2020-21 and relevant registers, records, forms and returns maintained by the Company and as made available for the purpose of issuing this Certificate in accordance with

## Annexure V (Contd.)

Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. I have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act and ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification.

Based on the verification and examination of aforesaid documents including Directors Identification Number (DIN) status at the Ministry of Corporate Affairs (MCA) portal [www.mca.gov.in](http://www.mca.gov.in) and the List of disqualified Directors published by the MCA, in my opinion and to the best of my information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, I hereby certify that during the Financial Year ended 31<sup>st</sup> March 2021, none of the Directors on the Board of the Company, as listed hereunder have been debarred or disqualified from being appointed or continuing to act as Directors of Companies by Securities and Exchange Board of India/ MCA or any such 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

\*\* Mr. Ashish Doshi ceased to be director w.e.f. 24<sup>th</sup> June, 2021

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 31<sup>st</sup> March, 2021.

Place: Mumbai

Date: 12<sup>th</sup> August, 2021

**Haresh Sanghvi**

Practising Company Secretary

FCS No.: 2259/CoP No.: 3675

UDIN: F002259C000772149

## Annexure V (Contd.)

### 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

Place: Mumbai  
Date: August 12, 2021

**Manish Dedhia**  
Managing Director

### CORPORATE GOVERNANCE CERTIFICATE

To,  
The Members,  
Mitsu Chem Plast Limited  
Mumbai

I have examined the compliance of conditions of Corporate Governance by **Mitsu Chem Plast Limited** ("the Company"), as stipulated under 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 to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") for the financial year ended 31<sup>st</sup> March, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of my findings from the examination of the records produced and explanations and information furnished to me and the representation made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under 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 to the Listing Regulations for the financial year ended 31<sup>st</sup> March, 2021.

I further state that this Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date: 12<sup>th</sup> August, 2021  
Place: Mumbai

**Haresh Sanghvi**  
Practicing Company Secretary  
FCS No.: 2259/CoP No.: 3675  
UDIN: F002259C000774021

## Annexure V (Contd.)

### 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, 2021 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.

**Sanjay Dedhia**  
Managing Director  
DIN: 01552883

**Manish Dedhia**  
CFO  
PAN: AACPD6549F

Place: Mumbai

Dated: May 27, 2021

## 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.**

1. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21, 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 2020-21 (In Lakhs)	% increase in Remuneration in the financial year 2020-21	Ratio of the remuneration of each director to the median remuneration of the employees
1	Jagdish Dedhia (Whole-time Director)	76.88	-5.38%	32.40
2	Sanjay Dedhia (Jt. Managing Director)	76.88	-5.38%	32.40
3	Manish Dedhia (Jt. Managing Director & CFO)	76.88	-5.38%	32.40
4	Dilip Gosar (Independent Director)	0.54	-7%	0.23
5	Ashish Doshi (Independent Director)	0.36	-25%	0.15
6	Neha Huddar (Independent Director)	0.42	282%	0.18
7	Drishti Thakker (Company Secretary)	5.81	32.53%	2.45

2. **The percentage increase in the median remuneration of employees in the financial year;**

The % increase in median remuneration of employee is 18.48%

3. **The number of permanent employees on the rolls of company**

339 employees on the rolls of Company as on March 31, 2021.

4. **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 11.65% whereas the total remuneration of Key Managerial Personnel decreased by 4.72% from 2019-20 to 2020-21.

5. **Affirmation that the remuneration is as per the remuneration policy of the company**

Remuneration paid during the year ended March 31, 2021 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 Financial Statements

#### Opinion

We have audited the accompanying financial statements of Mitsu Chem Plast Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of 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 financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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 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 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 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 financial statements.

#### Key Audit Matters

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

Key Audit Matters	Auditors' Response
<p>Accuracy, Completeness, and disclosure with reference to IND AS-16 of Property, Plant and Equipment (including Capital Work in Progress):</p> <p>The carrying value of property, plant and equipment (including capital work in progress) as on 31.3.2021 of ₹ 6,052.92 Lakhs includes ₹ 525.86 lakhs capitalised during the year.</p> <p>Capital expenditure involves management technical estimates and judgement about capitalisation, estimated useful life, impairment which has material impact on balance sheet and operating results of the Company.</p> <p>Refer Note No 3 of the Financial Statements</p>	<p>Our audit procedures, amongst others, include the following –</p> <ol style="list-style-type: none"> <li>Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.</li> <li>We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16: Property, Plant and Equipment.</li> <li>We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment.</li> <li>Ensuring adequacy of disclosures in the financial statements.</li> </ol>

## INDEPENDENT AUDITORS REPORT (Contd.)

### Other Matters

The comparative audited financial results for year ended March 31, 2020, included in this statement have been audited by erstwhile statutory auditors, P.V. Dalal & Co, Chartered Accountants whose annual auditors report for FY 2020 dated June 29, 2020, have expressed unmodified opinion on those financial statements.

### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates

that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## INDEPENDENT AUDITORS REPORT (Contd.)

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

## INDEPENDENT AUDITORS REPORT (Contd.)

- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have pending litigations which would impact on its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Gokhale & Sathe**  
Chartered Accountants  
Firm Reg. No.: 103264W

**Tejas Parikh**  
Partner

Place: Mumbai  
Date: May 27, 2021

Membership No: 123215  
UDIN: 21123215AAAADJ3246

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mitsu Chem Plast Limited of even date)

- i. In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b) The Company has a regular 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. Pursuant to the programme, 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 financial statements, the lease agreements are in the name of the Company.
- ii. The stock of inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with the books of account.
- iii. According to the information and explanations given to us, the Company has not granted loans to any parties /entities covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments, and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provision of section 73 to 76 any other relevant provisions of the At and the Companies (Acceptance of Deposit ) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
- vi. The Company has maintained cost records as required under sub section (1) of Section 148 of the Companies Act, 2013. However, we have not carried out a detailed examination of such records.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including the Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Customs Duty, Cess and any other statutory dues applicable have been regularly deposited during the year with appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
  - b) There were no arrears 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, 2021 on account of dispute.
- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues for loan taken from financial institutions or banks.
- ix. In our opinion and according to the information and explanation given to us, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised. The Company did not raise any money by way of public offer or further public offer (including debt instruments) during the year.

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

- x. To the best 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 during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- xii. As the Company is not a Nidhi Company, the provisions of para 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. 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. According to the information and explanation given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For **Gokhale & Sathe**  
Chartered Accountants  
Firm Reg. No.: 103264W

**Tejas Parikh**  
Partner

Membership No: 123215  
UDIN: 21123215AAAADJ3246

Place: Mumbai  
Date: May 27, 2021

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mitsu Chem Plast Limited of even date)

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

We have audited the internal financial controls over financial reporting of Mitsu Chem Plast Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

### **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 Act, 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.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, 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, 2021, 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 **Gokhale & Sathe**  
Chartered Accountants  
Firm Reg. No.: 103264W

**Tejas Parikh**  
Partner  
Membership No: 123215  
UDIN: 21123215AAAADJ3246

Place: Mumbai  
Date: May 27, 2021



## BALANCE SHEET

As on 31st March 2021

Particulars	NOTE NO.	(₹ in Lakhs)	
		For year ended 31 <sup>st</sup> March 2021	For year ended 31 <sup>st</sup> March 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	5,984.20	5,916.78
(b) Capital Work in Progress	3	68.72	1.11
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Intangible Assets	4	47.09	10.80
(f) Intangible Assets under development	4	-	39.71
(g) Biological Assets other than bearer plants			-
(h) Financial Assets			
(i) Investments	5	76.13	88.05
(ii) Trade Receivables		-	-
(iii) Loans	6	6.40	5.43
(iv) Others financial assets		-	-
(i) Deferred tax assets (Net)		-	-
(j) Other non current assets	7	297.45	210.54
<b>SUB-TOTAL</b>		<b>6,479.99</b>	<b>6,272.42</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	8	2,252.98	1,247.22
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	9	2,915.15	2,854.43
(iii) Cash & Cash Equivalents	10	33.91	21.55
(iv) Bank balances other than (iii) above	11	458.52	201.85

## BALANCE SHEET

As on 31st March 2021 (Contd.)

Particulars	NOTE NO.	(₹ in Lakhs)	
		For year ended 31 <sup>st</sup> March 2021	For year ended 31 <sup>st</sup> March 2020
(v) Loans	6	17.34	16.96
(vi) Other financial assets	12	4.65	4.12
(c) Current Tax Assets (Net)	18(A)	-	-
(d) Other Current Assets	7	294.64	138.64
<b>SUB-TOTAL</b>		<b>5,977.19</b>	<b>4,484.77</b>
(e) Non Current Assets Classified as Held for Sale			-
<b>TOTAL ASSETS</b>		<b>12,457.18</b>	<b>10,757.19</b>
<b>EQUITY</b>			
(a) Equity Share capital	13	1,207.26	1,207.26
(b) Other Equity			
Equity component of foreign currency convertible bonds			-
Reserves and surplus	14	2,757.67	1,810.35
Money Received Against Share Warrants			-
<b>SUB-TOTAL</b>		<b>3,964.93</b>	<b>3,017.61</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	15	3,196.01	2,845.40
(ii) Trade Payables		-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-
(b) Long Term Provisions	17	1.48	17.03
(c) Deferred Tax Liabilities (Net)	18(C)	460.37	383.27
(d) Other non-current liabilities	19	35.04	87.26
<b>SUB-TOTAL</b>		<b>3,692.90</b>	<b>3,332.96</b>

## BALANCE SHEET

As on 31st March 2021 (Contd.)

Particulars	NOTE NO.	(₹ in Lakhs)	
		For year ended 31 <sup>st</sup> March 2021	For year ended 31 <sup>st</sup> March 2020
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	16	2,250.39	2,880.58
(ii) Trade payables			
Trade Payables-Micro and Small Enterprises	20	90.62	89.51
Trade Payables- Other than Micro and Small Enterprises	20	962.06	461.84
(iii) Other financial liabilities (other than those specified in item (c))	21	968.62	649.05
(b) Other Current Liabilities	19	191.62	94.92
(c) Short Term Provision	17	313.74	205.59
(d) Current Tax Liabilities (Net)	22	22.30	25.13
<b>SUB-TOTAL</b>		<b>4,799.35</b>	<b>4,406.62</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,457.18</b>	<b>10,757.19</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR **GOKHALE & SATHE**  
CHARTERED ACCOUNTANTS  
FRN : 103264W

FOR MITSU CHEM PLAST LTD.

**TEJAS PARIKH**  
(PARTNER)  
Membership No. 123215

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

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

PLACE : MUMBAI  
DATE : 27th May, 2021

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

**DRISHTI THAKKER**  
(COMPANY SECRETARY)

## STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2021

(₹ in Lakh)			
Particulars	NOTE NO.	For the year Ended 31 <sup>st</sup> March 2021	For the year Ended 31 <sup>st</sup> March 2020
<b>Continuing Operations</b>			
I Revenue From Operations	23	17,833.25	13,854.83
II Other Income	24	111.44	31.89
<b>III Total Revenue (I+II)</b>		<b>17,944.69</b>	<b>13,886.72</b>
<b>IV Expenses</b>			
(a) Cost of Material Consumed	26	10,339.76	7,940.65
(b) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	27	4.47	(108.32)
(c) Employee Benefits Expenses	28	1,424.46	1,311.51
(d) Finance Cost	29	598.59	634.93
(e) Depreciation and Amortisation Expenses	30	441.50	400.81
(f) Other Expenses	31	3,755.85	3,125.36
<b>Total Expenses</b>		<b>16,564.63</b>	<b>13,304.94</b>
<b>V Profit Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>1,380.06</b>	<b>581.78</b>
VI Exceptional Income/Expenses		-	
<b>VII Profit Before Tax (V-VI)</b>		<b>1,380.06</b>	<b>581.78</b>
VIII Income Tax Expenses	18(D)	411.26	184.27
<b>IX Profit After Tax (VII-VIII)</b>		<b>968.80</b>	<b>397.51</b>

## STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2021 (Contd.)

(₹ in Lakh)			
Particulars	NOTE NO.	For the year Ended 31 <sup>st</sup> March 2021	For the year Ended 31 <sup>st</sup> March 2020
<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	3.68	(1.30)
Income tax expense on remeasurement benefit of defined benefit plans	18(C)	1.01	(0.36)
<b>Total of other comprehensive Income</b>		<b>2.67</b>	<b>(0.94)</b>
<b>Total Comprehensive Income for the period</b>		<b>971.47</b>	<b>396.57</b>
<b>XI Earnings Per Equity Share (Amount in ₹)</b>			
(a) Basic	32	8.02	3.29
(b) Diluted	32	8.02	3.29

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR **GOKHALE & SATHE**  
CHARTERED ACCOUNTANTS  
FRN : 103264W

FOR MITSU CHEM PLAST LTD.

**TEJAS PARIKH**  
(PARTNER)  
Membership No. 123215

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

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

PLACE : MUMBAI  
DATE : 27th May, 2021

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

**DRISHTI THAKKER**  
(COMPANY SECRETARY)

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2021

### (A) Equity Share Capital

(₹ in Lakh)

Particulars	Refer Note No.	₹
1 As at April 1, 2019	-	402.42
2 Changes in equity share capital during the year	13.1	804.84
3 As at March 31, 2020	-	1,207.26
4 Changes in equity share capital during the year	13.1	-
5 As at March 31, 2021	-	1,207.26

### (B) Other Equity

(₹ 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	1,236.25	4.16	2,252.59
2 Additions to Reserve net of expense and taxes	(814.55)	-	397.51	(0.94)	(417.98)
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

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

PARTICULARS	(₹ in Lakh)				
	Securities Premium	General Reserve	Retained Earning	Other Comprehensive Income	Total
	₹	₹	₹	₹	₹
<b>As on March 31, 2021</b>					
1 Balance as at April 1, 2020	15.14	182.49	1,609.50	3.22	1,810.35
2 Additions to Reserve net of expense and taxes	-	-	968.80	2.67	971.46
3 Dividends	-	-	(24.15)	-	(24.15)
4 Income tax on dividends	-	-	-	-	-
<b>5 Balance as at March 31, 2021</b>	<b>15.14</b>	<b>182.49</b>	<b>2,554.15</b>	<b>5.89</b>	<b>2,757.67</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR **GOKHALE & SATHE**  
CHARTERED ACCOUNTANTS  
FRN : 103264W

FOR MITSU CHEM PLAST LTD.

**TEJAS PARIKH**  
(PARTNER)  
Membership No. 123215

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

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

PLACE : MUMBAI  
DATE : 27th May, 2021

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

**DRISHTI THAKKER**  
(COMPANY SECRETARY)

## CASH FLOW STATEMENT

For the year ended 31st March, 2021

(₹ in Lakh)

PARTICULARS	For the year Ended 31 <sup>st</sup> March 2021		For the year Ended 31 <sup>st</sup> March 2020	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net profit before Tax</b>		<b>1,380.06</b>		<b>581.78</b>
Adjustment for Non-Cash and Non-operating Items				
<u>Add:</u> Depreciation	441.50		400.80	
Loss on Sale of Fixed Assets	2.67		6.24	
Loss in Fair Value of Investments	-		8.99	
Provision for doubtful debts / Advances	-		10.00	
Interest Expense	552.97	997.14	588.32	1,014.35
<u>Less:</u> Interest Income	22.80		19.79	
Gain in Fair Value of Investments	25.01		-	
Profit on Sale of Investments	5.18		-	
Reversal of Provision for doubtful debts / Advances	2.16		-	
Dividend Received	0.42	55.57	0.22	20.01
Operating profits before working capital changes (a+b-c)		2,321.63		1,576.12
Changes in Working Capital & Operating Assets & liabilities				
<u>Add:</u> Decrease in Assets & Increase in Liabilities				
Trade Payables	501.35		-	
Other Current Assets	-		215.49	



## CASH FLOW STATEMENT

For the year ended 31st March, 2021 (Contd.)

(₹ in Lakh)

PARTICULARS	For the year Ended 31 <sup>st</sup> March 2021		For the year Ended 31 <sup>st</sup> March 2020	
Other Current Liabilities	96.70		-	
Short Term Provisions	108.15		-	
Other Current Financial Liabilities	0.16		-	
Long Term Provisions	-	706.36	9.25	224.74
<u>Less:</u> Increase in Assets & Decrease in Liabilities				
Inventories	1,005.76		181.25	
Trade Receivables	59.56		531.22	
Short Term Loans & Advances	0.38		0.11	
Other Current Assets	156.00		-	
Long Term Provisions	15.55		-	
Other Current Financial Assets	0.53		0.27	
Short Term Provisions	-		11.69	
Other Non Current Liabilities	52.22		96.12	
Other Non Current Assets	179.27		0.98	
Other Current Liabilities	-		33.54	
Long term Loans & Advances	0.97		0.43	
Trade Payables	-	1,470.24	404.08	1,259.69
Cash generated from operations (d+e-f)		1,557.75		541.17

## CASH FLOW STATEMENT

For the year ended 31st March, 2021 (Contd.)

(₹ in Lakh)

PARTICULARS	For the year Ended 31 <sup>st</sup> March 2021		For the year Ended 31 <sup>st</sup> March 2020	
<u>Less:</u> Taxes paid		240.97		101.67
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (g-h)</b>		<b>1,316.77</b>		<b>439.50</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
<u>Add:</u> Interest Income	22.80		19.79	
Sale of Fixed Assets	19.65		11.53	
Sale of Investments	114.09		-	
Dividend Received	0.42	156.96	0.22	31.54
<u>Less:</u> Addition to Fixed Assets (Including WIP)	595.43		710.92	
Short Term Deposits (Net)	269.32		27.93	
Purchase of Investments	71.98	936.73	61.19	800.04
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (a-b)</b>		<b>(779.77)</b>		<b>(768.50)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
<u>Add:</u> Increase in Long Term Borrowings (Net)	665.26		292.50	
Increase in Short Term Borrowings (Net)	-		671.31	
Proceeds received from Issue of Equity Shares	-	665.26	-	963.81
<u>Less:</u> Dividend & DDT Paid	24.15		24.26	
Decrease in Short Term Borrowings (Net)	630.19		-	
Expenses for issue of shares	-		9.71	

## CASH FLOW STATEMENT

For the year ended 31st March, 2021 (Contd.)

(₹ in Lakh)

PARTICULARS	For the year Ended 31 <sup>st</sup> March 2021		For the year Ended 31 <sup>st</sup> March 2020	
Interest Paid	548.21	1,202.55	603.55	637.52
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (a-b)</b>		<b>(537.29)</b>		<b>326.29</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>(0.29)</b>		<b>(2.71)</b>
Add: <u>Cash &amp; Cash Equivalent at the beginning of the year</u>				
Cash on Hand	1.95		1.84	
Bank Balance	10.38	<b>12.33</b>	13.20	<b>15.04</b>
Less: <u>Cash &amp; Cash Equivalent at the end of the year</u>				
Cash on Hand	1.65		1.95	
Bank Balance	10.39	<b>12.04</b>	10.38	<b>12.33</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR **GOKHALE & SATHE**  
CHARTERED ACCOUNTANTS  
FRN : 103264W

FOR MITSU CHEM PLAST LTD.

**TEJAS PARIKH**  
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Membership No. 123215

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PLACE : MUMBAI  
DATE : 27th May, 2021

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

**DRISHTI THAKKER**  
(COMPANY SECRETARY)

## Notes

### Forming Part of the Financial Statements

#### NOTE : 1

##### Company overview

Mitsu Chem Plast 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 customized 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 31 March, 2021, the Statement of Profit and Loss for the year ended 31 March 2021, the Statement of Cash Flows for the year ended 31 March 2021 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;
- 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

## Notes

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

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 statement of cash flows have been prepared under indirect method.

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 Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements

#### 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.

## Notes

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

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"

#### 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.

## Notes

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

#### Useful life and amortisation

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

#### (D) Inventories

##### Raw materials

Raw materials are stated at cost. Raw Material cost is computed on FIFO basis. 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

## Notes

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

business less the estimated costs of completion and the estimated costs necessary to make the sale.

Work in Progress and Finished Goods are valued at lower of cost or net realizable on FIFO basis. 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 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.



## Notes

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

#### (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 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.

## Notes

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

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 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, it's 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 recognized 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 recognized 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.

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.

## Notes

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

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
- 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.

## Notes

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

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 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.

## Notes

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

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 at the end of a reporting 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.

## Notes

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

#### Financial liabilities

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

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.

#### (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 recognized as a deduction from equity, net of any tax effects.

## Notes

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

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#### (P) Segments reporting

The Company is engaged in the business of Injection Moulding and Blow Moulding plastic articles such as Industrial containers, Healthcare furniture, 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.

## Notes

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

#### 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 01-04-19	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
Additions	-	-	23.77	452.73	38.05	7.33	-	3.97	162.92	688.78
Deductions	-	-	-	2.66	24.05	-	-	-	95.31	122.03
Original Cost As On 31-03-21	252.58	52.22	2,877.22	4,090.02	791.25	67.78	231.59	149.63	68.72	8,581.01
Depreciation Fund As On 01-04-2019	-	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	-	2,096.37
Charged During The Year	-	0.52	85.50	267.40	42.63	8.76	19.25	12.06	-	436.12
Deductions/Transfer	-	-	-	0.55	3.85	-	-	-	-	4.40
Depreciation Fund As On 31-03-2021	-	11.17	487.48	1,437.00	314.80	43.61	145.17	88.86	-	2,528.09
Wdv As On 31-03-2021	252.58	41.04	2,389.74	2,653.02	476.45	24.17	86.42	60.77	68.72	6,052.92
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

\* Building Includes Office Premises and Residential Flats of the Company

# Plant & Equipments Includes Office Equipments & Electric fittings

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



## 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 01-04-19	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
Additions	41.67	0.87	42.55
Deductions	-	40.58	40.58
Original Cost As On 31-03-21	59.57	-	59.57
Depreciation Fund As On 01-04-2019	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
Charged During The Year	5.38	-	5.38
Deductions/Transfer	-	-	-
Depreciation Fund As On 31-03-2021	12.48	-	12.48
Wdv As On 31-03-2021	47.09	-	47.09
Wdv As On 31-03-2020	10.80	39.71	50.51

## Notes

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

#### NOTE 5 INVESTMENTS

(Shares in Numbers & ₹ in Lakh)

PARTICULARS	Paid up Value	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		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	100.00	0.11	100.00	0.01
Alok Industries Ltd	₹ 10 each	200.00	0.04	200.00	0.04
Bayer Cropscience Ltd	₹ 10 each	50.00	2.59	50.00	1.73
Sumitomo Chemicals Limited	₹ 10 each	6,375.00	18.17	6,375.00	11.69
Fortis Healthcare India Ltd	₹ 10 each	200.00	0.40	200.00	0.25
Galaxy Surfactants Ltd	₹ 10 each	100.00	2.44	100.00	1.17
Gillette India Ltd	₹ 10 each	5.00	0.29	5.00	0.27
Godrej Industries Ltd	₹ 1 each	150.00	0.82	150.00	0.43
Hindalco Ltd	₹ 1 each	250.00	0.82	250.00	0.24
India Cements Ltd	₹ 10 each	50.00	0.08	50.00	0.05
Infosys Technologies Ltd ^	₹ 5 each	100.00	1.39	100.00	0.64
Jaiprakash Associates Ltd	₹ 2 each	800.00	0.06	800.00	0.01
Larsen & Toubro Ltd	₹ 2 each	55.00	0.78	55.00	0.44
Medico Remedies Limited	₹ 10 each	-	-	12,000.00	8.79
MOIL Ltd	₹ 10 each	334.00	0.52	334.00	0.34
Network 18 Media & Investments Ltd	₹ 5 each	200.00	0.07	200.00	0.04

## Notes

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

PARTICULARS	Paid up Value	(Shares in Numbers & ₹ in Lakh)			
		As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		No of Shares	₹	No of Shares	₹
Power Grid Corporation of India Ltd	₹ 10 each	100.00	0.22	100.00	0.16
Punj Lloyd Ltd	₹ 2 each	500.00	0.01	500.00	-
Reliance Industries Ltd	₹ 10 each	220.00	4.46	420.00	4.67
Shreeji Translogistics Ltd	₹ 10 each	3,000.00	1.65	3,000.00	0.90
Steel Authority of India Ltd	₹ 10 each	240.00	0.19	240.00	0.06
Sun Pharmaceuticals Ltd	₹ 1 each	150.00	0.90	150.00	0.53
Tata Motors Ltd	₹ 2 each	500.00	1.48	500.00	0.36
Tata Steels Ltd	₹ 10 each	35.00	0.28	35.00	0.09
S H Kelkar and Company Ltd	₹ 10 each	250.00	0.28	250.00	0.19
Time Technoplast Ltd	₹ 1 each	10.00	0.01	10.00	-
Chennai Super King Ltd	₹ 1 each	50.00	0.00	50.00	-
Relicab Cable Manufacturing Ltd	₹ 10 each	-	-	1,32,000.00	51.81
Valiant Organics Ltd	₹ 10 each	300.00	3.45	150.00	1.57
Varroc Engineering Ltd	₹ 1 each	149.00	0.56	149.00	0.19
Yasho Industries Ltd	₹ 10 each	1,200.00	3.89	1,200.00	1.38
<b>ETF / Mutual Funds</b>					
Nippon India Mutual Fund ETF Liquid BeEs*	Rs 1000 each	3,017.37	30.17	-	-
	<b>TOTAL</b>	<b>15,673.00</b>	<b>76.13</b>	<b>1,59,723.00</b>	<b>88.05</b>

\* 3,002 units of "Nippon India Mutual Fund ETF Liquid BeEs" are pledged to the broker.

## Notes

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

#### NOTE 6 Loans

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Non Current</b>		
Unsecured, considered good		
Security Deposit against rental premises	6.40	5.43
<b>TOTAL</b>	<b>6.40</b>	<b>5.43</b>
<b>(B) Current</b>		
Unsecured, considered good		
Loans & Advances to Employees	17.34	16.96
<b>TOTAL</b>	<b>17.34</b>	<b>16.96</b>

#### NOTE 7 Other assets

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Non Current Assets</b>		
MAT Credit Entitlement	40.88	137.91
Capital advances - Unsecured, considered good	195.29	13.16
Less: Allowance for Expected Credit Loss	(7.34)	(8.34)
	187.95	4.82
Other Deposits - Unsecured, considered good		
Electricity Deposit	47.82	47.87
MSRDC Deposit	1.92	1.92
Others	18.88	18.02
<b>TOTAL</b>	<b>297.45</b>	<b>210.54</b>

## Notes

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

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(B) Current Assets</b>		
Prepaid Expenses	60.75	28.88
Advance to Creditors/Suppliers	120.53	62.77
Others		
Statutory dues receivable	51.07	34.10
GST ITC	56.84	10.75
Margin Money	3.89	-
TDS/TCS Receivable	0.25	1.10
Others	1.31	1.04
<b>TOTAL</b>	<b>294.64</b>	<b>138.64</b>

### NOTE 8 INVENTORIES

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Raw Materials*	1,613.25	683.80
Work in Progress	219.14	314.10
Finished Goods	185.47	94.99
Moulds	3.19	2.65
Accessories	108.35	105.31
Packing Material and Stores and Spares	123.58	46.37
<b>TOTAL</b>	<b>2,252.98</b>	<b>1,247.22</b>

Valued at Cost or Net Realisable Value whichever is lower

\*Raw Material Includes raw material in transit amounts ₹ 336.71 Lakhs as at 31st March 21 (₹ 95.90 Lakhs as at 31st March 2020)

## Notes

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

#### NOTE 9 TRADE RECEIVABLES

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, considered good</b>		
From Others	2,915.15	2,854.43
<b>Doubtful</b>		
From Others	141.77	142.93
	3,056.92	2,997.36
Less: Allowance for Expected Credit Loss	(141.77)	(142.93)
<b>TOTAL</b>	<b>2,915.15</b>	<b>2,854.43</b>

#### NOTE 10 CASH & CASH EQUIVALENTS

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Cash on Hand	1.65	1.95
<b>Balances With Bank</b>		
In current accounts	10.39	10.38
In recurring deposits accounts	21.87	9.22
	<b>32.26</b>	<b>19.60</b>
<b>TOTAL</b>	<b>33.91</b>	<b>21.55</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 2021	As at 31 <sup>st</sup> March 2020
<b>Earmarked Balances with Bank</b>		
Unpaid / Unclaimed Dividend	0.16	-
Fixed Deposits with Bank held as Margin Money	358.74	196.70
Fixed Deposit given as security against Borrowings	99.62	5.15
<b>TOTAL</b>	<b>458.52</b>	<b>201.85</b>

#### NOTE 12 OTHER FINANCIAL ASSETS

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Interest Receivable	4.65	4.12
<b>TOTAL</b>	<b>4.65</b>	<b>4.12</b>

#### NOTE 13 EQUITY SHARE CAPITAL

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Authorised Share Capital</b>		
1 1,20,80,000 Equity Shares of Rs 10/- each (1,20,80,000 Equity Shares of Rs 10/- each as at 31.03.2020)	1,208.00	1,208.00
	<b>1,208.00</b>	<b>1,208.00</b>
<b>(B) Issued,Subscribed and Paid-up Share Capital</b>		
1 1,20,72,600 Equity Shares of Rs 10/- each fully paid-up (1,20,72,600 Equity Shares of Rs 10/- each fully paid-up as at 31.03.2020)	1,207.26	1,207.26
	<b>1,207.26</b>	<b>1,207.26</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 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Nos.	₹	Nos.	₹
<b>(A) Equity Shares</b>				
1 Shares Outstanding at the beginning of the year	1,20,72,600	1,207.26	40,24,200	402.42
2 Additions during the year				
i) Bonus Shares issued during the year	-	-	80,48,400	804.84
ii) Fresh Issue during the year	-	-	-	-
3 Deductions during the year	-	-	-	-
4 Shares Outstanding at the end of the year	<b>1,20,72,600</b>	<b>1,207.26</b>	<b>1,20,72,600</b>	<b>1,207.26</b>

#### 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

PARTICULARS	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>(A) Equity Shares</b>				
1 Jagdish Liladhar Dedhia	12,67,092	10.50	11,68,092	9.68
2 Sanjay Mavji Dedhia	12,71,922	10.54	11,72,922	9.72
3 Manish Mavji Dedhia	16,74,720	13.87	15,75,720	13.05
4 Lilavanti Mavji Dedhia	17,14,920	14.21	16,00,920	13.26
5 Vimlaben Liladhar Dedhia	17,14,920	14.21	16,00,920	13.26



## Notes

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

**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**

PARTICULARS	(Aggregate No. of Shares) for the year ended			
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
1 Fully Paid up Equity Shares by way of Bonus	-	80,48,400	-	-

**NOTE 13.5 Details of Dividend paid and proposed during the year**

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Cash dividend on equity shares declared and paid during the year</b>		
1 Final dividend paid for the year ended on 31 <sup>st</sup> March 20 ₹ 0.20 per Share (₹ 0.50 per Share for 31 <sup>st</sup> March 19)	24.15	20.12
2 Dividend Distribution Tax on final dividend	-	4.14
	<b>24.15</b>	<b>24.26</b>
<b>(B) Proposed dividends on equity shares not recognised as liability</b>		
1 Proposed dividend for the year ended on 31 <sup>st</sup> March 21 ₹ 0.20 per Share (₹ 0.20 per Share for 31 <sup>st</sup> March 20)	24.15	24.15
	<b>24.15</b>	<b>24.15</b>

## Notes

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

#### NOTE 14 SUMMARY OF OTHER EQUITY BALANCES

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(I) Securities Premium</b>		
1 As per last Balance Sheet	15.14	829.69
2 Add: Additions during the year	-	-
3 Less : Utilised for issue of Bonus Shares & Issue expenses	-	(814.55)
	<b>15.14</b>	<b>15.14</b>
<b>(II) General Reserve</b>		
1 As per last Balance Sheet	182.49	182.49
(+) Subsidies transferred to General Reserve	-	-
	<b>182.49</b>	<b>182.49</b>
<b>(III) Retained Earnings</b>		
1 Opening Balance	1,609.50	1,236.25
2 Add: Profit for the year	968.80	397.51
3 Profit available for appropriations	<b>2,578.30</b>	<b>1,633.76</b>
Less: Appropriations		
4 Dividend Paid	24.15	20.12
5 Dividend Distribution Tax	-	4.14
	<b>2,554.15</b>	<b>1,609.50</b>
<b>(IV) Other Comprehensive Income</b>		
<b>(I) Remeasurements of Net Defined Benefit Plans</b>		
1 Opening Balance	3.22	4.16
2 Add: Profit for the year	2.67	(0.94)
3 Profit available for appropriations	<b>5.89</b>	<b>3.22</b>
<b>TOTAL</b>	<b>2,757.67</b>	<b>1,810.35</b>

## Notes

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

#### 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.

#### NOTE 15 NON-CURRENT BORROWINGS

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) *Secured Loans :- (At Amortised Cost)</b>		
1 From Banks#	2,403.64	1,564.60
2 From Financial and other Institutions#	2.59	6.71
<b>Total Secured Borrowings</b>	<b>2,406.23</b>	<b>1,571.31</b>
<b>(B) Unsecured Loan :- (At Amortised Cost)</b>		
1 From Banks#	10.48	61.15
2 From Financial and other Institutions#	7.83	34.78
3 Loans From Directors	521.47	878.16
4 Inter Corporate Deposits	250.00	300.00
<b>Total Unsecured Borrowings</b>	<b>789.78</b>	<b>1,274.09</b>
<b>TOTAL</b>	<b>3,196.01</b>	<b>2,845.40</b>

## Notes

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

#Current Obligations of Loans from Bank & Financials Institutions amounting to ₹ 955.96 lakhs as at 31st March 21 (₹ 641.31 Lakhs as at 31st March 20) 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 :

Maturity Period	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Within 1 year	955.96	641.31
2 1-2 years	1,089.53	665.63
3 2-3 years	834.48	658.35
4 Beyond 3 year	500.52	343.26
<b>Total</b>	<b>3,380.49</b>	<b>2,308.55</b>

#### NOTE 16 CURRENT BORROWINGS

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) *Secured Borrowings :-</b>		
1 Loans Repayable on Demand		
From Bank	2,250.39	2,880.58
<b>TOTAL</b>	<b>2,250.39</b>	<b>2,880.58</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.

## Notes

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

#### NOTE 17 PROVISION

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Long Term Provisions - Non Current</b>		
1 Provision for Gratuity	1.48	17.03
<b>TOTAL</b>	<b>1.48</b>	<b>17.03</b>
<b>(B) Short Term Provisions - Current</b>		
1 Payable to Employees	166.74	117.76
2 Electricity charges payable	110.40	76.17
3 Others	36.60	11.66
<b>TOTAL</b>	<b>313.74</b>	<b>205.59</b>

#### NOTE 18 INCOME TAX

##### (A) Current Tax Liabilities (Net)

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Opening Balance	25.14	18.72
2 Add : Current Tax Provision for the year	240.54	100.10
3 Add/Less : Short/(Excess) Provisions of earlier years	(2.40)	7.99
4 Less : Taxes Paid	(240.97)	(101.67)
5 Closing Balance	22.31	25.14

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 2021	31 <sup>st</sup> March 2020
1 Opening Balance	137.91	106.31
2 Add : Current Tax Provision for the year	(93.17)	40.23
3 Add/Less : Short/(Excess) Provisions of earlier years	(3.86)	(8.63)
4 Closing Balance	40.88	137.91

#### (C) Deferred Tax Liabilities (Net)

(₹ in Lakh)

PARTICULARS	As at	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1 Opening Balance	383.27	275.85
2 Add/Less : Deferred Tax Charge/(Credit) to Statement of P&L	76.09	107.78
3 Add/Less : Deferred Tax Charge/(Credit) to Statement of OCI	1.01	(0.36)
4 Closing Balance	460.37	383.27

#### (D) Summary of Income Tax Expenses

(₹ in Lakh)

PARTICULARS	As at	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1 Current Tax	238.14	108.09
2 MAT Credit	97.03	(31.60)
3 Deferred Tax	76.09	107.78
<b>Total Tax Expenses</b>	<b>411.26</b>	<b>184.27</b>

## Notes

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

#### (E) Deferred Tax Liabilities (Net)

(₹ in Lakh)

PARTICULARS	As at	As at
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>1 Deferred Tax Liabilities in relation to</b>		
(i) Property Plant & Equipments and Intangible Assets	508.91	428.19
(ii) Fair Value of Non Current Investments - Financial Assets	-	1.64
(iii) Amortisation of Borrowing Cost	3.45	-
	<b>512.36</b>	<b>429.83</b>
<b>2 Deferred Tax Assets in relation to</b>		
(i) Provision for Employee Benefits	1.28	3.14
(ii) Amortisation of Borrowing Cost	-	1.34
(iii) Fair Value of Non Current Investments - Financial Assets	7.28	-
(iv) Provision for Expected Credit Loss	43.42	42.08
	<b>51.98</b>	<b>46.56</b>
<b>Net Deferred Tax Liabilities</b>	<b>460.38</b>	<b>383.27</b>

#### (F) Movement in Deferred Tax Assets & Liabilities

(₹ in Lakh)

PARTICULARS	Charge/(Credit) to Statement of P&L		Charge/(Credit) to OCI	
	As at	As at	As at	As at
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1 Property Plant & Equipments and Intangible Assets	80.71	117.07	-	-
2 Fair Value of Non Current Investments - Financial Assets	(8.92)	(2.50)	-	-
3 Amortisation of Borrowing Cost	4.79	(1.62)	-	-
4 Provision for Employee Benefits	0.85	(2.38)	1.01	(0.36)
5 Provision for Expected Credit Loss	(1.34)	(2.78)	-	-
Total	<b>76.09</b>	<b>107.79</b>	<b>1.01</b>	<b>(0.36)</b>

## Notes

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

#### NOTE 19 OTHER LIABILITIES

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Non Current Liabilities</b>		
1 Sundry Creditors for Capital Goods	35.04	44.44
2 Others	-	42.82
<b>TOTAL</b>	<b>35.04</b>	<b>87.26</b>
<b>(B) Current Liabilities</b>		
1 Advances received from customers	34.98	47.14
2 Due to Government Authorities		
i Sales tax and GST payable	138.89	25.00
ii TDS payable	17.00	21.85
iii Profession tax payable	0.60	0.58
3 Others	0.15	0.35
<b>TOTAL</b>	<b>191.62</b>	<b>94.92</b>

#### NOTE 20 TRADE PAYABLES

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Micro and Small Enterprises</b>		
1 Trade Payables for Goods	88.30	71.10
2 Trade Payables for Expenses	2.32	18.41
	<b>90.62</b>	<b>89.51</b>
<b>(B) Others</b>		
1 Trade Payables for Goods	784.00	295.44
2 Trade Payables for Expenses	178.06	166.40
	<b>962.06</b>	<b>461.84</b>
<b>TOTAL</b>	<b>1,052.67</b>	<b>551.35</b>



## Notes

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

#### NOTE 20.1 MICRO, SMALL AND MEDIUM ENTERPRISES HAVE BEEN IDENTIFIED BY THE COMPANY ON THE BASIS OF THE INFORMATION AVAILABLE.

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
(A) Dues remaining unpaid as at 31st March		
Principal	90.62	89.51
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.	-	-
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 31st March	-	-

#### NOTE 21 OTHER FINANCIAL LIABILITIES

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Current Financial Liabilities</b>		
1 Current maturities of long term debt	955.96	641.31
2 Interest accrued but not due	12.50	7.74
3 Unpaid / Unclaimed Dividend*	0.16	-
<b>TOTAL</b>	<b>968.62</b>	<b>649.05</b>

\* There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at 31st March 2021 (amount as at March 31, 2020 - NIL)

## Notes

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

#### NOTE 22 CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Provision for Statutory Liabilities</b>		
1 Provision for Tax (Net of Advance Taxes)	22.30	25.13
<b>TOTAL</b>	<b>22.30</b>	<b>25.13</b>

#### NOTE 23 REVENUE FROM OPERATION

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Revenue From Sale of Products</b>		
1 Local Sales	17,784.38	13,793.94
2 Export Sales	14.26	15.25
	<b>17,798.64</b>	<b>13,809.19</b>
<b>(B) Revenue From Sale of Services</b>		
1 UN Test Certification Charges	19.79	10.85
2 Professional Fees and other charges	14.41	33.74
	<b>34.20</b>	<b>44.59</b>
<b>(C) Other Operating Revenue</b>		
1 Export Incentives	0.41	1.05
	<b>0.41</b>	<b>1.05</b>
<b>TOTAL</b>	<b>17,833.25</b>	<b>13,854.83</b>

## Notes

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

#### NOTE 24 OTHER INCOME

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Interest Income	22.80	19.81
2 Dividend	0.42	0.22
3 Other Non-Operating Income		
i Insurance Claim Received	1.27	2.40
ii Reversal of excess provision	2.16	-
iii Other Income	2.80	9.46
4 Other Gains		
i Realised Gain on Sale of non current Investments	-	-
ii Net gain arising on financial assets measured at FVTPL	25.01	-
iii Foreign exchange Gain	51.69	-
iv Profit on Sale of Investments	5.18	-
v Unrealised MTM Gain	0.11	-
<b>TOTAL</b>	<b>111.44</b>	<b>31.89</b>

#### NOTE 25 OTHER COMPREHENSIVE INCOME – ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Remeasurement of Defined Benefit Plan	3.68	(1.30)
<b>TOTAL</b>	<b>3.68</b>	<b>(1.30)</b>

## Notes

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

#### NOTE 26 COST OF MATERIAL CONSUMED

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Raw Materials</b>		
1 Opening Stock	683.80	662.95
2 Add : Purchased during the year	10,455.71	7,316.00
3 Less : Closing Stock	1,613.25	683.80
	<b>9,526.26</b>	<b>7,295.15</b>
<b>(B) Packing Materials</b>		
1 Opening Stock	46.37	36.74
2 Add : Purchased during the year	230.13	200.21
3 Less : Closing Stock	123.58	46.37
	<b>152.92</b>	<b>190.58</b>
<b>(C) Other Materials</b>		
<b>(i) Accessories</b>		
1 Opening Stock	105.31	54.25
2 Add : Purchased during the year	635.92	449.80
3 Less : Closing Stock	108.35	105.31
	<b>632.88</b>	<b>398.74</b>
<b>(ii) Trading</b>		
1 Opening Stock	2.65	11.25
2 Add : Purchased during the year	28.24	47.58
3 Less : Closing Stock	3.19	2.65
	<b>27.70</b>	<b>56.18</b>
<b>TOTAL</b>	<b>10,339.76</b>	<b>7,940.65</b>

## Notes

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

#### NOTE 27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Finished Goods / Stock in Trade</b>		
1 Opening Stock	94.99	93.45
2 Closing Stock	185.47	94.99
	<b>(90.48)</b>	<b>(1.54)</b>
<b>(B) Work in Progress / stock in Trade</b>		
1 Opening Stock	314.11	207.33
2 Closing Stock	219.14	314.11
	<b>94.95</b>	<b>(106.78)</b>
<b>TOTAL</b>	<b>4.47</b>	<b>(108.32)</b>

#### NOTE 28 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Salaries and Wages, Leave Salary & Bonus	1,034.56	909.94
2 Director's Remuneration	230.63	243.75
3 Contribution to Provident and Other Funds	53.14	56.52
4 Defined Benefit Plan - Gratuity	16.74	14.52
5 Staff Welfare Expenses	89.39	86.78
<b>TOTAL</b>	<b>1,424.46</b>	<b>1,311.51</b>

## Notes

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

#### NOTE 29 FINANCE COST

(₹ in Lakh)

PARTICULARS	As at	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1 Interest on Secured Borrowings	410.29	414.27
2 Interest on Unsecured Borrowings	142.68	174.05
3 Other Interest	1.93	13.32
4 Bank Charges & other finance cost	43.69	33.29
<b>TOTAL</b>	<b>598.59</b>	<b>634.93</b>

#### NOTE 30 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakh)

PARTICULARS	As at	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1 Depreciation on plant, property and equipment	436.12	399.67
2 Amortisation on Intangible assets	5.38	1.14
<b>TOTAL</b>	<b>441.50</b>	<b>400.81</b>

## Notes

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

#### NOTE 31 OTHER EXPENSES

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Electricity charges	4.99	6.91
2 Labour Contract Charges	1,042.42	901.80
3 Power and Fuel Expenses	1,215.82	1,077.28
4 Consumption of Stores and Spares	118.18	76.09
5 Conveyance & Travelling Expenses	17.62	19.78
6 Audit fees	3.25	2.50
7 Donations	0.09	0.56
8 Insurance charges	45.92	35.84
9 Legal and Professional fees	140.06	121.53
10 Loss on Sale/Disposal of Assets	2.67	6.24
11 Loss on Fair Value of Investments	-	8.99
12 Provision for Expected Credit Loss	-	10.00
13 Printing & Stationery Expenses	10.22	11.14
14 Rent	29.04	9.35
15 Repairs and Maintenance	111.72	83.74
16 Sales Promotion	6.26	7.77
17 Screen printing charges	29.15	21.90
18 Transportation	706.42	456.65
19 Tempo & Fuel Expenses	112.61	110.47
20 Vehicle Expenses	21.58	34.09
21 Foreign Exchange Loss	-	6.36
22 CSR expense	9.96	-
23 Other Miscellaneous Expenses	127.87	116.38
<b>TOTAL</b>	<b>3,755.85</b>	<b>3,125.36</b>

## Notes

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

#### NOTE 31.1 PAYMENTS TO AUDITORS

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
(A) As an Auditor		
1 Statutory Audit Fees	3.25	2.50
2 Other Certification Charges	-	0.17
3 Reimbursement of expenses	-	0.07
<b>TOTAL</b>	<b>3.25</b>	<b>2.74</b>

#### NOTE 31.2 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
(A) Amount required to be spent as per section 135 of the Companies Act, 2013	9.69	-
<b>TOTAL</b>	<b>9.69</b>	<b>-</b>
(B) Amount Spent during the year for		
1 Animals and Birds Welfare	3.00	-
2 Relief to poor & distress, Educational and Medical Relief to needy, Animal welfare	2.00	-
3 Medical camp and Medical expenses	3.00	-
4 Promotion of nationally recognized sports	1.00	-
5 Eradicating hunger and promotion of sanitation	0.96	-
<b>TOTAL</b>	<b>9.96</b>	<b>-</b>

Excess amount of ₹ 0.27 lacs will be offsetted against CSR expenses of next financial year.



## Notes

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

#### NOTE 32 EARNING PER EQUITY SHARES (EPS)

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<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 (₹)	968.80	397.53
2 Adjusted weighted average number of equity shares outstanding (Nos in lakhs.) for calculating Basic EPS*	120.73	120.73
<b>3 Basic EPS (₹)</b>	<b>8.02</b>	<b>3.29</b>
<b>(B) Diluted Earning Per Share (₹)</b>		
1 Net Profit after Tax as per Statement of Profit and Loss Attributable to Equity Shareholders (₹)	968.80	397.53
2 Adjusted weighted average number of equity shares outstanding (Nos in Lakhs.) for calculating Diluted EPS*	120.73	120.73
<b>3 Diluted EPS (₹)</b>	<b>8.02</b>	<b>3.29</b>

\* Restated Numbers after considering Shares from Bonus Issue

#### NOTE 33 CONTINGENT LIABILITIES & COMMITMENTS

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(A) Contingent Liabilities</b>		
1 Income Tax Disputes	-	0.93
2 LC / Bills Under LC	1,069.09	81.22
3 Bank guarantee	62.60	62.60
<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))	130.21	5.64
<b>TOTAL</b>	<b>1,261.90</b>	<b>150.39</b>

## 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	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Defined Benefit obligation at beginning of year	107.84	90.61
2 Current Service Cost	16.20	13.99
3 Interest Cost	7.12	6.80
4 Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic assumption	(6.60)	-
5 Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(3.74)	(1.25)
6 Actuarial (Gains)/Losses on Obligations - Due to Experience	6.66	2.55
7 Benefits paid	(1.61)	(4.86)
8 Defined Benefit obligation at year end	125.87	107.84

##### (B) Reconciliation of Fair Value of Plan Assets

(₹ in Lakh)

PARTICULARS	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Fair Value of Plan Assets at start of the year	90.81	82.83
2 Contributions by Employer	28.61	6.57
3 Benefits Paid	(1.61)	(4.86)
4 Interest Income on Plan Assets	6.58	6.27
5 Fair Value of Plan Assets at end of the year	124.39	90.81
6 Actual Return on Plan Assets	6.58	6.27
7 Expected Employer Contributions for the coming year	20.00	30.00

## Notes

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

#### (C) Amount recognized in Balance Sheet

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Present Value of DBO	125.87	107.84
2 Fair value of Plan assets	124.39	90.81
3 Liability/ (Asset) recognised in the Balance Sheet	1.48	17.03
4 Funded Status [Surplus/ (Deficit)]	(1.48)	(17.03)
5 Of which, Short term Liability	-	-
6 Experience Adjustment on Plan Liabilities: (Gain)/ Loss	6.66	2.55

#### (D) Expenses recognised during the year

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Current Service Cost	16.20	13.99
2 Net Interest Cost	0.54	0.53
3 Expenses recognised in P & L	16.74	14.52

#### (E) Expenses recognised in Other Comprehensive Income (OCI)

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Balance at start of year (Loss)/ Gain	4.46	5.76
2 Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic assumption	6.60	-
3 Actuarial (Loss)/ Gain from changes in financial assumptions	3.74	1.25
4 Actuarial (Loss)/ Gain from experience over the past year	(6.66)	(2.55)
5 Balance at end of year (Loss)/ Gain	8.14	4.46

## Notes

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

#### (F) Actuarial Assumptions

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Salary Growth Rate	4% pa	4% pa
2 Discount Rate	6.9% pa	6.6% pa
3 Net Interest Rate on Net DBO/ (Assets)	6.6% pa	7.5% pa
4 Withdrawal Rate	3% pa	5% pa
5 Mortality	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
6 Expected weighted average remaining working life	13 Years	11 Years

#### (G) Percentage Break-down of Total Plan Assets

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	100%	100%
2 Total	100%	100%

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.

#### (H) Movement in Surplus/ (Deficit)

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1 Surplus/ (Deficit) at start of year	(17.03)	(7.78)
2 Current Service Cost	(16.20)	(13.99)
3 Net Interest on net DBO	(0.54)	(0.53)
4 Re-measurements gain/ (loss)	3.68	(1.30)
5 Contributions	28.61	6.57
6 Surplus/ (Deficit) at end of year	(1.48)	(17.03)

## Notes

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

#### NOTE 35 Related party transactions

##### (A) List Of Related Parties Where Control Exists And Relationships:

PARTICULARS	Relationship
<b>(i) Key Managerial Personnel (KMP)</b>	
1 Jagdish L Dedhia	Chairman & Whole Time Directors
2 Sanjay M Dedhia	Joint Managing Director
3 Manish M Dedhia	Joint Managing Director & CFO
4 Drishti Thakker	Company Secretary
<b>(ii) Independent non-executive directors</b>	
1 Dilip Gosar	Independent Director
2 Ashish Doshi	Independent Director
3 Neha Huddar	Independent Director
<b>(iii) Relatives of KMP with whom transactions have taken place during the year.</b>	
1 Khushboo Dedhia	Relative of KMP
<b>(iv) Enterprises over which KMPs are able to exercise significant influence</b>	
1 M/s Mitsu Impex	Partnership Firm in which KMP are partners

##### (B) Transactions with related parties

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(i) With KMPs</b>		
<b>Expenses</b>		
1 Directors Remuneration	230.63	243.75
2 Interest on loan	99.85	115.86
3 Salary & Bonus	5.81	4.38
<b>Borrowings</b>		
4 Loan Received	811.81	459.95
5 Repayment of loan	1,168.50	457.90
<b>Total</b>	<b>2,316.60</b>	<b>1,281.84</b>

## Notes

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

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(ii) With Relatives of KMP</b>		
<b>Expenses</b>		
1 Salary & Bonus	7.81	7.46
<b>Total</b>	<b>7.81</b>	<b>7.46</b>
<b>(iii) With enterprises over which KMPs are able to exercise significant influence</b>		
<b>Revenue</b>		
Sale of Goods (Inclusive of taxes)	0.27	-
<b>Total</b>	<b>0.27</b>	<b>-</b>
<b>(iv) With Other Related Parties</b>		
1 Director Sitting fees	1.32	1.50
<b>Total</b>	<b>1.32</b>	<b>1.50</b>

### (C) Balance at the end of year

PARTICULARS	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>(i) Payable to KMPs, relatives and other parties</b>		
1 Loans	521.47	878.16
2 Interest	-	0.19
3 Remuneration	30.63	18.75
4 Director Sitting Fees	-	0.28
5 Salary & Bonus Payable	1.43	1.21

## Notes

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

#### NOTE 36 GEARING RATIO

(₹ in Lakh & ratio in %)

PARTICULARS	As at	As at
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1 Long term borrowings	3,196.01	2,845.40
2 Current maturities of long term debt	955.96	641.31
3 Short term borrowings	2,250.39	2,880.58
4 Less: Cash and cash equivalent	(33.91)	(21.55)
5 Less: Bank balances other than cash and cash equivalents	(458.52)	(201.85)
6 Net debt	5,909.93	6,143.89
7 Total equity	3,964.93	3,017.61
8 Gearing ratio	0.60	0.67

#### 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 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.

## Notes

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

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.

#### 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.



## Notes

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

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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 minimize 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.

#### (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.

## Notes

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

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#### 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.

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, 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.

#### 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.

## Notes

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

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 31 March 2021 and 31 March 2020.

#### 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.

### NOTE 39 FINANCIAL INSTRUMENTS

#### (A) Accounting Classification and Fair Value

(₹ in Lakh)

Financial Assets / Financial Liabilities	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>(i) Financial Assets</b>				
1 Non Current Investments	76.13	-	88.05	-
2 Loans		23.74	-	22.39
3 Trade Receivables	-	2,915.15	-	2,854.43
4 Cash & Cash Equivalents	-	33.91	-	21.55
5 Other Bank balances	-	458.52	-	201.85
6 Other financial assets	-	4.65	-	4.12
<b>(ii) Financial liabilities</b>				
1 Borrowings	-	6,402.36	-	6,367.29
2 Trade payables	-	1,052.67	-	551.35
3 Other Financial Liability	-	12.66	-	7.74

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, other financial assets borrowings, trade payables and other financial liabilities at their respective carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

## Notes

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

#### (B) Fair Value Measurements hierarchy

(₹ in Lakh)

Financial Assets / Financial Liabilities	As at 31 <sup>st</sup> March 2021			As at 31 <sup>st</sup> March 2020		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(i) <b>Financial Assets</b>						
1 Non Current Investments	76.13	-	-	88.05	-	-

#### NOTE 40 FOREIGN CURRENCY EXPOSURE

(\$ & ₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	US\$ equivalent	INR Equivalent	US\$ equivalent	INR Equivalent
(A) <b>Assets</b>				
1 Trade Receivables	-	-	0.07	5.36
(B) <b>Liabilities</b>				
1 Trade Payables	8.16	600.06	2.43	183.33

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR **GOKHALE & SATHE**  
CHARTERED ACCOUNTANTS  
FRN : 103264W

FOR MITSU CHEM PLAST LTD.

**TEJAS PARIKH**  
(PARTNER)  
Membership No. 123215

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

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

PLACE : MUMBAI  
DATE : 27th May, 2021

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

**DRISHTI THAKKER**  
(COMPANY SECRETARY)

## NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting (“AGM”) of the Members of **Mitsu Chem Plast Limited** will be held on Thursday, September 16, 2021 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 Statements and Reports thereon.

To consider and adopt the Audited financial statements of the Company for the financial year ended March 31, 2021, 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 statements of the Company for the financial year ended March 31, 2021 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, 2021 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, 2021.”

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

To appoint a Director in place of Mr. Sanjay M. Dedhia (DIN: 01552883) 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. Sanjay M. Dedhia (DIN: 01552883), 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: Revision in terms of remuneration of Mr. Jagdish L. Dedhia (DIN: 01639945), Chairman & Whole -Time Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and Schedule V of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Act (including any amendment(s), modification(s), re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to revise and ratify the terms of remuneration paid to Mr. Jagdish L. Dedhia, DIN: 01639945), Chairman & Whole -Time Director of the Company w.e.f. April 1, 2021, for the balance tenor of his appointment i.e. upto April 30, 2022, with the liberty to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to by the Board of Directors (including Committee(s) of the Board) and Mr. Jagdish L. Dedhia, subject to the same not exceeding the limits specified in Section 197 read with Schedule V to the Act or any statutory modification(s) or re-enactment thereof.

### REMUNERATION

#### a) Basic Salary:

In the scale of ₹ 8,00,000/- to ₹ 9,00,000/- per month with such increments as may be decided by the Board from time to time.

#### b) Commission:

Mr. Jagdish L. Dedhia shall also be paid commission to the extent of 1% of the net profit of the Company for the relevant financial year, as may be determined at the end of each financial year or a part of the year, as calculated under Section 198 and such other applicable provisions, if any, of the Act, as may be determined from time to time.

## NOTICE (Contd.)

### c) Benefits, Perquisites, Allowances:

- i. Contribution to Provident fund, Superannuation fund or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act 1961;
- ii. Gratuity benefits in accordance with the rules and regulations in force in the Company from time to time;
- iii. Other perquisites shall include expenses/reimbursement towards driver's salary, food vouchers, gas, electricity, water, furnishings and repairs, membership fees/subscription of clubs, expenses incurred towards travelling, boarding and lodging including for Mr. Jagdish L. Dedhia's spouse and attendant(s) during business trips, actual medical expenses incurred in India and / or abroad including hospitalization for self and family, medical insurance (for self and family) and personal accident insurance, term life insurance or any other insurance premium paid as per the policy of the Company.
- iv. Earned/privilege leave, sick leave and casual leave shall be entitled as per the policy of the Company. He shall also be entitled to Leave encashment which shall be as per the policy of the Company.
- v. Such other perquisites, allowances, benefits and amenities as per the policy/ rules of the Company in force and/or as may be approved from time to time.

The perquisites shall be valued as per the Income Tax Act, 1961, wherever applicable.

### d) Minimum Remuneration:

Not with standing anything to the contrary herein contained, where in any financial year during the currency of Mr. Jagdish L. Dedhia's tenure, the Company has no profits or the profits are inadequate, the Company shall pay in respect of such financial year, the remuneration by way of salary, perquisites, allowances and other benefits as specified above, subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any.

**RESOLVED FURTHER THAT** all other terms and conditions in relation to the appointment of Mr. Jagdish L. Dedhia, Chairman & Whole-Time Director shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors of the Company 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: Revision in terms of remuneration of Mr. Sanjay M. Dedhia (DIN: 01552883) Managing Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and Schedule V of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Act (including any amendment(s), modification(s), re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to revise and ratify the terms of remuneration paid to Mr. Sanjay M. Dedhia, (DIN: 01552883) Managing Director of the Company, w.e.f. April 1, 2021, for the balance tenor of his appointment i.e. upto April 30, 2022, with the liberty to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to by the Board of Directors (including Committee(s) of the Board) and Mr. Sanjay M. Dedhia, subject to the same not exceeding the limits specified in Section 197 read with Schedule V to the Act or any statutory modification(s) or re-enactment thereof."

### REMUNERATION

#### a) Basic Salary:

In the scale of ₹ 8,00,000/- to ₹ 9,00,000/- per month with such increments as may be decided by the Board from time to time.

## NOTICE (Contd.)

### b) Commission:

Mr. Sanjay M. Dedhia shall also be paid commission to the extent of 1% of the net profit of the Company for the relevant financial year, as may be determined at the end of each financial year or a part of the year, as calculated under Section 198 and such other applicable provisions, if any, of the Act, as may be determined from time to time.

### c) Benefits, Perquisites, Allowances:

- i. Contribution to Provident fund, Superannuation fund or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act 1961;
- ii. Gratuity benefits in accordance with the rules and regulations in force in the Company from time to time;
- iii. Other perquisites shall include expenses/reimbursement towards driver's salary, food vouchers, gas, electricity, water, furnishings and repairs, membership fees/subscription of clubs, expenses incurred towards travelling, boarding and lodging including for Mr. Sanjay M. Dedhia's spouse and attendant(s) during business trips, actual medical expenses incurred in India and / or abroad including hospitalization for self and family, medical insurance (for self and family) and personal accident insurance, term life insurance or any other insurance premium paid as per the policy of the Company.
- iv. Earned/privilege leave, sick leave and casual leave shall be entitled as per the policy of the Company. He shall also be entitled to Leave encashment which shall be as per the policy of the Company.
- v. Such other perquisites, allowances, benefits and amenities as per the policy/rules of the Company in force and/or as may be approved from time to time.

The perquisites shall be valued as per the Income Tax Act, 1961, wherever applicable.

### d) Minimum Remuneration:

Not with standing anything to the contrary herein contained, where in any financial year during the currency of Mr. Sanjay M. Dedhia's tenure, the Company has no profits or the profits are inadequate, the Company shall pay in respect of such financial year, the remuneration by way of salary, perquisites, allowances and other benefits as specified above, subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any.

**RESOLVED FURTHER THAT** all other terms and conditions in relation to the appointment of Mr. Sanjay M. Dedhia, Managing Director shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, 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: Revision in terms of remuneration of Mr. Manish M. Dedhia (DIN: 1552841) Managing Director & Chief Financial Officer of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and Schedule V of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Act (including any amendment(s), modification(s), re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to revise and ratify the terms of remuneration paid to Mr. Manish M. Dedhia (DIN: 01552841), Managing Director & CFO of the Company w.e.f. April 1, 2021, for the balance tenor of his appointment i.e. upto April 30, 2022, with the liberty to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to by the Board of Directors (including Committee(s) of the Board) and Mr. Manish M. Dedhia, subject to the same not exceeding the limits specified in Section 197 read with Schedule V to the Act or any statutory modification(s) or re-enactment thereof."

### REMUNERATION

#### a) Basic Salary:

In the scale of ₹ 8,00,000/- to ₹ 9,00,000/- per month with such increments as may be decided by the Board from time to time.

## NOTICE (Contd.)

### b) Commission:

Mr. Manish M. Dedhia shall also be paid commission to the extent of 1% of the net profit of the Company for the relevant financial year, as may be determined at the end of each financial year or a part of the year, as calculated under Section 198 and such other applicable provisions, if any, of the Act, as may be determined from time to time.

### c) Benefits, Perquisites, Allowances:

- i. Contribution to Provident fund, Superannuation fund or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act 1961;
- ii. Gratuity benefits in accordance with the rules and regulations in force in the Company from time to time;
- iii. Other perquisites shall include expenses/reimbursement towards driver's salary, food vouchers, gas, electricity, water, furnishings and repairs, membership fees/subscription of clubs, expenses incurred towards travelling, boarding and lodging including for Mr. Manish M. Dedhia's spouse and attendant(s) during business trips, actual medical expenses incurred in India and / or abroad including hospitalization for self and family, medical insurance (for self and family) and personal accident insurance, term life insurance or any other insurance premium paid as per the policy of the Company.

iv. Earned/privilege leave, sick leave and casual leave shall be entitled as per the policy of the Company. He shall also be entitled to Leave encashment which shall be as per the policy of the Company.

v. Such other perquisites, allowances, benefits and amenities as per the policy/ rules of the Company in force and/or as may be approved from time to time.

The perquisites shall be valued as per the Income Tax Act, 1961, wherever applicable.

### d) Minimum Remuneration:

Not with standing anything to the contrary herein contained, where in any financial year during the currency of Mr. Manish M. Dedhia's tenure, the Company has no profits or the profits are inadequate, the Company shall pay in respect of such financial year, the remuneration by way of salary, perquisites, allowances and other benefits as specified above, subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any.

**RESOLVED FURTHER THAT** all other terms and conditions in relation to the appointment of Mr. Manish M. Dedhia, Managing Director & CFO shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, 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 12, 2021

**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 COVID-19 pandemic, 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 and January 13, 2021 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as “SEBI Circular”) 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”), MCA Circulars and SEBI 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. 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 and SEBI 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 including Route Map are not annexed to this Notice.
4. 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 [shreya.h.shah28@gmail.com](mailto:shreya.h.shah28@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. 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 Depository Participant (“DP”) and Member holding shares in physical form are required to fill and submit Form No. SH-13 (available on request) with the Company’s Registrar and Share Transfer Agent M/s. Bigshare Services Pvt. Ltd. (“RTA”).
6. 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 details, NECS, mandates, nominations, power of attorney etc., to their DP. Member holding shares in physical form are requested to intimate any of the above changes to the Company’s RTA.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday September 10, 2021 to Thursday September 16, 2021 (both days inclusive).
8. Members who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [investor@mitsuchem.com](mailto:investor@mitsuchem.com). The same will be replied by the Company suitably.
9. **Dispatch of Annual Report through electronic mode:**
  - (a) In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2020-21 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 2020-21 will also be available on the Company’s website at [www.mitsuchem.com](http://www.mitsuchem.com) and on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## NOTES (Contd.)

- (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 DP or at [www.bigshareonline.com](http://www.bigshareonline.com).

### 10. Dividend:

- (a) The Company has fixed Thursday, September 9, 2021 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, 2021, 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 dispatched to the registered address of the Members who have not updated their bank account details.
- (c) Any request for revalidation of demand draft(s) by any Member of the Company may be directed to the Company or its RTA.
- (d) Shareholders are requested to register / update their complete bank details: (i) with their DP(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.
- (e) 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 individual shareholders if the total dividend paid does not exceed ₹ 5,000/-.
- (f) 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).
- (g) 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 [tds@bigshareonline.com](mailto:tds@bigshareonline.com) by 11.59 p.m. IST on Monday, September 13, 2021.
- (h) 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 [tds@bigshareonline.com](mailto:tds@bigshareonline.com) by 11.59 p.m. IST on Monday, September 13, 2021.
- (i) Members, wishing to claim dividends, which remain unclaimed for the financial year 2019-2020, are requested to write to the Company's RTA. Members are requested to note that, dividends if not encashed for a 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. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

11. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting on the day of the AGM will be provided by NSDL.
12. The remote e-voting period begins on Monday, September 13, 2021 at 9:00 a.m. and ends on September 15, 2021 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, September 9, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

## NOTES (Contd.)

### 13. The Instructions for Members for Remote e-voting and joining the meeting are as under:





#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>1. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p>  App Store            Google Play         </p> <div style="display: flex; justify-content: space-around;">   </div>

## NOTES (Contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants.	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

## NOTES (Contd.)

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nSDL.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

## NOTES (Contd.)

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting

website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013 at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor@mitsuchem.com](mailto:investor@mitsuchem.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor@mitsuchem.com](mailto:investor@mitsuchem.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility pro-

## NOTES (Contd.)

vided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM 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 system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID

and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at [investor@mitsuchem.com](mailto:investor@mitsuchem.com) on or before September 9, 2021 (5:00 p.m. IST). 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.
7. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
8. Please remember speaking serial number and start your conversation with the panellists 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.

## NOTES (Contd.)

### 14. 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, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and issue, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

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

15. 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 [investor@mitsuchem.com](mailto:investor@mitsuchem.com) till the date of the AGM.

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

**Date:** August 12, 2021

**Place:** Mumbai

**Registered office:**

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

**Jagdish Dedhia**

**Chairman & Whole-Time Director**

**DIN: 01639945**



## ANNEXURE TO NOTICE

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

#### Item No. 4:

The Members at the 31st Annual General Meeting of the Company, re-appointed Mr. Jagdish L. Dedhia (DIN: 01639945) as Whole-Time Director for a further period of 3 (three) years w.e.f. May 1, 2019 upto April 30, 2022. Subject to approval of Members, the Nomination & Remuneration Committee and the Board of Directors at its meeting held on May 27, 2021 recommended and approved, revision in the remuneration terms of Mr. Jagdish L. Dedhia w.e.f. April 1, 2021 for remaining tenure provided that such revision in remuneration is within specified limit as specified under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013.

The Board recommends the Resolution set out at Item No. 4 for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Jagdish L. Dedhia, are in any way interested or concerned, financially or otherwise, in the said resolution.

#### Item No. 5:

The Members at the 31st Annual General Meeting of the Company, re-appointed Mr. Sanjay M. Dedhia (DIN: 01552883) as Managing Director for a further period of 3 (three) years w.e.f. May 1, 2019 upto April 30, 2022. Subject to approval of Members, the Nomination & Remuneration Committee and the Board of Directors at its meeting held on May 27, 2021 recommended and approved, revision in the remuneration terms of Mr. Sanjay M. Dedhia w.e.f. April 1, 2021 for remaining tenure provided that such revision in remuneration is within specified limit as specified under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013.

The Board recommends the Resolution set out at Item No. 5 for approval of the Members.

Mr. Sanjay M. Dedhia is interested in the resolution. Mr. Manish M. Dedhia, Managing Director & CFO, being related to Mr. Sanjay M. Dedhia may be deemed to be interested in the said item.

Other relatives of Mr. Sanjay M. Dedhia may be deemed to be interested in the resolution set out at the said item to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel or their relatives are interested or concerned in the resolution.

#### Item No. 6:

The Members at the 31st Annual General Meeting of the Company, re-appointed Mr. Manish M. Dedhia (DIN: 01552841) as Managing Director & CFO for a further period of 3 (three) years w.e.f. May 1, 2019 upto April 30, 2022. Subject to approval of members, the Nomination & Remuneration Committee and the Board of Directors at its meeting held on May 27, 2021 recommended and approved, revision in the remuneration terms of Mr. Manish M. Dedhia w.e.f. April 1, 2021 for remaining tenure provided that such revision in remuneration is within specified limit as specified under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013.

The Board recommends the Resolution set out at Item No. 6 for approval by the Members.

Mr. Manish M. Dedhia is interested in the resolution. Mr. Sanjay M. Dedhia, Managing Director, being related to Mr. Manish M. Dedhia may be deemed to be interested in the said item.

Other relatives of Mr. Manish M. Dedhia may be deemed to be interested in the resolution set out at the said item to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel or their relatives are interested or concerned in the resolution.

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

**Jagdish Dedhia**

**Chairman & Whole-Time Director**

**DIN: 01639945**

**Date:** August 12, 2021

**Place:** Mumbai

**Registered office:**

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

## ANNEXURE TO NOTICE (Contd.)

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

[Pursuant to Regulation 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>
Date of Birth	December 10, 1960
Date of First Appointment	April 12, 1990
Qualification	B. Sc.
Expertise in specific functional areas	Vast experience in Plastic Industry. Please refer Company's website: <a href="http://www.mitsuchem.com">www.mitsuchem.com</a> for detailed profile.
Terms and conditions of appointment or re-appointment	The details are provided in the resolution at Item no. 3 of this Notice.
Directorships in other listed entities as on March 31, 2021	NIL
Membership of any Committees of other listed entities as on March 31, 2021	NIL
No of Equity Shares held in the Company	12,67,092 Equity Shares
Relationship between directors inter-se	None

For and On Behalf of Board of Directors

**Date:** August 12, 2021

**Place:** Mumbai

**Registered office:**

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

**Jagdish Dedhia**

**Chairman & Whole-Time Director**

**DIN: 01639945**



**Mitsu**

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**Mitsu Chem Plast Limited**

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

**[www.mitsuchem.com](http://www.mitsuchem.com)**