Notes to the Financial Statement for the year ended March 31, 2021

1. **CORPORATE INFORMATION**

Hitech Corporation Limited ('the Company') is engaged in manufacturing of rigid plastic packaging products specially catering to customers relating to paints, lube, agro chemical, FMCG, personal and health care and home care product as well as export market.

The Company is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India, namely the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company's registered office is at 201, Welspun House, 2nd floor, Kamala City, Lower Parel (W), Mumbai- 400 013. As at March 31, 2021, Geetanjali Trading & Investments Private Limited, the holding Company owned 69.11% of the Company's equity share capital.

2. **BASIS OF PREPARATION, MEASUREMENT, KEY ACCOUNTING ESTIMATES AND JUDGEMENTS AND SIGNIFICANT ACCOUNTING POLICIES**

2.1. **Basis of preparation**

These financial statements of the Company are prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

These financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto is use.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

2.2. **Key estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas involving critical estimates or judgements are:

i. Determination of the estimated useful lives of property, plant & equipment and the assessment as to which components of the cost may be capitalized; (Note 2.4 .1)

ii. Determination of the estimated useful lives of intangible assets (Note 2.4 .2)

iii. Recognition and measurement of defined benefit obligations, key actuarial assumptions. (Note 40)

iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 18)

v. Fair value of financial instruments (Note 2.3)

vi. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Note 19)

vii. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right- of - use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

2.3. **Measurement of Fair Value**

The Company's accounting policies and disclosures require financial instruments to be measured at fair values.

The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.4. **Significant Accounting Policies**

1. **Property, Plant and Equipment**

Recognition and Measurement

Items of property, plant and equipment, other than freehold land that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at cost and is not depreciated.

The cost of an item of property, plant and equipment comprises of its purchase price including taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs of bringing the asset to its working condition. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalised under relevant heads of Property, Plant & Equipment if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation on property, plant & equipment other than factory buildings is provided on the straight-line method, pro rata to the period of use, over their useful life. Depreciation on factory buildings is provided on written down value method, pro rata to the period of use, over their useful life. The estimated useful lives of assets are as follows:

Asset Block	Useful life
Factory Buildings (1)	15 to 40 years
Moulds (1)	4 years
Plant & Machinery (1)	5 to 19 years
Furniture & Fixture	5 to 10 years
Computers (1)	5 years
Vehicles (1)	5 years
Office Equipment	5 years
Leasehold improvements	Over lease term

(1) Based on technical evaluation of useful life by the Management, it believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual value of property, plant & equipment except buildings, is considered at ₹ Nil as the realisable value at the end of useful life is not expected to be significant. In case of factory building the residual value is estimated by management to be at 5% of cost.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

2. **Intangible Assets**

Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

Amortization

Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognised in the Statement of Profit & Loss. The estimated useful lives for intangible asset are 3 years.

The amortization period and method for an intangible asset with finite useful life is reviewed at least at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

3. **Right to use Asset**

The Company's lease asset classes primarily consist of leases for land, premises and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate which is the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance lease or operating lease by reference to the right – of – use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

4. **Investment Property**

Recognition and measurement

Investment properties are properties held to earn rentals and / or for capital appreciation. Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Freehold land is carried at cost and is not depreciated.

Cost includes purchase price, taxes and duties and other direct costs incurred for bringing the asset to the condition of its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Depreciation

Depreciation on leasehold land is provided on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Depreciation on building is provided on written down value method, pro rata to the period of use, over their useful life. The estimated useful lives based on technical evaluation by the Management is 40 years. The residual value is estimated by management to be at 5% of cost.

Derecognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

5. **Non-current assets held for sale**

Non-current assets held for sale are presented separately in the Balance Sheet when the following criteria are met:

- the Company is committed to selling the assets;
- the assets are available for sale immediately;
- an active plan of sale has commenced;
- sale is expected to be completed within 12 months; and
- it is highly probable that they will be recovered primarily through sales rather than through continuing use.

Assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

6. **Capital Work in Progress and Capital Advances**

Cost of assets not ready for intended use, as on balance sheet date, is shown as capital work in progress. Advances given towards acquisition of Property Plant and Equipment outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

7. **Impairment of non-financial assets**

At each balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's non-financial assets. An impairment loss is recognised whenever the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which the impairment takes place. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

8. **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, except in the case of financial assets not recorded at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed through the Statement of Profit and Loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortised cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit & loss (FVTPL)

i. **Financial Assets measured at Amortised cost**

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are measured at amortised cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Subsequently such financial assets are measured at amortized cost using the Effective Interest Rate (EIR) method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under finance income in the Statement of Profit and Loss.

ii. **Financial Assets measured at FVTOCI**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest income from these financial assets is included in other income using the effective interest rate method.

iii. **Financial Assets measured at FVTPL**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through Profit or Loss is recognised in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income**.**

Equity Instruments

All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset is derecognised only when:

i. the rights to receive cash flows from the financial asset have expired contract is discharged, cancelled or expires.

ii. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

iii. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of Financial Assets

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortized cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL allowance recognised (or reversed) during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Financial Liabilities

Classification as liability or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. Interest expense are included in the 'Finance costs' line item.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

9. **Inventory**

Inventories comprise of raw materials, packing materials, work-in-progress, finished goods and stores and spares. Inventories are valued at lower of cost and net realisable value. Costs are ascertained on First in First Out (FIFO) basis. Costs includes cost of purchase and other costs incurred in bringing each product to its present location and condition. In the case of manufactured inventories, cost includes cost of raw materials, packing materials and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal operating capacity. Variable production overheads are allocated based on actual use of production facilities.

Net realizable value represents the estimated selling price for inventories in normal course of business, less all estimated costs of completion and costs necessary to make the sale.

Provision is made for cost of obsolescence and other anticipated losses whenever considered necessary.

10. **Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, book debit balances in cash credit and current accounts, deposits held at call with financial institutions, other short term highly liquid investments, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents, cash and short - term deposits as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

11. **Provisions, Contingent Liabilities and Contingent Assets**

The Company recognizes a provision when there is a present legal or constructive obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefit is probable.

12. **Revenue Recognition**

Revenue from contracts with customers is recognized on transfer of control of promised goods to customers for an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue excludes taxes or duties collected on behalf of the government.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. Revenue is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of Products

Revenue from sale of products is recognized when the control on the goods has been transferred to the customer. The performance obligation in case of sale of products is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. The Company recognizes revenues on the sale of products, net of returns, discounts (if any) and amounts collected on behalf of third parties (such as GST).

Rendering of Services

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

Interest Income

Interest income is recognized using the effective interest rate (EIR) method.

13. **Employee Benefits**

i. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

ii. **Post-Employment Benefits**

- **Defined Contributions plan**

Provident Fund and Employee State Insurance Scheme

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

Recognition and measurement of defined contribution plans

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

- **Defined Benefit plans:**

Gratuity scheme

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

ii. **Other Long-Term Employee Benefit**

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulations of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses in respect of such benefits are charged to Statement of Profit and Loss in the period in which they arise.

iii. **Ind AS 19 – Plan Amendment, Curtailment or Settlement**

As per the amendment to Ind AS 19 if there is a change in the plan assets, amendment, curtailment or settlement occurs, then the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

14. **Income Taxes**

Income tax expense/ income comprises current tax expense income and deferred tax expense income. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI. In which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period.

As per the Appendix to Ind AS 12, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings.

In accordance with Amendment to Ind AS 12, Income Taxes

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity. The entity pays tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

15. **Foreign Currency Transactions**

i. **Functional and Presentation currency**

The Company's financial statements are prepared in Indian Rupees (INR "₹") which is also the Company's functional currency.

ii. **Transactions and balances**

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in the year in which they arise except for the qualifying cash flow hedge, which are recognised in OCI to the extent that the hedges are effective.

16. **Government Grant and subsidies**

Grants in the nature of subsidy which are non-refundable are credited to the statement of profit and loss, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them.

Grants in the nature of subsidy which are refundable are shown as liabilities in the Balance Sheet.

17. **Derivative Financial instruments and hedge accounting**

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Forward exchange contracts

The Company enters into forward exchange contracts in nature of currency swaps and interest rate swaps to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contract is marked to market (MTM) and the gain/ loss on the same is recognised as an expense/income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or expense for the period.

18. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

19. **Research and Development**

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

20. **Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

In accordance with the amended Ind AS 23 Borrowing Cost, if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

21. **Exceptional items**

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company and to assist users of financial statements in making projections of future financial performance.

22. **Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

23. **Dividend**

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

24. **Earnings Per Share**

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

25. **Segment Reporting**

The Company has identified Plastic Containers as its single primary reportable segment in accordance with the requirements of Ind AS 108 - Operating Segments.

3. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Other Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to the Financial Statements

Note 4 A : Property, Plant and Equipment

(₹ in lakhs)

	Gross Carrying Amount						Depreciation/ Amortisation						Closing Carrying Amount
	As at 01.04.2020	Additions during the year	Deductions/ adjustments	Reclassified to Investment Property (Refer Note 4 C)	Reclassified to Assets held for Sale (Refer Note 13)	As at 31.03.2021	As at 01.04.2020	Additions / Amortization during the year	Deductions/ adjustments	Reclassified to Investment Property (Refer Note 4 C)	Reclassified to Assets held for Sale (Refer Note 13)	As at 31.03.2021	As at 31.03.2021
Freehold Land	2,993.52	37.88	-	-	511.03	**2,520.37**	-	-	-	-	-	**-**	**2,520.37**
Buildings	15,493.21	18.02	22.71	761.00	33.36	**14,694.16**	2,312.73	1,054.83	5.90	224.23	4.15	**3,133.28**	**11,560.88**
Plant & Machinery													
Moulds	1,555.66	316.63	13.92	-	-	**1,858.37**	882.09	354.88	5.38	-	-	**1,231.59**	**626.78**
Other Machinery	12,236.81	469.73	80.05		-	**12,626.49**	4,401.57	1,279.53	75.29	-	-	**5,605.81**	**7,020.68**
Furniture	223.42	181.70	4.47	-	-	**400.65**	78.51	40.20	4.07	-	-	**114.64**	**286.01**
Leasehold Improvements	4.74	-	-	-	-	**4.74**	4.66	0.08	-	-	-	**4.74**	**-**
Computers	80.82	22.73	2.27	-	-	**101.28**	48.67	12.11	1.60	-	-	**59.18**	**42.10**
Office Equipment	114.06	23.26	0.22	-	-	**137.10**	47.16	18.44	0.22	-	-	**65.38**	**71.72**
Vehicles	76.06	-	-	-	-	**76.06**	58.31	14.09	-	-	-	**72.40**	**3.66**
Total	**32,778.30**	**1,069.95**	**123.64**	**761.00**	**544.39**	**32,419.22**	**7,833.70**	**2,774.16**	**92.46**	**224.23**	**4.15**	**10,287.02**	**22,132.20**

(Previous Year)

(₹ in lakhs)

	Gross Carrying Amount						Depreciation/ Amortisation						Closing Carrying Amount
	As at 01.04.2019	Additions during the year	Deductions/ adjustments	Reclassified to Right of Use Assets (Refer Note 4B)	Reclassified to Assets held for Sale	As at 31.03.2020	As at 01.04.2019	Additions / Amortization during the year	Deductions/ adjustments	Reclassified to Right of Use Assets (Refer Note 4B)	Reclassified to Assets held for Sale	As at 31.03.2020	As at 31.03.2020
Freehold Land	2,987.07	6.45	-	-	-	2,993.52	-	-	-	-	-	-	2,993.52
Leasehold Land	2,100.77	-	-	2,100.77	-	-	46.07	-	-	46.07	-	-	-
Buildings	11,654.32	3,838.89	-	-	-	15,493.21	1,245.61	1,067.12	-	-	-	2,312.73	13,180.48
Plant & Machinery													
Moulds	1,381.13	179.53	5.00	-	-	1,555.66	557.31	325.11	0.33	-	-	882.09	673.57
Other Machinery	9,906.50	2,388.39	58.08			12,236.81	3,064.04	1,372.25	34.72	-	-	4,401.57	7,835.24
Furniture	189.17	35.45	1.20	-	-	223.42	56.25	22.95	0.69	-	-	78.51	144.91
Leasehold Improvements	4.74	-	-	-	-	4.74	4.50	0.16	-	-	-	4.66	0.08
Computers	64.14	16.68	-	-	-	80.82	34.77	13.90	-	-	-	48.67	32.15
Office Equipment	69.15	44.91	-	-	-	114.06	28.99	18.17	-	-	-	47.16	66.90
Vehicles	76.06	-	-	-	-	76.06	42.79	15.52	-	-	-	58.31	17.75
Total	28,433.05	6,510.30	64.28	2,100.77	-	32,778.30	5,080.33	2,835.18	35.74	46.07	-	7,833.70	24,944.60

The amount of Contractual commitments for the acquisition of Property plant and equipment is disclosed in Note 34 (b).

Part of the above assets are offered as collateral towards borrowings (Refer Note 43)

Note 4 B : Right of Use assets

Following are the changes in the carrying value of Right of Use (ROU) assets for the year ended March 31, 2021:

(₹ in lakhs)

Particulars	Category of ROU assets			Total
	Leasehold Land	Premises	Vehicle	
Balance as at April 1, 2020	**2,054.70**	**445.71**	**31.28**	**2,531.69**
Additions during the year	13.33	24.93	23.58	61.84
Deletion during the year*	20.49	-	-	20.49
Transferred to Investment Property (Refer Note 4 B)	248.09	-	-	248.09
Transferred to Assets held for Sale (Refer Note 13)	15.45			15.45
Depreciation / Amortisation for the year	22.58	121.21	19.83	163.62
Balance as at March 31, 2021	**1,761.42**	**349.43**	**35.03**	**2,145.88**

* During the year, the rights to leasehold land held at Sarigam was transferred alongwith the building and profit thereon is included in exceptional item. (Refer Note 31)

Following are the changes in the carrying value of Right of Use (ROU) assets for the year ended March 31, 2020:

(₹ in lakhs)

Particulars	Category of ROU assets			Total
	Leasehold Land	Premises	Vehicle	
Balance on adoption of Ind AS 116 as at April 1, 2019	**22.64**	**509.04**	**36.76**	**568.44**
WDV reclassified on adoption of Ind AS 116 (Refer Note 4A)	2,054.70	-	-	2,054.70
Balance as at April 1, 2019	**2,077.34**	**509.04**	**36.76**	**2,623.14**
Additions during the year	-	45.57	9.18	54.75
Deletion during the year	-	-	-	-
Depreciation/Amortisation for the year	22.64	108.90	14.66	146.20
Balance as at March 31, 2020	**2,054.70**	**445.71**	**31.28**	**2,531.69**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss. (Refer Note 29)

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	135.63	113.39
Non-current lease liabilities	284.05	381.95
Total	**419.68**	**495.34**

The following is the movement in lease liabilities during the year ended March 31, 2021:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at April 1, 2020	495.34	553.97
Addition during the year	47.66	44.28
Finance cost accrued during the year	41.77	42.82
Deletions during the year	-	-
Payment of lease liabilities during the year	135.50	145.73
Lease Rent Waiver	29.59	-
Balance as at March 31, 2021	**419.68**	**495.34**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	167.10	152.87
One to five year	289.42	398.86
More than five year	204.38	205.64
Total	**660.89**	**757.37**

Rental expense recorded for short-term leases for the year ended March 31, 2021 ₹ 1.34 lakhs (Previous Year Rs. 11.74 Lakh).

Note 4 C : Investment Property

(₹ in lakhs)

	Gross Carrying Amount					Depreciation/ Amortisation					Closing Carrying Amount
	As at 01.04.2020	Additions during the year	Deductions/ adjustments	Reclassified from Property Plant Equipment / Right use of asset	As at 31.03.2021	As at 01.04.2020	Additions / Amortization during the year	Deductions/ adjustments	Reclassified from Property Plant Equipment / Right use of asset	As at 31.03.2021	As at 31.03.2021
Freehold Land	41.50	-	41.50	-	-	-	-	-	-	-	-
Leasehold Land	-	-	-	265.51	265.51	-	-	-	17.42	17.42	248.09
Building	90.98	-	90.98	761.00	761.00	19.78	2.69	22.47	224.23	224.23	536.77
Total	**132.48**	**-**	**132.48**	**1,026.51**	**1,026.51**	**19.78**	**2.69**	**22.47**	**241.65**	**241.65**	**784.86**

(Previous Year)

(₹ in lakhs)

	Gross Carrying Amount					Depreciation/ Amortisation					Closing Carrying Amount
	As at 01.04.2019	Additions during the year	Deductions/ adjustments	Reclassified from Property Plant Equipment / Right use of asset	As at 31.03.2020	As at 01.04.2019	Additions / Amortization during the year	Deductions/ adjustments	Reclassified from Property Plant Equipment / Right use of asset	As at 31.03.2020	As at 31.03.2020
Freehold Land	41.50	-	-	-	41.50	-	-	-	-	-	41.50
Building	90.98	-	-	-	90.98	15.27	4.51	-	-	19.78	71.20
Total	**132.48**	**-**	**-**	**-**	**132.48**	**15.27**	**4.51**	**-**	**-**	**19.78**	**112.70**

(₹ in lakhs)

	Fair Value				
	As at 01.04.2020	**Change during the year**	**Deductions / adjustments**	**Reclassified from Property Plant Equipment / Right use of asset**	**As at 31.03.2021**
Freehold Land	105.81	-	105.81	-	-
Leasehold Land	-	-	-	306.49	306.49
Building	133.61	-	133.61	730.01	730.01
Total	239.42	-	239.42	1,036.50	1,036.50

(Previous year) (₹ in lakhs)

	Fair Value				
	As at 01.04.2019	**Change during the year**	**Deductions / adjustments**	**Reclassified from Property, Plant & Equipment**	**As at 31.03.2020**
Freehold Land	99.87	5.94	-	-	105.81
Building	133.61	-	-	-	133.61
Total	233.48	5.94	-	-	239.42

Note 4 C : Investment Property (Contd .....)
Notes:

1. Information regarding income and expenditure of Investment Property

a. The Company had entered into an agreement to give its factory building along with freehold land situated at Dadra on operating lease effective April 1, 2019. The said lease was terminated from Novermber 1, 2020 and the property was sold in January 2021. The profit on sale of property amounting to Rs. 269.15 lakhs is included under exceptional item.

b. Amount recognised in profit or loss are as under:

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Rental income derived from Investment Property	**16.22**	27.81
Less: Direct operating expenses	**3.43**	8.19
Profits arising from investment property before depreciation	**12.80**	19.62
Less: Depreciation	**2.69**	4.51
Profit arising from Investment Property	**10.11**	15.11

c. During the year, the operations at the manufacturing facility of the Company situated at Sitarganj (Uttarakhand) has been discontinued with effect from October 2020, as a part of strategy to rationalise the production facilities towards profitable products and optimise the cost. The plant and machinery have been shifted to other manufacturing facilities whereas leasehold land and building has been reclassifed to investment property as on March 31, 2021 and held for capital appreciaiton.

2. The Management has determined that the investment property consists of two class of assets - Land and building - based on the nature, characteristics and risks of each property.

3. The fair valuation is based on current prices in the active market for similar properties and has been valued by an independent valuer. The main input used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.

4. The Company has no restriction on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Note 4 D : Other Intangible Assets

(₹ in lakhs)

	Gross Carrying Amount				Depreciation/ Amortisation				Closing Carrying Amount
	As at 01.04.2020	Additions during the Year	Deductions / adjustments	As at 31.03.2021	As at 01.04.2020	Additions / Amortization during the Year	Deductions / adjustments	As at 31.03.2021	As at 31.03.2021
Software	64.31	26.28	1.42	**89.17**	50.38	10.93	1.42	59.89	**29.28**
Patent	0.01	-	-	**0.01**	-	-	-	**-**	**0.01**
Total	**64.32**	**26.28**	**1.42**	**89.18**	**50.38**	**10.93**	**1.42**	**59.89**	**29.29**

(Previous Year)

(₹ in lakhs)

	Gross Carrying Amount				Depreciation/ Amortisation				Closing Carrying Amount
	As at 01.04.2019	Additions during the Year	Deductions / adjustments	As at 31.03.2020	As at 01.04.2019	Additions / Amortization during the Year	Deductions / adjustments	As at 31.03.2020	As at 31.03.2020
Software	64.31	-	-	64.31	39.48	10.90	-	50.38	13.93
Patent	0.01	-	-	0.01	-	-	-	-	0.01
Total	64.32	-	-	64.32	39.48	10.90	-	50.38	13.94

(₹ in lakhs)

Note 5 : Investments	As at March 31, 2021	As at March 31, 2020
Non Current		
Unquoted, fully paid up:		
At Fair Value through Profit or Loss		
Investment in Equity Instruments		
11,000 (March 31, 2020: 11,000) Equity Shares of ₹100/- each fully paid up in HO Plast Pvt Ltd	11.00	11.00
Less: Impairment in value of investment	(11.00)	(11.00)
Total	-	-
Aggregate amount of Unquoted Investments	11.00	11.00
Aggregate amount of Quoted Investments	-	-
Aggregate Market Value of Quoted Investments	-	-
Aggregate amount of Impairment in Value of Investments	11.00	11.00

(₹ in lakhs)

Note 6 : Loans	As at March 31, 2021	As at March 31, 2020
Non Current		
Unsecured :		
Security Deposits		
Considered Good	448.24	534.25
Security deposits which are credit impaired	1.00	2.66
	449.24	536.91
Less: Loss Allowance	(1.00)	(2.66)
Total	448.24	534.25

(₹ in lakhs)

Note 7 : Other Financial Assets	As at March 31, 2021	As at March 31, 2020
Non-Current		
Fixed Deposits with original maturity of more than 12 months	24.80	24.26
Subsidy receivable from State Government	172.14	108.06
Total	196.94	132.32
Current		
Quantity discount receivable	90.17	329.06
Subsidy Receivable From State Government	-	74.26
Accrued interest on Security Deposits	13.70	17.23
Total	103.87	420.55
Note:		
(a) Of the above deposits under lien with sales tax authorities	5.00	2.50

(b) The Company was eligible for Industrial Promotion Subsidy under the Package Scheme of Incentive (PSI) 2007 upto March 31, 2019. The movement in the amount receivable is as under:

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Opening balance of subsidy receivable	182.32	225.03
Less: (Deductions) / Additional claimed	(10.18)	1.85
Less : Subsidy received in cash	-	44.56
Closing balance of subsidy receivable	172.14	182.32

(₹ in lakhs)

Note 8 : Non Current Tax Assets (Net)	As at March 31, 2021	As at March 31, 2020
Advance Income Tax (net of provision for taxation)	**675.83**	671.34
Total	**675.83**	671.34

(₹ in lakhs)

Note 9 : Other Assets	As at March 31, 2021	As at March 31, 2020
Non-Current		
Capital Advances (Considered good unless otherwise stated)	**552.59**	84.20
Prepaid expenses	**21.47**	26.84
Balances with government authorities		
Considered Good	**278.78**	469.07
Considered Doubtful	**190.06**	61.06
	468.84	530.13
Less: Allowance for doubtful advances	**190.06**	61.06
	278.78	469.07
Total	**852.84**	580.11
Current		
Balances with government authorities	**3.74**	127.18
Insurance claim receivable	**-**	5.00
Advance recoverable in cash or kind		
Considered Good	**60.66**	246.93
Considered Doubtful	**6.49**	-
	67.15	246.93
Less: Allowance for doubtful advances	**6.49**	-
	60.66	246.93
Prepaid expenses	**174.41**	189.49
Advance to employees	**1.62**	2.44
Total	**240.42**	571.04

(₹ in lakhs)

Note 10 : Inventories	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost and net realizable value)		
Raw Materials (including Goods in Transit ₹ 9.50 lakhs (March 31, 2020: ₹ 25.96 lakhs))	**2,182.94**	1,630.96
Packing Materials	**90.80**	100.22
Work-in-Progress	**1,451.67**	1,519.21
Finished Goods (including Goods in Transit ₹ 55.82 lakhs (March 31, 2020: ₹ 11.91 lakhs)	**116.69**	189.96
Stores and Spares	**28.19**	41.62
Total	**3,870.29**	3,481.97

(a) Inventory hypothecated against secured borrowings (Refer Note 43).

(b) The cost of inventories recognised as an expense during the year is disclosed in Note 25 and 26.

(c) The cost of inventories recognised as an expense includes ₹ 5.33 lakhs (Previous year ₹ 38.67 lakhs) in respect of write down of inventory to net realisable value. The reversal of such write down during the current year amounted to ₹ Nil. (Previous year ₹ Nil).

(₹ in lakhs)

Note 11 : Trade Receivables	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured:		
Considered Good	**4,415.11**	4,321.32
Considered Doubtful	**553.92**	545.50
	4,969.03	4,866.82
Less: Allowances for credit losses	**553.92**	545.50
Total	**4,415.11**	4,321.32
(a) Receivables subject to invoice discounting facility included above	-	537.06

The carrying amount of the trade receivables include receivables which are subject to invoice discounting facility as stated above. Under this facility, the Company has transferred the relevant receivables to the banks in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk and therefore continues to recognise the transferred assets in their entirety in its Balance Sheet. The amount repayable under the invoice discounting facility is presented under unsecured borrowings.

(b) Trade receivables hypothecated against secured borrowings (Refer Note 43)

(c) Movement in Allowance for doubtful receivables

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**545.50**	613.87
Amounts written off / recovered during the year (net)	**(48.16)**	(136.39)
Changes in allowance for doubtful receivables	**56.58**	68.02
Balance at the end of the year	**553.92**	545.50

The Company has provided allowance for doubtful receivables based on historical experience and the ageing analysis of the receivables.

(₹ in lakhs)

Note 12 A : Cash & Cash Equivalents	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
On Current accounts	**53.40**	47.52
Cash on Hand	**2.86**	4.25
Total	**56.26**	51.77

(₹ in lakhs)

Note 12 B : Other Bank Balances	As at March 31, 2021	As at March 31, 2020
Deposits with more than 3 months but less than 12 months maturity	**11.65**	10.67
For Unpaid Dividend*	**18.51**	21.80
Total	**30.16**	32.47
Note		
(a) Deposits under lien with sales tax authorities included in above	4.75	2.85
(b) *The Company can utilise these balances only towards settlement of unclaimed dividend		

(₹ in lakhs)

Note 13: Non Current Assets held for sale	As at March 31, 2021	As at March 31, 2020
Freehold land (Refer Note 4 A)	**511.03**	-
Leasehold land (Refer Note 4 B)	**15.45**	-
Building (Refer Note 4 A)	**29.21**	-
	555.69	-

Note : The Company intends to dispose off Land & Building in the next 12 months, which is vacant and unutilised. No impairment loss has been recognised on reclassification of such assets as held for sale, as the Company expects that the fair value less costs are higher than the related carrying amounts.

(₹ in lakhs)

Note 14 : Equity Share Capital	As at March 31, 2021	As at March 31, 2020
Authorised Share Capital		
2,90,00,000 (March 31, 2020 : 2,90,00,000) Equity Shares of ₹ 10/- each	**2,900.00**	2,900.00
3,10,00,000 (March 31, 2020 : 3,10,00,000) 9% Non Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each	**3,100.00**	3,100.00
5,00,000 (March 31, 2020 : 5,00,000) Unclassified shares of ₹ 10/- each	**50.00**	50.00
Total	**6,050.00**	6,050.00
Issued, Subscribed and Paid -up capital		
1,71,75,700 (March 31, 2020 : 1,71,75,700) Equity Shares of ₹ 10/- each fully paid	**1,717.57**	1,717.57
Total	**1,717.57**	1,717.57

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

	As at March 31, 2021	As at March 31, 2020
	No. of Shares	No. of Shares
At the beginning of the year	**1,71,75,700**	1,71,75,700
Add : Issued during the year	**-**	-
At the end of the year	**1,71,75,700**	1,71,75,700

b. **Terms/rights attached to equity shares**

The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. (The Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India.) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

As per the Companies Act, 2013, the holders of equity shares will be entitled to receive share in remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

c . **Details of equity shares held by Holding Company and shareholder holding more than 5% shares in the Company**

	As at March 31, 2021		As at March 31, 2020	
Name of Shareholder	**No of Shares**	**% holding in Equity**	No of Shares	% holding in Equity
Geetanjali Trading & Investments Private Limited (Holding Company)	**1,18,69,295**	**69.11**	1,18,69,295	69.11

d. **Information regarding aggregate number of shares during the immediately preceding five years**

The Company has not issued any bonus shares or shares for consideration other than cash and has not bought back any shares during the past five years.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

e. **There are no calls unpaid on equity shares**

f. **No equity shares have been forfeited**

(₹ in lakhs)

Note 15 : Other Equity	As at March 31, 2021	As at March 31, 2020
Capital Redemption Reserve		
Balance as per last financial statements	**1,319.90**	1,319.90
(+) Transfer on Redemption of preference shares (Refer note below)	**1,490.48**	-
Closing Balance	**2,810.38**	1,319.90
Securities Premium Account		
Balance as per last financial statements	**1,880.00**	1,880.00
General Reserve		
Balance as per last financial statements	**133.80**	133.80
Retained Earnings		
Balance as per last financial statements	**11,481.70**	11,391.73
(+) Net Profit for the Year	**1,695.90**	235.93
(+) Re-measurement of defined benefit plans	**(21.31)**	40.40
(-) Dividend paid on equity shares	**-**	(154.58)
(-) Tax on distributed profit	**-**	(31.77)
(-) Transfer to Capital Redemption Reserve (Refer note below)	**(1,490.48)**	-
Closing Balance	**11,665.81**	11,481.70
Total	**16,489.99**	14,815.40

Note:

During the year, the Company redeemed 1,49,04,772, 9% Non-Convertible Redeemable Cumulative Preference shares of ₹ 10 each aggregating to ₹ 1,490.48 lakhs out of the accumulated profit available for dividend as per the provisions of section 55 of the Companies Act, 2013. The Capital Redemption Reserve has been created to the extent of the value of preference share capital redeemed.

Description of nature and purpose of each reserve

1. **Capital Redemption Reserve**

   This reserve was created on redemption of preference shares in accordance with the provisions of the Companies Act, 2013 and can be utilised only towards issue of fully paid up bonus shares.

2. **Securities Premium**

   The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

3. **General Reserve**

   The Company has transferred a portion of net profit of the Company before declaring dividend to general reserves pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

4. **Retained Earnings**

   This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in lakhs)

Note 16 : Borrowings	As at March 31, 2021	As at March 31, 2020
<u>**Non-Current**</u>		
A. Secured		
Term Loans (Refer Note i)		
Rupee Loan (Refer note (i) below)	**8,185.34**	9,250.00
Working Capital Loan under Emergency Credit Line Guarantee Scheme (Refer note (ii) below)	**1,000.00**	-
B. Unsecured		
a) Preference Shares (Refer Note ii)		
74,52,387 (March 31, 2020 : 223,57,159) 9% Non Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each issued towards consideration to shareholders of Clear Mipak Packaging Solutions Limited on amalgamation. (Refer note (iii) below)	**745.24**	2,235.72
	9,930.58	11,485.72
Current Maturities of Long Term Debts (Refer Note 17)	**(2,875.00)**	(2,125.00)
Preference shares due for redemption (Refer Note 17)	**(745.24)**	-
Total	**6,310.34**	9,360.72

Note 16 : Borrowings (Contd …..)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Current		
A. Secured		
Repayable on demand		
Cash Credit from Banks	**204.25**	564.06
Working Capital Demand loan	**4,000.00**	4,726.00
Packing Credit	**-**	300.00
	4,204.25	5,590.06
B. Unsecured		
Invoice discounting	**-**	537.06
Corporate card	**236.59**	179.43
	236.59	716.49
Total	**4,440.84**	6,306.55

Note:

i) Term Loans :

a) Rupee Term Loan from Bank ₹ 1,810 lakhs (March 31, 2020 : ₹ 2,250 lakhs)

Term loan from HDFC Bank is repayable in 16 quarterly instalments over a period of five years including a moratorium of one year commencing from the date of first draw down. The loan carries interest based on One year Marginal Cost of Lending Rate (MCLR) (adjustable annually) plus nil spread. The present effective rate of interest is 8.10 % p.a. (Previous year 8.74 % p.a.). The loan is secured by exclusive first charge on plant & machinery and on immovable fixed assets comprising of land and building at Rohtak.

During the year, pursuant to Reserve Bank of India Covid-19 regulatory package, the bank had sanctioned moratorium aggregating ₹ 500 lakhs (including ₹ 125 lakhs for the period ended March 31, 2020). The repayment schedule for this loan as also the residual tenor has been shifted by six months after the moratorium period. Futher, interest amounting to ₹ 60.34 lakh has been treated as Funded Interest Term Loan by the bank and is repayable on maturity of the loan.

b) Rupee Term Loan from Bank ₹ 3,375 lakhs (March 31, 2020: ₹ 4,500 lakhs)

Term loan from Kotak Mahindra Bank is repayable in 16 quarterly instalments over a period of six years including a moratorium of two years commencing from the date of initial draw down. The draw down up to April 2018, of ₹ 2,700 lakhs is at fixed interest rate of 8.35 % p.a whereas the subsequent tranches are based on MCLR rates which averaged to 7.71 % p.a. (Previous year 8.63 % p.a.). The loan is secured by exclusive first charge on present and future movable fixed assets and mortgage of land and building situated at Mysuru.

c) Rupee Term Loan from Bank ₹ 3,000 lakhs (March 31, 2020: ₹ 2,500 lakhs)

Term loan from HDFC Bank is repayable in 16 quarterly instalments over a period of six years including a moratorium of two year commencing from the date of draw down. The loan carries interest based on One year Marginal Cost of Lending Rate (MCLR) (adjustable annually) plus nil spread. The present effective rate of interest is 8.24 % p.a. (Previous year 8.76%). The loan is secured by exclusive first charge on plant & machinery and charge on immovable fixed assets comprising of land and building at Vizag.

ii) Working Capital Loan under Emergency Credit line Guarantee Scheme from Bank ₹ 1,000 lakhs (March 31, 2020: ₹ Nil)

Working capital loan from HDFC Bank under Emergency Credit Line Guarantee Scheme (ECLGS) announced by the Government of India is repayable over 5 years in 48 monthly instalments (including moratorium of one year). The loan carries interest of 6.50% based on External Benchmark Lending Rate (EBLR) (adjustable every 3 months or at such intervals as permissible under RBI guidelines) plus 0.25% spread. The present effective rate of interest is 6.75% p.a. The facility is covered by 100% guarantee from National Credit Guarantee Trustee Company Ltd (Ministry of Finance, Government of India) and an extention of second ranking charge over existing primary and collateral securities including mortgages created in favour of the bank.

iii) 9% Non Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each

Preference Shares issued under the Scheme of Arrangement approved by the Hon'ble Bombay High Court on terms as under:

The preference shares carry preferential (cumulative) right to dividend, at the above said coupon rate, when declared. The preference shares do not carry any voting rights except in case of any resolution placed before the Company which directly affects the rights attached to such shares or otherwise provided in the Companies Act, 2013 (the Act). The preference shares have the maximum redemption period of 20 years. However, the same may be redeemed fully or in such tranches, before the aforesaid period, by the express mutual consent of the holders of such preference shares and Company as may be allowed under the Act. The preference shares will be redeemed at face value out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of capital made for the purposes of the redemption.

During the year, the Company has partially redeemed 1,49,04,772, 9% Convertible Redeemable Preference shares of ₹ 10/- each at par amounting to ₹ 1,490.48 lakhs out of distributable profits of the Company after obtaining mutual consent from the preference shareholders. The balance 7,45,237 preference shares have also been redeemed subsequently in April 2021. The dividend on the preference shares has been paid upto the date of redemption.

Note 16 : Borrowings (Contd .....)

Of the above preference shares 96.44% have been held by Geetanjali Trading & Investments Private Limited as under :

	As at March 31, 2021	As at March 31, 2020
Name of Shareholder		
Geetanjali Trading and Investments Private Limited (No. of Shares)	**7,187,127**	21,561,381
(₹ in lakhs)	**718.71**	2,156.14

iv) Other Borrowings - Secured

a) Working capital facilities including cash credit from banks are secured on first charge basis by way of hypothecation of inventories and book debts of specific units and collaterally secured by hypothecation of specific plant and machinery and equitable mortgage on land and building of specific units. The borrowings carries interest @ 6.75% to 10.80 % p.a. (Previous year 7.95% to 11.70 % p.a.).

b) The packing credit is granted by bank for purchase of trade merchandise against confirmed orders up to 90% of its value for a maximum tenure of 90 days. This facility was not availed during the year. (Previous year: 9.50% p.a.).

v) Other Borrowings - Unsecured

(a) Invoice discounting relate to customer sales invoices discounted by banks for a period not exceeding 120 days. This facilitiy was not availed during the year. (Previous year 8.55% p.a. to 8.95% p.a.).

(b) Corporate card is unsecured facility provided by the banker repayable within 51 days for a convenience fee @ 1.15%. The facility is used for making vendor and tax payments.

vi) There is no default in repayment of principal and interest as on balance sheet date. (Previous year: One packing credit loan, which was due for repayment on March 31, 2020, the Company's request for a 15 day roll over was not executed by the bank due to the lockdown, and the said amount was repaid on April 8, 2020 as instructed by the bank. The penal interest charged by the bank was also waived.)

vii) For carrying amount of assets offered as collateral against the above borrowings (Refer Note 43).

(₹ in lakhs)

Note 17 : Other Financial Liabilities	**As at March 31, 2021**	As at March 31, 2020
Non-Current		
Security deposit received	-	6.14
Total	-	6.14
Current		
Current Maturities of Long Term Debts (Refer Note 16)	**2,875.00**	2,125.00
Interest Accrued but not Due on Borrowings	-	2.79
Unpaid Dividends	**18.51**	21.80
Vendors for Capital Expenditure	**61.39**	384.56
Dividend accrued on preference shares	**67.07**	201.21
Preference shares due for redemption (Refer Note 16)	**745.24**	-
Payable to employees	**345.78**	294.81
Other Payables	**36.13**	37.33
Total	**4,149.12**	**3,067.50**

Note:

There are no amounts due and outstanding to be credited to Investor Education Protection Fund in accordance with Section 125 of the Companies Act 2013 as at the year end.

(₹ in lakhs)

Note 18 : Provisions	**As at March 31, 2021**	As at March 31, 2020
Non-Current		
a) Provision for Employee Benefits		
- Provision for gratuity	**174.55**	85.32
- Provision for compensated absences	**172.31**	137.17
	346.86	222.49

Note 18 : Provisions (Contd .....) (₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Current		
a) Provision for Employee Benefits		
- Provision for gratuity	**90.04**	93.18
- Provision for compensated absences	**45.53**	47.36
b) Others		
Provision for indirect taxes and other matters (Refer note below)	**96.40**	87.42
Total	**231.97**	227.96

Note

Pursuant to the Indian Accounting Standard (Ind AS 37)- Provisions, Contingent Liabilities and Contingent Assets, the Company has a policy to estimate the probable loss due to litigation in various indirect tax and other matters. The disclosure relating the aforesaid provisions made in the accounts for the year ended March 31, 2021 is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	**87.42**	112.01
Addition	**19.43**	24.82
Utilisations	**(0.85)**	(2.33)
Reversals	**(9.60)**	(47.08)
Closing Balance	**96.40**	87.42

Note 19 : Income taxes

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

As at March 31, 2021 (₹ in lakhs)

	Particulars	Balance as at April 1, 2020	Profit & Loss 2020-21	Balance as at March 31, 2021
a)	Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961.	(1,186.32)	345.38	(840.94)
b)	Provision for expense allowed for tax purpose on payment basis	236.72	4.71	241.43
c)	Allowance for doubtful debts and advances	109.13	(27.19)	81.94
d)	Indexed cost of acquisition on land held for sale	-	99.77	99.77
		(840.47)	422.67	(417.80)
e)	Minimum Alternative Tax (MAT) Credit Entitlement	226.79	(226.79)	-
Net Deferred Tax Liabilities		**(613.68)**	**195.88**	**(417.80)**

As at March 31, 2020 (₹ in lakhs)

	Particulars	Balance as at April 1, 2019	Profit & Loss 2019-20	Balance as at March 31, 2020
a)	Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961.	(1,079.20)	(107.12)	(1,186.32)
b)	Provision for expense allowed for tax purpose on payment basis	226.67	10.05	236.72
c)	Allowance for doubtful debts and advances	150.10	(40.97)	109.13
		(702.43)	(138.04)	(840.47)
d)	Minimum Alternative Tax (MAT) Credit Entitlement	139.40	87.39	226.79
Net Deferred Tax Liabilities		(563.03)	(50.65)	(613.68)

The Company offsets tax assets and liabilities if and only it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 19 : Income taxes (Contd .....)

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

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
(i)	**Income recognised in the Statement of Profit and Loss**		
	Current tax:		
	In respect of current year	**733.86**	68.88
	In respect of prior years	**-**	3.00
	Deferred tax:		
	In respect of current year	**(451.54)**	138.04
	In respect of prior years	**28.87**	(29.65)
	Minimum Alternative Tax (MAT) Credit Utilised / (Entitlement)	**226.79**	(57.74)
	Income tax expenses recognised in the Statement of Profit and Loss	**537.98**	122.53
(ii)	**Income tax expense recognised in Other Comprehensive Income (OCI)**		
	Net gain / (loss) on remeasurements of defined benefit plans	**11.47**	(17.08)
	Income tax (expense)/credit recognised in OCI	**11.47**	(17.08)

C. Reconciliation of tax expense and accounting profit for the year is as under: (₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	**2,233.88**	358.46
Indian Statutory Income Tax rate	**34.94%**	33.38%
Expected Income tax expense	**780.61**	119.67
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax effect on non-deductible expenses	**87.67**	65.40
Tax impact of income not subject to tax	**3.56**	(0.62)
Incentive tax credits	**1.32**	(93.01)
Tax effect on loss carry forward as per income tax act, adjusted	**(23.69)**	-
Deferred tax asset on index cost of acquisition on land held for sale	**(99.77)**	-
Additional tax on book profit	**-**	57.74
Effect of net income subjected to lower tax rate	**(39.61)**	-
Impact on account of change in statutory tax rate (Refer Note d)	**(200.98)**	-
Tax pertaining to prior years	**28.87**	(26.65)
Tax expense as per Statement of Profit and Loss	**537.98**	122.53

(a) The tax rate used for above reconciliation is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under Indian tax law.

(b) Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

(c) The Company has evaluated the option of lower tax rate allowed under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Considering the Minimum Alternative Tax credit available, the Company has elected not to exercise the option permitted under Section 115 BAA for the year ended March 31, 2021.

(d) The Company has re-measured deferred tax balance using the lower tax rate as allowed under section 115BAA of the Income Tax Act which is expected to be prevalent in the period in which the deferred tax balances are expected to reverse. Consequently, the Company has reversed deferred tax liabilities amounting to ₹ 200.98 lakhs for the year ended March 31, 2021.

(e) The Minimum Alternative Tax Credit (MAT) of ₹ 252.61 lakhs (including additional MAT credit of ₹ 25.82 lakhs for the year ended March 31, 2020 based on the income tax return filed) has been utilised during year ended March 31, 2021. Balance carry forward to next year is ₹ Nil. (Previous Year ₹ 226.79 lakhs).

(₹ in lakhs)

Note 20 : Trade Payables	As at March 31, 2021	As at March 31, 2020
(a) Total outstanding dues of micro and small enterprises (Refer note 37)	301.53	178.64
(b) Total outstanding due of creditors other than micro and small enterprises	1,528.67	1,454.41
Total	1,830.20	1,633.05

(₹ in lakhs)

Note 21 : Other Current Liabilities	As at March 31, 2021	As at March 31, 2020
Advance from customer	-	14.28
Payable towards statutory dues	308.57	59.50
Other payable	-	7.08
Total	308.57	80.86

(₹ in lakhs)

Note 22 : Current Tax Liabilities (Net)	As at March 31, 2021	As at March 31, 2020
Provision for Income tax (Net of advance tax)	189.06	17.84
Total	189.06	17.84

(₹ in lakhs)

Note 23 : Revenue from operations	Year ended March 31, 2021	Year ended March 31, 2020
A. Revenue from Contracts with Customers		
Revenue from sale of product		
Domestic	44,355.26	45,543.44
Exports	112.19	221.87
	44,467.45	45,765.31
B. Other Operating Revenues		
Scrap Sales	189.63	153.98
Wind Mill Income	51.28	81.67
Subsidy from State Government	-	7.75
	240.91	243.40
Total	44,708.36	46,008.71
C. Reconciliation of Revenue from sale of products with the contracted price		
Revenue as per contracted price	44,467.45	45,765.31
Less: Trade discount	-	-
Net Revenue recognised from contracts with customers	44,467.45	45,765.31

The amounts receivable from customers become due after expiry of credit period which on an average is 90 days. There is no significant financing component in any transaction with the customers.
The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

D. Contract Balances		
Trade Receivable (Refer Note 11)	4,415.11	4,321.32
Contract Assets	-	-
Contract Liabilities (Refer Note 21)	-	14.28
E. Significant changes in contract assets and liabilities during the period		
Revenue recognised that was included in the contract liability balance at the beginning of the period	14.28	10.57

(₹ in lakhs)

Note 24 : Other Income		Year ended March 31, 2021	Year ended March 31, 2020
a)	Interest Income		
	- Deposits with banks	**4.20**	1.64
	- On Other Financial assets carried at amortised cost	**25.62**	20.60
b)	Profit on sale of Property Plant & Equipment (Net) (Excluding Exceptional item - Refer Note 31)	**56.40**	-
c)	Sundry Balances Written back (Net)	**1.20**	1.49
d)	Rental Income		
	- Rental income from Investment property	**16.22**	27.81
	- Operating Lease Rental income	**7.50**	-
e)	Other Non-Operating Income	**4.45**	3.29
f)	Gain on Lease Rent Wavier (Refer Note (i) below)	**29.59**	-
Total		**145.18**	54.83

(i) During the year ended 31 March 2021, the Company has negotiated with landlord for one of its premises on the rent reduction/ waiver due to Covid 19 pandemic. The Management believes that such reduction / waiver in rent is short term in nature and also meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24 July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1 April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the reduction/ waiver does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income". Accordingly, the Company has recognised ₹ 29.59 lakhs in the statement of profit and loss.

(₹ in lakhs)

Note 25 : Cost of Materials Consumed	Year ended March 31, 2021	Year ended March 31, 2020
Opening Inventory	**1,731.18**	2,089.80
Add: Purchases (Net)	**26,934.60**	26,938.59
	28,665.78	29,028.39
Less: Closing Inventory	**2,273.74**	1,731.18
Total	**26,392.04**	27,297.21

(₹ in lakhs)

Note 26 : Changes in inventories of Finished Goods And Work-in-Progress	Year ended March 31, 2021	Year ended March 31, 2020
Opening Inventory		
Finished Goods	**189.96**	523.05
Work-in-Progress	**1,519.21**	1,353.18
	1,709.17	1,876.23
Less: Closing Inventory		
Finished Goods	**116.69**	189.96
Work-in-Progress	**1,451.67**	1,519.21
	1,568.36	1,709.17
Decrease in Inventories	**140.81**	167.06

(₹ in lakhs)

Note 27 : Employee Benefits Expenses	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	**2,423.32**	2,624.20
Contribution to Provident and Other Funds	**143.33**	174.84
Defined Benefit Plan – Gratuity (Refer note 40)	**43.17**	48.76
Staff Welfare Expenses	**251.41**	232.90
Total	**2,861.23**	3,080.70

(₹ in lakhs)

Note 28 : Finance Cost	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Long term borrowings	**750.55**	835.97
Interest on Short term borrowings	**395.20**	505.74
Interest on bill discounting	**519.68**	731.14
Dividend on preference shares	**191.84**	201.21
Interest on net defined benefit liability	**11.14**	13.03
Interest on lease liability	**41.77**	42.82
Interest on others including finance charges	**22.39**	26.50
Total	**1,932.57**	2,356.41

(₹ in lakhs)

Note 29 : Depreciation and Amortisation	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property, plant and equipment	**2,774.16**	2,835.18
Depreciation on Right of use assets	**163.62**	146.20
Depreciation on Investment Property	**2.69**	4.51
Amortisation of Intangible assets	**10.93**	10.90
Total	**2,951.40**	2,996.79

(₹ in lakhs)

Note 30 : Other Expenses	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of Stores and Spare Parts	**553.97**	613.99
Water, Power and Fuel	**2,562.92**	2,955.27
Processing Charges	**785.41**	900.95
Material Handling Charges	**2,212.90**	2,323.18
Repairs and Maintenance		
Buildings	**16.93**	37.94
Plant and Equipment	**172.76**	173.75
Others	**117.01**	88.44
Freight	**970.61**	910.30
Lease Rent (Refer Note 4 B)	**1.34**	32.22
Rates and taxes	**86.19**	53.68
Sales tax expenses	**37.34**	19.45
Insurance	**240.68**	202.25
Security charges	**217.59**	214.29
House keeping expenses	**79.78**	92.19
Travelling and Conveyance	**191.26**	278.37
Directors' sitting fees	**13.35**	16.75
Payment to Auditors (Refer Note (i) below)	**22.26**	22.80
Commission to non-executive directors	**10.20**	4.37
Bad debts written off	**51.12**	160.13
Provision for doubtful debts (net)	**8.42**	(68.37)
Loans and Advances written off	**-**	7.27
Provision for doubtful Loans and Advances (net)	**133.83**	(19.73)
Legal and Professional Expenses	**249.46**	210.66
Net Loss on Foreign Currency Transactions and Translations (other than considered as finance cost)	**3.69**	9.70
Loss on sale of Property, Plant and Equipment (net)	**-**	2.61
Corporate Social Responsibility expenses (Refer Note (ii) below)	**27.68**	35.84
Miscellaneous expenses	**139.22**	206.46
Total	**8,905.92**	9,484.76

Note 30 : Other Expenses (Contd .....)

Note (₹ in lakhs)

i) Payment to Auditors	**Year ended March 31, 2021**	Year ended March 31, 2020
As Auditor:		
- Audit Fees	**16.00**	16.00
- Tax Audit Fees	**2.50**	2.50
- Certification and other services	**2.45**	3.75
Reimbursement of expenses	**1.31**	0.55
	22.26	22.80

ii) Corporate Social Responsibility expenses

The Company has spent ₹ 27.68 lakhs during the financial year (March 31, 2020 ₹ 35.84 lakhs) as per the provisions of section 135 of the Companies Act 2013, towards Corporate Social Responsibility (CSR) activities.

a) Gross Amount required to be spent by the Company during the financial year ₹ 27.68 lakhs (March 31, 2020 ₹ 35.84 lakhs).

(₹ in lakhs)

b) Details of amount spent during the year	**Year ended March 31, 2021**	Year ended March 31, 2020
i) Construction/ Acquisition of any assets	**Nil**	Nil
ii) Purpose other than (i) above		
Paid through Bank transfer *	**27.68**	35.84
Yet to be paid	**-**	-
Total	**27.68**	35.84
* Represent actual outflow during the year		
c) Related party transaction in relation to CSR Expenditure	**Nil**	Nil

(₹ in lakhs)

Note 31 : Exceptional Items	**Year ended March 31, 2021**	Year ended March 31, 2020
a) Gain on Sale of Property	**564.31**	-
b) Loss by flood (Net of realisation of damaged inventories ₹ 44.75 lakhs)	**-**	(213.67)
c) Employee separation compensation	**-**	(108.48)
Total Exceptional Items Credit / (Charge)	**564.31**	(322.15)

a. During the year ended March 31, 2021, the Company sold land and building at Dadra and Sarigam. The said plants were vacant and the operations had been shifted to other plants in earlier years. The profit on sale of property being a non-recurring event has been considered as an exceptional item.

b. The loss by flood represents the value of damaged stock and repair costs incurred, net of salvage value at the manufacturing facility at Baddi (Himachal Pradesh) during the previous year. The final survey report with claim amount of Rs. 198 lakh has been submitted to the insurance Company, however pending their final approval the claim has not been accounted as income in accordance with IND AS 37 “Provision, Contingent Liabilities and Contingent Assets”, which requires ‘virtual certainty’ for recognition of the insurance claim receivable and the same has been disclosed as a contingent asset.

c. Employee separation compensation was paid during the previous year at the time of closure of operations at unit in Sarigam (Gujarat).

Note 32 : Financial Instruments

Note 32A : Categorywise classification of Financial Instruments (₹ in lakhs)

		As at March 31, 2021	As at March 31, 2020
a	**Financial Assets**		
	Measured at Amortised Cost		
	Non current		
	(i) Investments	-	-
	(ii) Loans	448.24	534.25
	(ii) Other Financial Assets	196.94	132.32
	Total Non Current Financial Assets	645.18	666.57
	Current		
(i)	Trade Receivables (Excluding measured at FVTPL)	4,415.11	4,321.32
(ii)	Cash and Cash Equivalents	56.26	51.77
(iii)	Other Bank Balances	30.16	32.47
(iv)	Other financial assets	103.87	420.55
	Total Current Financial Assets	4,605.39	4,826.11
	Total Financial Assets	5,250.57	5,492.68
	Measured at Fair Value through Profit and loss (FVTPL)		
(i)	Investment (Fully impaired)	-	-
b	**Financial Liabilities**		
	Measured at Amortised Cost		
	Non Current		
(i)	Borrowings	6,310.34	9,360.72
(ii)	Lease Liabilities	284.05	381.95
(iii)	Other financial liabilities	-	6.14
	Total Non Current Financial Liabilities	6,594.39	9,748.81
	Current		
(i)	Borrowings	4,440.84	6,306.55
(ii)	Lease Liabilities	135.63	113.39
(iii)	Trade Payables	1,830.20	1,633.05
(iv)	Other financial liabilities	4,149.12	3,067.50
	Total Current Financial Liabilities	10,555.79	11,120.49
	Total Finacial Liabilities	17,150.18	20,869.30

Note 32B : Financial Risk Management Objectives and Policies

The Company's overall policy with respect to managing risks associated with financial instruments is to minimise potential adverse effects of financial performance of the Company. The policies of managing specific risks are summarised below:

a **Foreign Currency Risk Management**

The Company undertakes transactions denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise. exchange rate fluctuations are managed within approved policy parameters.

Note 32B : Financial Risk Management Objectives and Policies (Contd .....)

The carrying amounts of the Company's foreign currency denominated exposure as at the end of the reporting periods are as follows:

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Liabilities		
Payables		
USD	-	-
Receivables		
USD	**12.36**	21.90
Net Exposure		
USD	**12.36**	21.90
Rates		
USD	**73.50**	75.39

Foreign Currency Sensitivity Analysis

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

(₹ in lakhs)

Change in USD Rate	As at March 31, 2021	As at March 31, 2020
Effect on PBT		
+10%	**1.24**	2.19
- 10%	**(1.24)**	(2.19)

b **Credit Risk Management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The credit risk arising from trade receivables is managed in accordance to the Company's established policy and control relating to customer credit risk management. The credit quality of the customer is assessed based on the credit worthiness and past experience. The expected credit is based on the ageing of the days of receivables.

The ageing of the trade receivables is as under:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
More than 180 days	**651.46**	671.61
Others	**4,317.57**	4,195.21
	4,969.03	4,866.82
Less: Allowances for credit losses	**553.92**	545.50
	4,415.11	4,321.32

c **Interest Rate Risk Management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive cost of funding.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments is as follows:

(₹ in lakhs)

Borrowings	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings	**12,342.17**	14,203.21
Variable rate borrowings	**2,029.25**	3,589.06
Total	**14,371.42**	17,792.27

Note 32B : Financial Risk Management Objectives and Policies (Contd .....)

Fair Value Sensitivity Analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value to profit or loss. Therefore, a change in interest rates at the reporting date would not affect Profit or Loss.

Cash flow sensitivity Analysis for variable rate instruments

A reasonable possible change of 100 BPS in interest rates would result in variation in interest expenses for the Company by the amounts indicated in the table below. This calculation also assumes that the changes occur at the balance sheet date and has been calculated based on its exposure outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

(₹ in lakhs)

	100 BPS Increase	100 BPS Decrease
Year ended March 31,2021		
Financial Liabilities		
Variable Rate Borrowings	**10.26**	**(10.26)**
Cash Flow Sensitivity(Net)	**10.26**	**(10.26)**
Year ended March 31,2020		
Financial Liabilities		
Variable Rate Borrowings	24.24	(24.24)
Cash Flow Sensitivity(Net)	24.24	(24.24)

The Company does not have any additional impact on equity other than impact on retained earnings.

d **Liquidity Risk Management**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities arranged with banks to ensure there is sufficient cash to meet all its normal operating commitments on a timely and cost effective manner. The following are the remaining contractual maturities of financial liabilities at the reporting dates :

(₹ in lakhs)

		Carrying Values	Contractual Cash Flows Total	Less than 1 year	1 to 5 years	More Than 5 years
	As at March 31, 2021					
(i)	Borrowings	**14,371.42**	**15,690.43**	**8,758.28**	**6,932.15**	**-**
(ii)	Trade Payables	**1,830.20**	**1,830.20**	**1,830.20**	**-**	**-**
(iii)	Other financial liabilities	**461.81**	**461.81**	**461.81**	**-**	**-**
	As at March 31, 2020					
(i)	Borrowings	17,792.27	19,542.43	9,224.48	10,317.95	-
(ii)	Trade Payables	1,633.05	1,633.05	1,633.05	-	-
(iii)	Other financial liabilities	942.50	1,948.57	942.50	1,006.07	-

Note 32C : Capital Management

For the purpose of the Company’s capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31, 2021 the Company had equity shares, preference shares and borrowings. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain and achieve optimal capital structure the Company redeploys the earnings into the business based on its long term financial plans.

Note 32C : Capital Management (Contd …..)

The Company manages capital using Net Debt to Equity. For this purpose equity includes reserves and preference shares. The Company's Net Debt to Equity are as follows :

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Net Debt	**13,626.18**	15,556.55
Total Equity	**18,952.80**	18,768.69
Net Debt to Equity Ratio	**0.72**	0.83

Note 33 : Dividend

(₹ in lakhs)

Dividend on equity shares paid during the year	Year ended March 31, 2021	Year ended March 31, 2020
Final dividend ₹ Nil (Previous year @ ₹ 0.90) per equity share of ₹ 10/- each	-	154.58
Dividend Distribution Tax	-	31.77

Proposed Dividend

The Board of Directors at its meeting held on May 21, 2021 have recommended payment of dividend of ₹ 1.00 (10%) per equity share of ₹ 10 each for the financial year ended March 31, 2021, the same amounts to ₹ 171.76 lakhs. The above is subject to the approval by the shareholders at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

Note 34 : Contingent Liabilities and Commitments

(₹ in lakhs)

		As at March 31, 2021	As at March 31, 2020
a)	**Contingent Liabilities**		
1)	Claims against the Company not acknowledged as debts		
	-Direct Tax matters in dispute under appeal	**798.14**	798.14
	-Indirect Tax matters in dispute under appeal	**34.86**	68.32
	- Others	**21.84**	-
2)	Bills of exchange discounted with banks (since realized ₹ 1417.96 lakhs till May 21, 2021 (March 31, 2020: ₹ 4834.38 lakhs))	**2,562.79**	5,191.69
3)	Bank guarantees	**80.29**	104.96
b)	**Commitments**		
	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for. (Gross of advances March 31, 2021 ₹ 2022.45 lakhs, March 31, 2020 ₹ 224.90 lakhs)	**1,469.86**	147.59
c)	**Contingent Assets**		
	Insurance claim receivable (Refer Note 31)	**198.00**	-
d)	**Other Matters**		

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India, however, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

Note 35 : Research and Development

The Company has recognition for its In-house R & D unit situated at Gat Nos. 939 & 940, Village - Sanaswadi, Tal - Shirur, Dist. Pune, Maharashtra - 412 208 (Unit- Technology Centre) up to March 31, 2020, issued by Government of India, Ministry of Science and Technology, Department of Scientific and Industrial Research, New Delhi. During the year the Company has incurred following expenditure on Research and Development :-

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
a) Revenue Expenditure	**208.60**	453.64
b) Capital Expenditure	**49.23**	-
Total	**257.83**	453.64

Note 36 : Impact of Covid-19

Due to Covid-19 pandemic and the consequent lockdown across the country, the Company's operations and financial results for the year have been impacted. The operations of the Company for the first quarter was disrupted, however thereafter the Company continued to operate at normal levels. In view of recent surge in Covid-19 cases, few states reintroduced some restrictions from March-21 which currently is not expected to have any significant impact on the Company's operations / results. The Company continues to be vigilant and cautious and is taking all necessary steps to secure the health and safety of our employees and the extended eco-system. The Company has taken into account external and internal information for assessing the possible impact of Covid-19 on the various elements of financial results including of its assets and liquidity position. The Company will continue to monitor changes to the future economic conditions for any material impact as the situation evolves.

Note 37 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2020-21, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in lakhs)

		As at March 31, 2021	As at March 31, 2020
(a)	Principal amount remaining unpaid at the end of the financial year	**301.53**	178.64
(b)	Interest due thereon remaining unpaid	**0.46**	Nil
(c)	The amount of interest paid u/s 16 of MSMED Act , along with the amounts of payments made to the supplier beyond the appointed day during each accounting year		
	Principal paid beyond the appointed date	**Nil**	Nil
	Interest paid in terms of section 16 of the Act	**Nil**	Nil
(d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	**Nil**	Nil
(e)	The amount accrued and remaining unpaid at the end of each accounting period	**0.46**	Nil
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise, this is required for the purpose of disallowance as a deductible expenditure u/s 23 of the Act.	**0.46**	Nil
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.			

Note 38 : Foreign Currency Exposure

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The Company has not entered into any forward exchange contract during the current year and during the previous years.

The foreign currency (FC) exposure not hedged as at March 31, 2021 are as under :

	(in FC)		(₹ in lakhs)	
Currency	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Payable				
USD	-	-	-	-
Receivable				
USD	**16,818**	29,057	**12.36**	21.90

Note 39 : Disclosure pursuant to Indian Accounting Standard (IndAS-116) Leases

Assets given on operating lease

a. The Company had entered into an agreement to give its factory building along with freehold land situated at Dadra on operating lease effective April 1, 2019. The said lease was terminated from Novermber 1, 2020.

b. Future minimum lease rentals receivable as at March 31, 2021 as per the lease agreement:

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Not later than one year	**-**	27.00
Later than one year but not more than five years	**-**	116.10
Later than five years	**-**	124.96
	-	268.06

Note 40 : Employee benefits

(1) Post employment benefits:

a **Defined Contribution plan**

Provident Fund and Employee State Insurance Scheme

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

b **Defined Benefit plan**

Gratuity scheme

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

c **Amounts recognised as expense**

i **Defined Contribution Plan**

Employer's Contribution to Provident Fund including contribution to Family Pension Fund amounting to ₹ 136.47 lakhs (March 31, 2020: ₹ 164.24 lakhs) has been included under Contribution to Provident and Other Funds in Note 27 'Employee Benefit Expenses'.

ii **Defined Benefit Plan**

Gratuity cost amounting to ₹ 43.17 Lakhs (March 31, 2020 : ₹ 48.76 lakhs) has been included in Note 27 'Employee Benefit Expenses'.

d **The amounts recognised in the Company's financial statements as at year end are as under**

(₹ in lakhs)

	Particulars	Gratuity (Funded Plan)	
		Year ended March 31, 2021	Year ended March 31, 2020
i	**Change in Present Value of Obligation**		
	Opening defined benefit obligation as at April 1	**561.85**	618.96
	Current Service Cost	**43.17**	48.76
	Interest Cost	**35.06**	46.29
	Actuarial (Gain)/Loss on obligations due to change in Demographic Assumption	**-**	(20.24)
	Actuarial (Gain)/Loss on obligations due to change in Financial Assumption	**45.98**	(31.59)
	Actuarial (Gain)/Loss on obligations due to experience	**(13.44)**	6.79
	Benefits Paid	**(53.79)**	(107.12)
	Closing defined benefit obligation as at March 31	**618.83**	561.85
ii	**Change in fair value of assets :**		
	Opening fair value of plan assets as at April 1	**383.35**	444.77
	Return on Plan Assets excluding Interest Income	**(0.24)**	12.44
	Interest Income	**23.92**	33.27
	Contributions by employer	**1.00**	-
	Benefits Paid from the fund	**(53.79)**	(107.12)
	Closing Fair Value of Plan Assets as at March 31	**354.24**	383.35
iii	**Amounts recognised in the Balance Sheet**		
	Present value of benefit obligation at the end of the year	**(618.83)**	(561.85)
	Fair Value of Plan Assets	**354.24**	383.35
	Funded Status {Surplus/ (Deficit)}	**(264.58)**	(178.49)
	Net (Liability) / Asset recognised in the Balance Sheet	**(264.58)**	(178.49)
iv	**Amount recognised in the Statement of Profit & Loss**		
	Current Service Cost	**43.17**	48.76
	Interest on defined benefit obligation	**11.14**	13.03
	Total	**54.31**	61.79

Note 40 : Employee benefits (Contd .....)

(₹ in lakhs)

	Particulars	Gratuity (Funded Plan)	
		Year ended March 31, 2021	Year ended March 31, 2020
v	**Amount recognised in Other Comprehensive Income (OCI)**		
	Actuarial (Gains)/ Losses on the Obligation for the year	**32.54**	(45.04)
	Return on Plan Assets, excluding Interest Income	**0.24**	(12.44)
	Net (Income) / Expense For the Period Recognised in OCI	**32.78**	(57.48)
vi	**Balance Sheet Reconciliation**		
	Opening Net Liability	**178.50**	174.19
	Expenses Recognized in Statement of Profit or Loss	**54.31**	61.79
	Expenses Recognized in OCI	**32.78**	(57.48)
	Employer's Contribution	**(1.00)**	-
	Net Liability / (Asset) Recognized in the Balance Sheet	**264.59**	178.50
vii	**Estimated contribution to be made in next financial year**	**62.33**	54.31
viii	**Weighted Average Duration of Projected Benefit Obligation**	**6 years**	6 years
ix	**Major categories of Plan Assets as a % of total Plan Assets**	**100%**	100%
	Insurer Managed Funds		
x	**Assumptions :**		
	Discounted Rate (per annum)	**6.06%**	6.24%
	Estimated Rate of return on Plan Assets (per annum)	**6.06%**	6.24%
	Mortality for domestic plan	**Indian Assured Lives Mortality**	Indian Assured Lives Mortality
	Rate of Escalation in Salary (per annum)	**9.00%**	5% for next 3 years and from 4th year 9.5%

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

xi **Maturity Analysis of Projected Benefit Obligation: From the Fund**

(₹ in lakhs)

	Projected Benefits Payable in Future Years from the Date of Reporting	**As at March 31, 2021**	As at March 31, 2020
	Within the next 12 months	**88.30**	96.39
	2nd Following Year	**82.55**	70.78
	3rd Following Year	**74.24**	71.46
	4th Following Year	**73.32**	61.22
	5th Following Year	**65.96**	56.94
	Sum of Years 6 To 10	**262.50**	221.09
	11 and above	**221.47**	217.41

Note 40 : Employee benefits (Contd .....)

xii **Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

(₹ in lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(27.96)**	**30.84**	(24.87)	27.49
Future salary growth (1% movement)	**29.29**	**(27.19)**	26.59	(24.62)
Employee Turnover (1% movement)	**(4.91)**	**5.32**	(3.96)	4.37

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

xiii **Other details**

Methodology Adopted for ALM	Projected Unit Credit Method.
Usefulness and Methodology adopted for Sensitivity analysis	Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Comment on Quality of Assets	Since investment is with insurance Company, assets are considered to be secured.

(2) Long Term Employee Benefits:

The liability towards compensated absences (annual leave) as at March 31, 2021, based on actuarial valuation carried out by using the Projected Unit Credit Method amounting to ₹ 61.21 lakhs (March 31, 2020 : ₹ 28.44 lakhs) has been recognised in the Statement of Profit and Loss.

Note 41 : Earnings per Share (EPS)

	Year ended March 31, 2021	**Year ended March 31, 2020**
Profit after tax as per Statement of Profit and Loss (₹ in Lakhs)	**1,695.90**	235.93
Weighted average number of Equity Shares outstanding	**17,175,700**	17,175,700
Earnings per share (₹)—Basic [Face value of ₹ 10/- per share]	**9.87**	1.37
Earnings per share (₹)—Diluted [Face value of ₹ 10/- per share]	**9.87**	1.37

Note 42 : Disclosure under Amendment to Ind AS 7 regarding impact of non- cash transactions on financial liabilities

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

(₹ in lakhs)

Particulars	**As at March 31, 2020**	**Cash Flows**	**Foreign Exchange (Gain) /Loss (Non- Cash)**	**As at March 31, 2021**
Long term borrowings	**11,485.72**	**(1,555.13)**	**-**	**9,930.58**
Short term borrowings (excluding cash credits)	**5,742.49**	**(1,505.90)**	**-**	**4,236.59**
Total liabilities from financing activities	**17,228.21**	**(3,061.03)**	**-**	**14,167.17**

(₹ in lakhs)

Particulars	As at March 31, 2019	Cash Flows	Foreign Exchange (Gain) /Loss (Non- Cash)	As at March 31, 2020
Long term borrowings	11,985.72	(499.99)	-	11,485.72
Short term borrowings (excluding cash credits)	5,637.37	105.12	-	5,742.49
Total liabilities from financing activities	17,623.08	(394.87)	-	17,228.21

Note 43 : Carrying value of Assets offered as collateral

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Current Assets		
Floating Charge		
Financial Assets		
Trade Receivables (Other than Invoice discounting)	**4,415.11**	3,784.25
Non Financial Assets		
Inventories	**3,870.29**	3,481.97
Total Current assets hypothecated as collateral	**8,285.40**	7,266.22
Non Current Assets		
Floating Charge		
Plant and Machinery	**6,160.64**	6,801.61
Capital work in progress (Plant & Machinery)	**97.53**	115.29
Fixed Charge		
Land	**4,150.19**	4,891.74
Building	**9,511.06**	10,910.61
Total non current assets mortgaged as collateral security	**19,919.42**	22,719.25
Total asset offered as Security including collateral	**28,204.82**	29,985.48

Note 44 : Segment Reporting

The Company's Chief Operating Decision Maker, examines the Company's performance on an entity level. The Company has only one reportable segment i.e.' Rigid Plastic Containers'.

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

Revenue from External Customers (₹ in lakhs)

Particulars	**Year ended March 31, 2021**	Year ended March 31, 2020
Rigid Plastic Containers	**44,708.36**	46,008.71
Total operations	**44,708.36**	46,008.71

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

Revenue aggregating to ₹ 32,243.62 lakhs is derived from one customer for year ended March 31, 2021 (Previous year: ₹ 33,053.26 lakhs is derived from two external customers).

Note 45 :Information on related party transactions as required by Indian Accounting Standard (IndAS – 24) for the year ended March 31, 2021.

1. **Relationship:**

   (i) **Holding Company**
   Geetanjali Trading and Investments Private Limited

   (ii) **Fellow Subsidiaries**
   Hitech Specialities Solutions Ltd
   Hitech Insurance Broking Services Ltd
   Rituh Holding and Trading Company Pvt. Ltd.

   (iii) **Key Management Person (KMP) & Relatives of Key Managerial Persons:**
   Mr. Malav A. Dani (Managing Director)
   Mr. Ashwin S. Dani (Relative of Managing Director)
   Mrs. Ina A. Dani (Relative of Managing Director)
   Mr. Jalaj A. Dani (Relative of Managing Director)
   Mr. Hasit A. Dani (Relative of Managing Director)
   Mr. Mehernosh A. Mehta (Whole Time Director)

   Mr. Bharat Gosalia (Chief Financial officer)(up to 2nd July, 2019)
   Mrs. Avan R Chaina (Chief Financial officer)(w.e.f.3rd July, 2019)
   Mrs. Namita R. Tiwari (Company Secretary)

   (iv) **Entities controlled or jointly controlled by KMP:**
   Mefree LLP
   Rayirth Holding and Trading Company Pvt. Ltd.
   Sattva Holding & Trading Pvt. Ltd.
   Cannes Venatici Trading Pvt. Ltd.
   Homevilla Yoga Pvt Ltd

   (v) **Entities over which KMP along with Relatives exercise significant influence:**
   Asian Paints Limited
   Paladin Paints and Chemicals Private Limited

   (vi) **Post Employee Benefit Plan Entities :**
   Hitech Plast Employees' Gratuity Trust
   Mipak Industries Employees' Group Gratuity Assurance Scheme
   Plast-Kul Industries Employees' Group Gratuity Assurance Scheme
   Clear Plastics Employees' Gratuity Trust

   Mipak Polymers Ltd Employees' Group Gratuity Assurance Scheme

2. **Related Party Transactions**

(₹ in lakhs)

Particulars	Holding Company		Fellow subsidiaries		Key Management Person & Relatives of Key Managerial Persons		Entities over which KMP along with Relatives exercise significant influence		Post Employee Benefit Plan Entities	
	20-21	19-20	**20-21**	19-20	**20-21**	19-20	**20-21**	19-20	**20-21**	19-20
Sale of Goods	**-**	-	**-**	0.03	**-**	-	**32,243.62**	29,657.39	**-**	-
Remuneration	**-**	-	**-**	-	***77.37**	125.88	**-**	-	**-**	-
Retiral benefits (Long Term)	**-**	-	**-**	-	**3.37**	1.55	**-**	-	**-**	-
Retiral benefits (Short Term)	**-**	-	**-**	-	**2.92**	(0.37)	**-**	-	**-**	-
Sitting Fees	**-**	-	**-**	-	**1.55**	2.80	**-**	-	**-**	-
Commission	**-**	-	**-**	-	**-**	1.10	**-**	-	**-**	-
Reimbursement of Expenses	**-**	-	**-**	-	**-**	4.36	**-**	-	**-**	-
Dividend on Preference Shares	**185.01**	194.05	**6.83**	7.16	**-**	-	**-**	-	**-**	-
Preference Shares Redeemed Partially	**1,437.43**	-	**53.05**	-	**-**	-	**-**	-	**-**	-
Preference Dividend paid	**314.39**	194.05	**11.60**	7.16	**-**	-	**-**	-	**-**	-
Contributions made to Fund			**-**	-	**-**	-	**-**	-	**1.00**	-
Outstanding										
Receivables	**-**	-	**-**	-	**-**	-	**805.01**	176.50	**-**	-
Payables										
Bonus Payable	**-**	-	**-**	-	**6.28**	6.28	**-**	-	**-**	-
Preference Dividend Payable	**64.68**	194.05	**2.39**	7.16	**-**	-	**-**	-	**-**	-
Preference Share due for Redemption	**718.71**		**26.53**							
Commission Payable	**-**	-	**-**	-	**0.90**	-	**-**	-	**-**	-
Contribution Payable to Fund	**-**	-	**-**	-	**-**	-	**-**	-	**264.59**	**178.50**

*On request of Mr. Malav Dani, the Nomination and Remuneration Committee had approved drawing salary of Re.1 p.a only during the pandemic situation.

Note 46 : Approval of financial statements

The financial statements are approved for issue by the Board of Directors in their meeting dated May 21, 2021.

Note 47 : Other Notes

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

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

Roshni R. Marfatia
Partner
M.No. 106548

Mumbai, May 21, 2021

For and on behalf of the Board of Directors
Hitech Corporation Limited
CIN: L28992MH1991PLC168235

Ashwin S. Dani
Chairman
DIN:00009126

Malav A. Dani
Managing Director
DIN:01184336

Avan R. Chaina
Chief Financial Officer

Namita R. Tiwari
Company Secretary

Mumbai, May 21, 2021